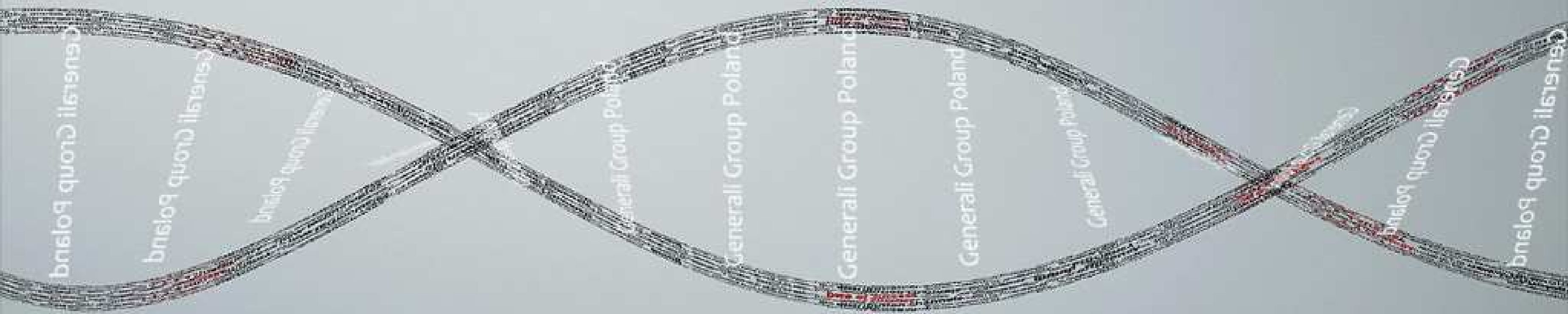


# Generali Group Poland



○ Generali Group Poland

○ Selected items of management reports of Generali T.U. S.A. and Generali Życie T.U. S.A.

○ Selected items of financial statement of Generali T.U. S.A.

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○ Selected items of management report of Generali Powszechne Towarzystwo Emerytalne S.A.

**GENERALI**



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

Dear All,

It is with great pleasure that I present you with Generali Poland Group Annual Report for the year 2012, which proved very successful for the Group's activity in Poland. Last year brought along another momentous accomplishment – we exceeded the threshold of 2 bln PLN in premium written; the result which spreads in a very balanced way between the life and non-life business.

Such good result was achieved alongside simultaneous efforts aiming at improvement of profitability, product quality and client service. An almost 10% increase in premium written was accomplished despite difficult macroeconomic conditions which negatively impacted the technical result in life and non-life insurance business.

The year 2012 was an extraordinary year, since we completed works on the new 5-year business strategy of the Group in Poland, which will signify a completely new development vision for Generali. The previous year was also marked by the company's dynamic expansion in the Group's key business lines and strategic distribution channels. We closed it with the premium written result amounting to 2.014,6 mln PLN, against 1.852,7 mln PLN in 2011. The Group's consolidated profit, calculated in accordance with the International Accounting Standards amounted to 80,4 mln against 82,5 mln PLN achieved a year ago.



**Artur Olech**

Prezes Zarządu Grupy Generali w Polsce

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

In 2012, Generali T.U S.A. collected 1.056,0 mln PLN in gross premium written. i.e. by almost 10% more than a year ago. Consequently the company recorded a growth rate which was faster than the whole of this market segment in Poland (+3,9%) –according to figures for the whole of 2012. This result is to be attributed to very positive sales results in our own network, as well as in multiagent and broker channels.

Last year Generali T.U S.A. improved both the profitability of its motor insurance line, as well as the sales in this market segment. Premium written in the field of motor insurance recorded a year-on-year growth of almost 10,5% amounting to 621,7 mln PLN. A particularly satisfactory growth of as much as 7.7% was noted in autocasco sales results, a result which was achieved despite the drop in premium written (-2,4%) in this market segment.

Despite the economic slowdown and the decline of sales dynamics on the market of non-motor insurance, Generali maintained the portfolio structure on a stable level, achieving aggregate non-motor insurance sales on the level of 434,3 mln PLN (8,9% increase in comparison to the year 2011.)

The most dynamically growing business line of the company was flat insurance as well as products for SME (+19,6%). This was possible due to focusing on dynamic portfolio expansion achieved through enhancement of cross-selling activities

At the end of 2012, the gross written premium of Generali Życie S.A. grew by 7,5 % amounting to 958,6 mln PLN, against 891,1 mln PLN in the year 2011. This is the result of Generali's strategy which provides for concentration on the regular premium product segment. In Generali's opinion, this market segment constitutes the core of strict insurance activities of life insurance carriers. As a result, gross premium written in life insurance regular premium product segment increased in Generali to 649,4 mln PLN, i.e by as much as 15% in comparison to the year 2011.



**Artur Olech**

Prezes Zarządu Grupy Generali w Polsce

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

Such good result in life insurance field was influenced by intense works aiming at expansion of the scope of coverage, enhancement of product functionality and quality of service in order to meet the constantly growing client expectations. That is why in 2012 Generali Group conducted intense works aiming at implementation of new IT solutions in this field, particularly concerning the new GLAS 3.0 system supporting sales and administration of life insurance policies which, thanks to its partial automation, significantly speeds up the process of issuing policies for a wide array of products, and the information-transaction based system for life insurance clients – Client Account, which provides clients with access to policy data and makes it possible to allocate assets round the clock, even with the use of mobile devices. In next steps, the account will be continuously enhanced to include the remaining product lines, to ultimately enable the Client to manage also non-life policies within the same portal while being able to view premiums contributed to the pension fund.

Another result which is worthy of notice is the high increase in bancassurance channel, which exceeds 11% and results from constant efforts at tightening cooperation with banking partners.

At the end of 2012 Generali OFE managed 1 006,3 thousands active pension accounts, which is 13% more in comparison to the last year, while the growth rate for the whole pension market indicated 3%. At the end of 2012 Generali PTE managed assets in the amount of 13,53 bln PLN, i.e. 20% more than a year ago.

Both in the year 2012 and in the previous years Generali Group in Poland accomplished immense work and proved, on the number of occasions, that its growth rate exceeds market trends, while the company is able to maintain high dynamics and profitability. We created a multi-channel distribution network of our products and accomplished a multiple increase in our market share. At the same time, both the insurance market and the whole world experienced many crucial changes. That is why in the year 2012 we worked out a new strategy, in which we aim to take advantage of our strongest points, using our business knowledge and expanding into new areas of activity.



**Artur Olech**

Prezes Zarządu Grupy Generali w Polsce

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

The new strategy provides for material enhancement of all key parameters of the company's functioning on the Polish market, starting with increase of sales, through identification of market opportunities available thanks to new technologies and new market conditions, to enhancement of profitability and increase in the market share. We want to put new technologies to a wise use, strengthen our distribution channels so that they can provide more efficient service to our clients, who constitute the focal point of all our key projects launched provided for by the new 1\_2\_3\_4 Strategy.

The new strategy of Generali Group Poland provides for:

- 1\_ very dynamic pace of business growth
- 2\_ doubling of market share
- 3\_ several-fold increase of premium written
- 4\_ further multiplication of profitability

1\_2\_3\_4 Strategy stands for a new vision of development and activity. We want to be the first choice insurer for our clients while achieving the status of one of the insurance leaders on the Polish market. Generali wants to provide durable value and develop faster than the market.

Success in this ventures will be accompanied by specific commitments, such as creation of simple and efficient service standards to be accomplished with a wise use of new technologies

The new business philosophy focuses also on the company's employees and the conviction that thanks to the established corporate culture they choose to be employed by Generali in the spirit of pursuit of perfection in their profession while maintaining work-life balance.



**Artur Olech**

Prezes Zarządu Grupy Generali w Polsce

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

The assumptions of Strategy 1\_2\_3\_4 are supported by 8 strategic directions, which will define Generali's activities in Poland over the next 5 years

- **Profitability** – optimization of technical result. Further diversification of product portfolio structure.
- **Distribution** – Making use of the potential offered by tied agent network as well as external partners. Establishment of new distribution channels.
- **Client** – Enhancement of Client satisfaction through among others new sales approach, which will take into account all client needs. Creation of a single Client Account, simplicity and accessibility via multiple channels.
- **Technology** – Wise use of new technologies will constitute Generali's competitive advantage. Fully electronic sales process.
- **Efficiency** – New technologies and changes in old habits in the organization. Optimization and automation of the processes.
- **Products** – Simplification of products. User-friendly and comprehensible sales process.
- **Brand** – Using the strength of Generali brand, anchored in almost 200 years of tradition.
- **Employees** – Generali is strong with its organizational culture, characterized by open communication and a spirit of entrepreneurship. It is a culture which ensures participation in the decision making process, while offering a work-life balance.

Starting with the first days of the current year we have been actively carrying out the principles of the new 1\_2\_3\_4 Strategy. In the coming months and years, we will make use of Generali Group global expertise and act prudently and methodically to create the company's worth. We strive to pursue opportunities and business ideas which will serve to speed up our expansion and to provide better service to our clients while delivering continuously growing value to all our stakeholders – beginning with clients, through employees and business partners to our shareholders.

With kind regards,

**Artur Olech**

CEO of Generali Group Poland



**Artur Olech**

Prezes Zarządu Grupy Generali w Polsce

## Company profiles

**Spółka:** **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

○ Generali Group Poland

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## Company profiles

Selected financial data: (Thousands PLN)

|                          | 2008    | 2009    | 2010      | 2011      | 2012      |
|--------------------------|---------|---------|-----------|-----------|-----------|
| Gross written premium    | 600 138 | 730 512 | 749 978   | 961 621   | 1 056 010 |
| Net written premium      | 537 526 | 561 202 | 603 749   | 388 814   | 535 202   |
| Gross technical reserves | 683 341 | 865 978 | 1 013 892 | 1 192 095 | 1 387 555 |
| Net technical reserves   | 623 696 | 710 374 | 810 678   | 632 130   | 703 312   |
| Investments              | 719 411 | 813 721 | 903 813   | 1 066 384 | 1 369 950 |
| Share capital            | 190 310 | 190 310 | 190 310   | 190 310   | 190 310   |
| Number of employees      | 510     | 588     | 638       | 711       | 769       |

\* Provisions include estimated subrogation



## Company profiles

**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 r**

**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

## Company profiles

Selected financial data: (Thousands PLN)

|                          | 2008      | 2009      | 2010      | 2011      | 2012      |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Gross written premium    | 792 027   | 1 209 428 | 990 566   | 891 116   | 958 604   |
| Net written premium      | 779 321   | 1 191 354 | 963 530   | 860 148   | 926 361   |
| Gross technical reserves | 1 086 907 | 1 897 344 | 1 816 261 | 1 826 355 | 2 223 591 |
| Net technical reserves   | 1 083 137 | 1 889 817 | 1 807 948 | 1 819 069 | 2 217 495 |
| Investments              | 1 110 863 | 1 883 614 | 1 804 780 | 1 823 046 | 2 236 167 |
| Share capital            | 61 000    | 61 000    | 61 000    | 61 000    | 61 000    |
| Number of employees      | 279       | 292       | 337       | 373       | 401       |

## Company profiles

**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

 Generali Group Poland

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Generali Powszechne Towarzystwo Emerytalne S.A.

## Company profiles

Selected financial data: (Thousands PLN)

|                         | 2008      | 2009      | 2010       | 2011       | 2012       |
|-------------------------|-----------|-----------|------------|------------|------------|
| Assets under management | 5 476 018 | 7 724 894 | 10 425 965 | 11 270 000 | 13 529 072 |
| Sales revenues          | 72 324    | 92 215    | 94 801     | 92 215     | 86 941     |
| Net profit              | 20 022    | 24 190    | 40 702     | 24 190     | 25 374     |
| Share capital           | 145 500   | 145 500   | 145 500    | 145 500    | 145 500    |
| Number of employees     | 170       | 187       | 225        | 247        | 63         |

○ 1837

First Generali units on the Polish soil are established.

○ 1925

Generali obtains authorization to conduct operations on the whole territory of Poland.

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”.

○ 1925-1939

○ 1948

All private and foreign insurance companies, including Generali are divested of their right to operate in Poland.

○ 1998

Generali returns to Poland as Generali - Risk Consulting Sp. z o.o.

○ July 5th, 1999

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.

○ March 26th, 2002

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.

○ November 6th, 2002

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.



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**April 11th,  
2003**

Zurich Powszechne Towarzystwo Emerytalne S.A. changes its name to Generali Powszechne Towarzystwo Emerytalne S.A.

A change of name of the fund from Zurich Otwarty Fundusz Emerytalny to Generali Otwarty Fundusz Emerytalny.

**May 8th, 2003**

**January  
2004**

Completion of the merger of Generali and Zurich insurance companies in both life and non-life segments.

Generali appoints Generali AutoProgram Sp. z o. o. (GAP).- a company dedicated to provide insurance services to car dealers.

**January the 1st, 2006**

**December 2006**

Generali Group Poland is made up of the following companies:

- Generali Towarzystwo Ubezpieczeń S.A.
- Generali Życie Towarzystwo Ubezpieczeń S.A.
- Generali Powszechne Towarzystwo Emerytalne S.A.
- Generali Finance Sp. z o. o.
- Generali AutoProgram Sp. z o. o.

Andrzej Jarczyk assumes the position of Chief Executive Officer of Generali in Poland.

**November 2007**

**January 2008**

Generali PPF Holding is finally established.

The Headquarters of Generali companies is relocated.

**May 2008**

Direct sales channel kicks off.

**May 2008**

**September  
2008**

For the first time in history, gross written premium exceeds the threshold of 1 billion PLN.



**Generali Group Poland**

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Top performance year for Generali Group Poland in its 10-year history. Acquisition of 1.392,1 mln PLN in premium written.

**December 2008**

**January 2009**

A new corporate Generali Group website is made accessible at [www.generali.pl](http://www.generali.pl).

For the second time running, Generali OFE emerges as the winner of the prestigious ranking organized by Rzeczpospolita daily.

**April 2009**

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.

**June 2009**

**October 2009**

For the third time running, Generali OFE is granted the first prize in a prestigious comparison prepared by Rzeczpospolita daily.

Generali is granted the „Fair Play” award of the brokerage industry.

**May 2010**

Generali PTE at the top of the Best Financial Institution ranking („Rzeczpospolita” 22.06.2010).

**June 2010**

Generali wins the Student Product of the Year award in the category of Student Pension Plan („?Dlaczego” monthly).

**June 2010**

**August 2010**

Generali Direct service is taken to the next level.

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.

**October 2010**

**November 2010**

Artur Olech assumes the position of the Chief Executive Officer of Generali Group in Poland.



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## June 2011

Generali PTE emerges as the winner of Rzeczpospolita ranking for the best financial institution in 2010 in the category of PTE.

Top year in the history of Generali Group operations in Poland. Net consolidated profit of Generali Group amounted to 97,5 mln PLN in 2011 which is nearly 5 times better than in the last year.

## December 2011

## October 2011

GENERALI OFE arrives as second in pension funds ranking according to the value of a hypothetical pension account.

Generali as the winner of X Technological Gala organized by "Gazeta Bankowa". Generali emerges as the winner of the 'IT Leader' contest in 'back office system' category for implementation of Glas 3.0 for life insurance policy administration.

## January 2012

## April 2012

Generali tops the ranking of the best Open Pension Funds organized by "Rzeczpospolita" daily.

Generali honoured by brokers with the Fair Play award for the most cooperative insurance carrier.

## May 2012

Generali among the Most Wanted Employers according to the results of Antal International survey.

## November 2012

## July 2012

Generali Open Pension Fund acquired its millionth Client.

## November 2012

**Generali Poland Group presented its new 1\_2\_3\_4 strategy for the coming 5 years.**

Within 5 years Generali will strive to become one of the most dynamically growing insurance companies, with focus on generating business value and growth. The new strategy provides for a significant improvement of all key parameters of the company's functioning on the Polish market related to the new technologies and new economic conditions, including also enhancement of profitability and market share.

## February 2013

Generali implemented a new information-transaction based system for Clients – the new Client Account.



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## Product offer

### 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– option M1
7. Child Savings Plan
8. Consistent Pension-Investment Plan
9. Family Running Costs Provision Plan
10. Life insurance with insurance capital funds Generali Beneficio with single premium.
11. Life insurance with insurance capital funds Generali Beneficio with regular premium
12. Life insurance with insurance capital funds Generali OmniProfit with single premium
13. Life insurance with insurance capital funds OVB Future Invest
14. Life insurance with insurance capital funds Generali Prospero with regular premium.
15. Term annuity life insurance
16. Life insurance with insurance capital fund IKE
17. Life insurance with insurance capital fund IKE BRE
18. Life insurance with insurance capital funds LEOLIFE (new)

## Product offer

19. Life insurance with insurance capital funds LEOLIFE (transferred)
20. Life insurance with insurance capital funds db Invest in Your Future- Save Actively
21. Life insurance with insurance capital funds Generali „Insurance with future” with regular premium
22. Life and health insurance –investment security
23. Term life insurance ‘db Parasol Bezpieczeństwa’ (Safety Net)
24. Term life insurance package’ Będziesz Bezpieczny” (You will be safe)
25. Life insurance with insurance capital funds db Emerytura – Start (Pension –Start)
26. Life insurance with insurance capital funds Generali “Ubezpieczenia z przyszłością – Firma” (Insurance with Future perspectives – Company) with regular premium, for Alior Bank clients who own an investment account.
27. Generali Pro Familia – new product available since 1.09.2012
28. Additional contract for IKE
29. Additional contract for IKZE
30. Life insurance with insurance capital funds “ Mój Plan Finansowy” (My Financial Plan)
31. Term Life insurance package “Pakiet Mocno Bezpieczny” (A Strongly Secure Package)
32. Life insurance with insurance capital funds Indywidualny Plan Finansowy Idea (Idea – Individual Financial Plan)

## Product offer

### Non-life insurance

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

### Bodily injury insurance

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

## Product offer

### 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. Cross-border insurance
9. AutoGlass Insurance
10. Luggage inside the vehicle insurance

## Product offer

### 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)

#### Property 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

## Product offer

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)

## Product offer

### 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 31st, 2011)
5. Foreign Travel Insurance
6. Group Sport Insurance
7. Group Personal Accident Insurance

## Product offer

### 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. Cross-border insurance
9. AutoGlass Insurance

### Generali Powszechne Towarzystwo Emerytalne S.A.

Membership in Generali OFE

Membership within IKE and IKZE



## SUPERVISORY BOARD'S REPORTS



**GENERALI**  
Ubezpieczenia

Warszawa, dnia 15 kwietnia 2013 r.

### Uchwała nr 2

Rada Nadzorcza Generali Towarzystwo Ubezpieczeń Spółka Akcyjna  
z siedzibą w Warszawie 02-676, ul. Postępu 15B,  
na posiedzeniu w dniu 15 kwietnia 2013 r., w składzie:

Pani Klára Starková - Przewodnicząca Rady Nadzorczej – przez videokonferencję  
Pani Luisa Coloni - Wiceprzewodnicząca Rady Nadzorczej – przez videokonferencję  
Pan Libor Mašíček - Członek Rady Nadzorczej – przez videokonferencję

podjęła jednogłośnie uchwałę o następującej treści:

1. Rada Nadzorcza Generali Towarzystwo Ubezpieczeń Spółka Akcyjna niniejszym zatwierdza Sprawozdanie finansowe Generali Towarzystwo Ubezpieczeń S.A. za rok obrotowy 2012 (patrz załącznik).
2. Niniejsza uchwała wchodzi w życie z dniem jej podjęcia.

Niniejsza uchwała została sporządzona jednocześnie w języku polskim i angielskim. W razie wątpliwości interpretacyjnych rozstrzygająca jest polska wersja językowa.

## SUPERVISORY BOARD'S REPORTS

Warsaw, April 15, 2013.

### Resolution No 2

The Supervisory Board of Generali Towarzystwo Ubezpieczeń Spółka Akcyjna with seat in Warsaw, 02-676, Postępu 15B Street, during the meeting on April 15, 2013, in the composition:

Mrs. Klára Starková - Chairman of the Supervisory Board – via videoconference  
Mrs. Luisa Coloni - Vice-Chairman of the Supervisory Board – via videoconference  
Mr. Libor Mašíček - Member of the Supervisory Board – via videoconference

passed unanimously the following resolution:

1. The Supervisory Board of Generali Towarzystwo Ubezpieczeń Spółka Akcyjna hereby approves the Financial Statement of Generali Towarzystwo Ubezpieczeń S.A. for the financial year 2012 (see attachment).
2. This resolution enters into force on the day of its adoption.

This resolution was prepared in two language versions Polish and English. In case of interpretative doubts the Polish language version shall prevail.

Mrs. Klára Starková

Mrs. Luisa Coloni

Mr. Libor Mašíček

## SUPERVISORY BOARD'S REPORTS



Warszawa, dnia 15 kwietnia 2013 r.

### Uchwała nr 2

Rada Nadzorcza Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna  
z siedzibą w Warszawie 02-676, ul. Postępu 15B,  
na posiedzeniu w dniu 15 kwietnia 2013 r., w składzie:

Pani Klára Starková - Przewodnicząca Rady Nadzorczej – przez videokonferencję  
Pani Luisa Coloni - Wiceprzewodnicząca Rady Nadzorczej – przez videokonferencję  
Pan Libor Mašíček - Członek Rady Nadzorczej – przez videokonferencję

podjęła jednogłośnie uchwałę o następującej treści:

1. Rada Nadzorcza Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna niniejszym zatwierdza Sprawozdanie finansowe Generali Życie Towarzystwo Ubezpieczeń S.A. za rok obrotowy 2012 (patrz załącznik).
2. Niniejsza uchwała wchodzi w życie z dniem jej podjęcia.

Niniejsza uchwała została sporządzona jednocześnie w języku polskim i angielskim. W razie wątpliwości interpretacyjnych rozstrzygająca jest polska wersja językowa.

## SUPERVISORY BOARD'S REPORTS

Warsaw, April 15, 2013.

### Resolution No 2

The Supervisory Board of Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna with seat in Warsaw, 02-676, Postępu 15B Street, during the meeting on April 15, 2013, in the composition:

Mrs. Klára Starková - Chairman of the Supervisory Board – via videoconference  
Mrs. Luisa Coloni - Vice-Chairman of the Supervisory Board – via videoconference  
Mr. Libor Mašíček - Member of the Supervisory Board – via videoconference

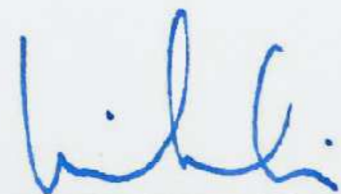
passed unanimously the following resolution:

1. The Supervisory Board of Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna hereby approves the Financial Statement of Generali Życie Towarzystwo Ubezpieczeń S.A. for the financial year 2012 (see attachment).
2. This resolution enters into force on the day of its adoption.

This resolution was prepared in two language versions Polish and English. In case of interpretative doubts the Polish language version shall prevail.



Mrs. Klára Starková



Mrs. Luisa Coloni



Mr. Libor Mašíček



## SUPERVISORY BOARD'S REPORTS



Warszawa, 27 marca 2013 r.

### Uchwała nr 4

Rada Nadzorcza Generali Powszechne Towarzystwo Emerytalne Spółka Akcyjna  
z siedzibą w Warszawie 02-676, ul. Postępu 15B,  
na posiedzeniu w dniu 27 marca 2013 roku, w składzie:

Pani Luisa Coloni – Przewodnicząca Rady Nadzorczej  
Pan Jiří Straka – Wiceprzewodniczący Rady Nadzorczej  
Pan Karol Lutkowski - Członek Rady Nadzorczej

podjęła jednogłośnie uchwałę o następującej treści:

1. Rada Nadzorcza Generali Powszechne Towarzystwo Emerytalne Spółka Akcyjna niniejszym zatwierdza Sprawozdanie finansowe Generali Powszechne Towarzystwo Emerytalne S.A. za rok obrotowy 2012 (patrz załącznik).
2. Niniejsza uchwała wchodzi w życie z dniem jej podjęcia.

Niniejsza uchwała została sporządzona jednocześnie w języku polskim i angielskim. W razie wątpliwości interpretacyjnych rozstrzygająca jest polska wersja językowa.

## SUPERVISORY BOARD'S REPORTS

Warsaw, March 27, 2013.

### Resolution No 4

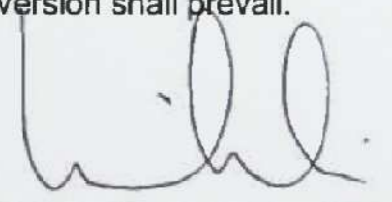
The Supervisory Board of Generali Powszechne Towarzystwo Emerytalne Spółka Akcyjna with seat in Warsaw, 02-676, Postępu 15B Street, during the meeting on March 27, 2013, in the composition:

Mrs. Luisa Coloni - Chairman of the Supervisory Board  
Mr. Jiří Straka – Vice-Chairman of the Supervisory Board  
Mr. Karol Lutkowski - Member of the Supervisory Board

passed unanimously the following resolution:

1. The Supervisory Board of Generali Powszechne Towarzystwo Emerytalne Spółka Akcyjna hereby approves the Financial Statement of Generali Powszechne Towarzystwo Emerytalne S.A. for the financial year 2012 (see attachment).
2. This resolution enters into force on the day of its adoption.

This resolution was prepared in two language versions Polish and English. In case of interpretative doubts the Polish language version shall prevail.



Mrs. Luisa Coloni

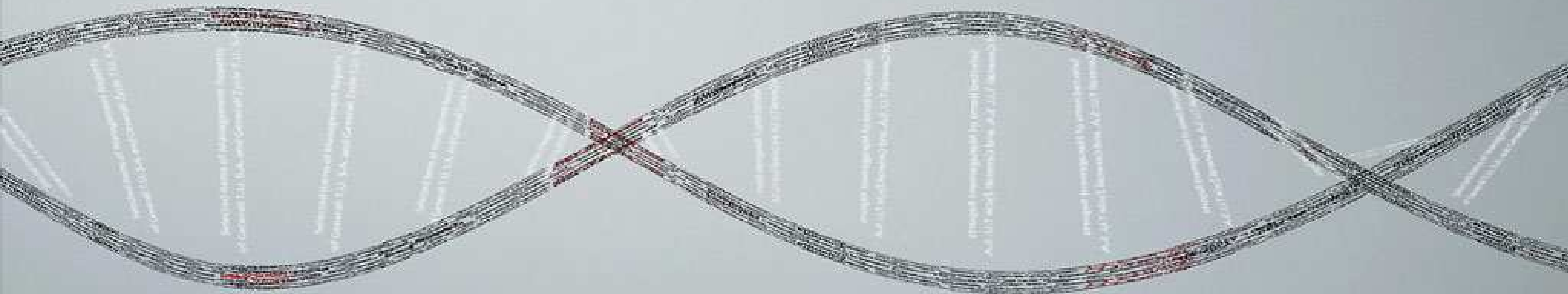


Mr. Jiří Straka



Mr. Karol Lutkowski

# Selected items of Management Report of Generali T.U. S.A. and Generali Życie T.U. S.A.



○ Generali Group Poland

○ Selected items of management reports of Generali T.U. S.A. and Generali Życie T.U. S.A.

○ Selected items of financial statement of Generali T.U. S.A.

○ Selected items of financial statement of Generali Życie T.U. S.A.

○ Selected items of management report of Generali Powszechne Towarzystwo Emerytalne S.A.

**GENERALI**



## Generali Towarzystwo Ubezpieczeń S.A.

### Report on the Company's activities for year ended 31 December 2012

Pursuant to the Accounting Act of 29 September 1994 (Journal of Laws No. 2009.152.1223) and the Ordinance of the Minister of Finance of 28 December 2009 on detailed accounting principles for insurance companies (Journal of Laws No. 2009.226.1825, with subsequent amendments), the Directors are obliged to prepare annual financial statements and attach a report on the Company's activities, including important information about the Company's assets and financial position, as well as the evaluation of consequences and the description of risks and threats, thereto.

**Artur Olech**  
Chairman of the Board

**Magdalena Nawłoka**  
Member of the Board

**Antoni Brański**  
Member of the Board

**Krzysztof Wiecha**  
Member of the Board

**Martin Vrba**  
Member of the Board

Warsaw, 13 March 2013





## 1. Key events having a significant impact on the Company's activities in the financial year 2012 and after the balance-sheet date

### The dynamic development of the insurance portfolio

2012 was another year when Generali TU S.A. developed dynamically. Comparing to 2011, the premium written of Generali TU S.A. ("Company") grew 9.8% mainly as a result of the dynamically increasing sale of motor insurances (+10.5%: Groups 3 and 10) and products for corporate customers (+11.8%). The high rate of growth of premium written was recorded for insurances from group 3: +7.7%, while in the third quarter of 2012, the market recorded the drop of premium in group 3 by -0.7%. The rate of growth in group 10 was also much higher than the market rate of growth (+12.5% in comparison to 5.8% of the market growth in group 10).

Thanks to its better result than the property insurance market, which grew 4.2% (Q3 2012 to Q3 2011), Generali TU S.A. increased its share in the property insurance market by 0.3 p.p. to 4.1% and achieved the eighth position among insurers.

In 2012, the Company continued its sustainable development strategy by developing cooperation with all its existing distribution channels. The Company recorded further growth of its exclusive network (premium written grew 6% in comparison to 2011) and multiagency network (+14% in comparison to 2011). As a result of cooperation with car dealers, which was launched in 2006, premium written in this field grew 2% in 2012 comparison to the previous year.

In 2012, technical result was PLN -2.8 million, which means that it worsened in relation to the previous year's result of PLN 0.2 million. Result worsening was caused by the establishment of a provision to compensate for a claims ratio of PLN 5 million, while in 2011 the Company released the provision of PLN 18.8 million, which substantially improved the technical result. The technical result of property and personal insurance, excluding a change in the provision established to compensate for the claims ratio, improved significantly and was PLN 2.1 million in 2012 in comparison to PLN -18.6 million in 2011.

### Purchase of shares of a subordinate

In 2012, the Company bought 100% shares of Generali Finance Sp. z o.o. from Generali Powszechne Towarzystwo Emerytalne S.A. at PLN 83.2 million.

In September 2012, based on an agreement between Generali Finance Sp. z o.o. and Generali T.U. S.A., a procedure aiming at the voluntary redemption of a part of shares of Generali Finance Sp. z o.o. was started. It covered 13 640 own shares of the nominal value of 6.8 million in total. The value of the transaction was PLN 26,0 million. A share buying price was defined on the basis of valuation prepared by an independent expert.

### Capital structure optimisation

On 15.05.2012, the General Meeting was held and Shareholders adopted a resolution on the coverage of the Company's loss of previous years. They resolved that loss would be covered:

- PLN 32.9 million from the profit of 2012,
- PLN 76,0 million from the supplementary capital,
- PLN 3.2 million from the reserve.

### Modification of terms and conditions of reinsurance contracts

In 2012, the Company renegotiated terms and conditions of a reinsurance contract to streamline its cash flows and maintain bigger coherence between reinsurance flows and premium/loss flows from the portfolio of insurances subject to assignment, at the same time. As a result of the changes, in 2012 there was an increase in the carrying value of reinsurance deposits by PLN 76,7 million.

During the year 2012 on the balance-sheet date, the company did not buy any own shares.

After the balance-sheet date, no material events that would have a significant impact on the Company's position took place.

## 2. Financial situation

In 2012, the Company's balance-sheet total grew PLN 283,6 million to PLN 1 807,9 million mainly as a result of the growth of the value of financial deposits, including both the Company's exposure in its subordinates (growth by over PLN 119 million), as well as other financial deposits (growth by over PLN 184 million). At the side of equity and liabilities, gross technical and insurance provisions grew approximately PLN 197,0 million and net technical and insurance provisions grew approximately PLN 72,1 million.

In 2012, Generali TU SA's gross premium written amounted PLN 1 056,0 million in total. Motor insurance had the biggest share in the Company's portfolio (around 58,9%). The second biggest portfolio comprises corporate insurances (28%).

Comparing to premium collected in 2011, the rate of growth was positive for most product lines. The biggest growth in absolute amounts was recorded for motor insurances, which grew around PLN 58,9 million. The second biggest group comprised corporate insurances, which grew around PLN 31,0 million.

In 2012, the technical result worsened (the loss of PLN 2.8 million in comparison to the profit of PLN 0.2 million in 2011), which resulted from the establishment of the provision of PLN 5 million to compensate for the claims ratio. While in 2011, the provision of PLN 18.8 million to compensate the claims ratio was released. The technical result, excluding the above provision, improved by PLN 20.7 million, which means that the profitability ratio of technical activities improved by 4.5 p.p. (the ratio of the technical result excluding equalisation provision to net earned premium). In 2011, drop in the claims ratio decidedly contributed to the better technical result excluding the provision established to compensate for the claims ratio. In 2012, the gross claims ratio was 63.2% and in 2011 65.6% (net claims ratio was 65.1% in 2012 in comparison to 71.2% in 2011; the calculation takes into account the commencement of a new reinsurance programme in 2011 and the impact of an entrance portfolio, which influenced other technical expenses net of reinsurance, as well as a change in claims provisions including the reinsurers' share).

The significant improvement in the result by PLN 20.7 million comprised corporate insurances (PLN +16.2 million for groups 8, 9, 13 and class 5) and motor insurances (PLN +5 million for group 10). In spite of the improvement, the result of group 10 remained at PLN -15.1 million. The technical result of group 1 worsened, which was connected with the termination of cooperation with one of key partners in the banking channel. The technical result of group 15 (insurance guarantees) worsened due to difficult situation in the construction industry and a need to establish additional provisions.

In 2012, the relation of insurance operating expenses to gross premium earned was 27.1%, which means increase in comparison to the same relation of 2011 (26.6%). The growth resulted from the Company's taking over loss adjustment services, which were mostly provided by its subordinate till November 2011.

### The influence of the reinsurance on the Company's result

In 2012, the Company continued the reinsurance programs in a similar way as in 2011.

The insurance portfolio is protected by the proportional and unproportional reinsurance agreements.

In 2012, the result on the reinsurance was PLN -83,1 million in comparison to the result of PLN -77,6 million, in 2011.

The improvement in the profitability of investment activities (excluding income from investments in subordinates)

In 2012, the result on investments was amounted to PLN 48,8 million (profitability ratio at 5,1%) in comparison to the result of PLN 42,1 million in previous year.

In 2012, the main impact on the result on investments has the positive situation on the financial market, particularly an increase in share prices and increase in market quotation of debt securities.

Revaluation capital, excluding subordinates increased from PLN 42,1 million to PLN 129,1 million, in 2012.

## Net financial result

In 2012, Generali T.U. S.A. earned the net profit of PLN 25.7 million in comparison to the net profit of PLN 32.1 in 2011. The Company's net financial result worsened mainly as a result of its worse technical result because of the provision established to compensate for the claims ratio.

The profitability of investment activities (excluding income from investments in subordinates) remains relatively stable in comparison to 2011.

## High safety ratios

The Company still maintains high safety ratios. Its solvency margin is covered in 268,5% with own funds and this relation grew in comparison to the previous year since the Company earned a positive result and its revaluation reserve increased. The ratio reflecting a relation between technical and insurance provisions and assets is also safe since at the end of December 2012 it was 108.8% in comparison to 107.3% in 2011.

Generali T.U. S.A. maintains high safe technical and insurance provisions given, without limitation:

- increase in the frequency of material damages (both liability insurance of motor vehicle owners, as well as motor hull insurance (autocasco)) resulting from, without limitation, the growth of insurance crimes during the crisis;
- increase in personal claims (with regard to liability insurance of motor vehicle owners), in particular pension claims, which directly results from the intensified activity of the claiming agency;
- changes in legislation (e.g. compensation for the death of a close person) and the absence of single interpretation, which result in the permanent deterioration of insurers' position and the growth of risks related to the legal environment of the motor insurance market and the growth of price competition between insurers, at the same time.

## Expected financial situation

The Company expects that it will still develop dynamically and its existing market position will strengthen at the high safety level.

### 3. Expected development of the Company

The Company's major goals for 2013 are as follows:

- further development reflected by the growth of the Company's market share,
- better net financial result in comparison to 2012,
- better profitability of products sold,
- further development of the whole range of distribution channels, intensive development of an own network of agents in connection with further development of cooperation with external channels,
- automation of internal processes.

### 4. Description of risks related to financial instruments

Interest rate risk of investments

This is a risk resulting from the fact that particular assets may react negatively to changes in market interest rates. In the case of the Company, interest rate risk is connected mainly with its debt instruments. Both variable and fixed-interest financial instruments are exposed to the interest rate risk. Fixed-interest financial instruments are exposed to the risk of changes in fair value. At the Company, interest rate risk management aims at reducing the negative impact of changes in interest rates on financial income and the updated value of financial assets through a relevant selection of instruments of variable and fixed interest rates and their diversification in terms of maturity and frequency of coupon volatility.

To estimate the risk of its debt asset portfolio, the Company uses a modified duration ratio, which changes in time and depends on the Investment Department's expectations as to the development of a situation in the market.

The modified duration ratio is as follows:

| Securities                     | Modified duration |
|--------------------------------|-------------------|
| Held-for-trading debt papers   | 0.00              |
| Available-for-sale debt papers | 1.33              |
| Total debt papers              | 1.33              |

As of 31 December 2012 and 31 December 2011, securities bearing a variable interest rate amounted respectively PLN 245 077 379.11 and PLN 188 787 555.97, while securities bearing a fixed interest rate amounted respectively PLN 429 611 221.65 and PLN 415 636 637.54.

Taking into account the structure of the Company's assets, including, in particular, the structure of financial assets and their sensitivity to interest rate changes, the Company's interest risk must be considered low. At the same time, the Company analyses the structure of assets sensitive to interest rate changes on a current basis, which enables it to optimise the risk.

The Company's securities bearing a variable interest rate have a coupon which changes every 1, 3 and 6 months.

## Credit risk of investments

Credit risk results from potential loss resulting from a debtor's inability to pay amounts due to the Company. As regards the Company's financial assets, like cash and cash equivalents, available-for-sale financial assets and receivables, the Company's credit risk results from the counterparty's inability to pay amounts due and the maximum exposure (loss) equals the carrying amount of such assets. Since the Company invests mostly in instruments issued by the State Treasury and cash is invested in banks listed at the stock exchange whose rating is safe and monitored by the Company on a current basis, in the Directors' opinion, the credit risk of financial assets is moderate. The Company's investments in debt instruments of issuers other than the State Treasury are made within legally permissible limits after the analysis of a given issuer's financial situation, which also reduces the risk of such investments.

## The Company's financial risk management goals and methods

The purpose of the Company's investment policy is to maximise its return on investments and maintain a relevant safety of the Company's investments and financial liquidity, at the same time.

Investment portfolio risks are controlled by:

1. adjusting the modified duration ratio adequately to the market position and the Investment Department's expectations as to the debt portfolio;
2. using the system of limits, including credit risk and exposure in a single issuer (or a class of assets in the investment portfolio);
3. hedging foreign currency positions for assets expressed in currencies other than Polish zloty;
4. using the system of limits with regard to the maturity of particular classes of non-Treasury debt instruments;
5. using limits that reduce the size of open positions in foreign currencies;
6. using amount limits with regard to individual transactions.



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

The fact that expected effects are not achieved because of the growth of an unemployment rate and drop in the buying power of the society may have a negative impact on the Company's activity. This may contribute to decrease in the collected gross premium written and worse net financial result, given the Company's investment expenditures.

Another threat is still slow growth of the property and personal insurance market. Comparing to 15 EU member states, in Poland, expenses for insurance per capital are still small. On the one hand, this is a great potential, while on the other hand, slow market development reflects slowly increasing insurance consciousness of the Poles.

Increasing competition (including further popularisation of direct distribution) may result in worsening portfolio profitability.

Important risk factors and threats for the Company's activity also include:

- **the development of personal claims:** dynamically changing practice and judicature in Poland with regard to liability and amount of personal claims (mainly in the case of liability insurance of motor vehicle owners) increase uncertainty as to the final amount of claims paid and generates risks for the rating process;
- **legal changes:** unstable legal regulations both with regard to statutory acts, as well as the interpretation/position of insurance market regulators may result in changes in the value or scope of compensations payable, which were unknown during the calculation of rates, which may have a negative impact on financial results. In the Company's opinion, particularly important threats in the area of regulations are the problem of substitute cars in the case of motor liability insurance and changes in taxes on financial transaction which are considered by the European Union;
- **increased frequency of natural disasters:** storms, hail, flood, may have a negative impact on the Company's results.

## 6. R&D achievements

The Company does not carry out R&D activities.

## 7. Branches

The Company does not have branches within the meaning of the Insurance Activity Act.

# Generali Życie Towarzystwo Ubezpieczeń S.A.

## DIRECTORS' REPORT for the year ended 31 December 2012

In accordance with the provisions of the Accounting Act of 29 September 1994 ("the Act" - consolidated text: Dz.U. of 2009 No. 152 item 1223, with subsequent amendments), the Management Board is obliged to ensure the preparation of the annual financial statements which give a true and fair view of the financial position of the Company at the end of the financial year and its financial results for this period.

**Artur Olech**  
Chairman of the Board

**Magdalena Nawłoka**  
Member of the Board

**Antoni Brański**  
Member of the Board

**Krzysztof Wiecha**  
Member of the Board

**Martin Vrba**  
Member of the Board

Warsaw, 14 March 2013

## 1. Key events in 2012 and post balance sheet key events

The year 2012 was another year of the dynamic growth in the Company's key segments. In the segment of the life insurance with the regular premium, which is the main area of Generali Życie's activity, the Company reported the 15.0% increase in the level of the gross written premium. This result is two-times higher than the growth dynamics of the whole market, according to the last available data published by the Polish Financial Supervision Authority (KNF). The life insurance unit-linked products, including the Employee Pension Schemes and the group employee insurance contracts dominate in the Company's sales offer. The Company successfully makes use of the whole range of the available distribution channels. Exceptionally good results were achieved in the bancassurance channel (+49.1% growth dynamics for the regular premium products), however a decrease in the Financial Advisors channel (-15.7%) was observed. The Company reported a fall in the level of the new sales in the group insurance as compared to 2011, mainly due to the large base produced in 2011 as result of concluding large contracts in the frame of the Employee Pension Scheme.

In 2012 the Company extended its sales offer by introducing new products and actively updating the offer of the available unit-linked funds. The Company also conducted works on of new IT solutions, which were finalised and service facility for customers "Konto Klienta" was realised.

In addition to the positive factors contributing to the growth of the policies portfolio in the year 2012, certain events had taken place with negative impact on the insurance market in Poland, and thus also influencing the position of Generali Życie. Enhanced signs of the decrease in the economic activity, including the fall in the GDP dynamics, the increase of the unemployment rate and the general uncertainty in relation to the economic growth contribute to the decrease in the demand for the new sales of the individual as well as the group (employment) insurance. Worsening of the economic situation of the individual clients and the companies also contributes to the increase in the levels of the lapse ratios.

In the second half of 2012 in press several publications appeared with respect to the unjust practices occurring in the sales of the life insurance in Poland and the level of the surrender charges in the life unit-linked insurance. In this nation-wide debate participated the Polish Insurance Ombudsman and also Office of Competition and Consumer Protection. Thought the publically raised objections with respect to the sales practices and functioning of this segment of the insurance market did not directly relate to Generali Życie, in the Company's opinion they negatively influenced on the image of the whole business sector, and thus also influenced the behaviour of the Generali Życie clients, which contributed, among other factors, to the increased surrender and paid up ratios and contributed to the unplanned write-off. According to the Company's Management the already commenced debate will result in changes in the life unit linked insurance market, especially in relation to the extent of the sales offer and the rules for distribution. Currently any farther developments in this respect are difficult to predict.

In 2012 and until the date of the financial statements preparation the Company has not acquired any of its own shares.

After the balance sheet date no significant events took place which could materially impact the financial position of the Company.

## 2. Financial situation

### Increase of the balance sheet sum

As compared to the previous year in 2012 the Company recorded an increase of the balance sheet sum by PLN 418.3 million to the level of PLN 2,643.5 million. The decrease of the provisions for the life insurance amounting to PLN 55.7 million and of the level investments amounting to PLN 47.6 million resulted mainly from the maturity of the short term bancassurance life insurance products. The decrease in the provisions for life insurance was compensated by the increase in the provisions for the life insurance when the investment risk is borne by the policyholders in the amount of PLN 460.7 million due to the increase in the written premium and favourable situation on the financial markets.

The other item influencing the balance sheet sum was decrease of the deferred acquisition costs (DAC) and Deferred Insurance Revenue (DIR) due to the introduction of the individual method for their calculation. In order to maintain year to year comparability of the financial data DAC and DIR write-offs were made in the previous year's results and the corresponding data were adjusted accordingly. As result the DAC as at the date of 31.12.2011 was reduced by PLN 43.2 million, and the level of the corresponding DIR was reduced by PLN 32.2 million, from which the amounts of the DAC amounting to PLN 6.7 million and the DIR amounting to PLN 1.5 million corresponded to the year 2011 alone. The remaining amounts related to the previous years.

## Increase of the gross premium written by 7.6%

In 2012 the gross premium written collected by Generali Życie T.U. S.A. increased by 7.6% (from PLN 891.1 million in 2011 to PLN 958.6 million in 2012). The decrease in the single premium of 5.3% (from the level of PLN 326.5 million to PLN 309.2 million) was mainly due to the significant transfer of funds within policies concluded in the frame of the employee pension schemes which took place in 2011. In the area of the insurance policies with regular premium the growth dynamics amounted to the level of 15.0% (an increase by PLN 84.8 million to the level of PLN 649.4 million), which significantly exceeds the market (the regular market premium growth dynamics for 3Q 2012 was ca. 7.5%). This dynamic growth of the regular premium was achieved mainly due to the sales of the individual life insurance policies where the investment risk is borne by the policyholder as well as by the sales of the group employee pension schemes (PPE).

In 2012 the largest share (58.1%) in the gross premium written was generated by the unit-linked life insurance (+7.9% increase as compared to the previous year). The share in the gross premium from the life insurance (gr. 1) decreased to 31.7% (32.1% in 2011.). In comparison with the previous year, the growth of the gross premium written by 10.2% has also been noticed in the group 5, which is mainly due to the increased sales of the group insurance policies often accompanied by the additional riders.

In 2012 the lapse rate in the first policy year was maintained at a level similar to the previous year.

## Improved profitability of investments

In 2012 total investment result amounted to PLN 236.7 million (profitability of 11.7%) in comparison to loss of PLN 109.5 million in previous year. Investment results in 2012 were mainly influenced by favourable situation on the financial markets thus rise in equity price and decrease of the State bonds return rate. This was mainly observed in Unit Linked category, which gained PLN 223.7 million (2011 loss amounting to PLN 122.0 million). For other investments positive result amounted to PLN 12.9 million vs. PLN 12.6 million in 2011.

## Financial performance

Despite the growth of the premium written and the portfolio of the policies as compared to the previous year, in the year of 2012 the Company reported worsening of the technical result by PLN 22.4 million to the level of PLN 18.9 million, mainly due to the increase in the acquisitions costs by PLN 66.4 million (partially offset by the increase in the other technical items by PLN 7.7 million due to the DIR write-off). The increase of the costs is a result of verification of the assumptions used in determining the DAC level for the unit linked products. The modification of the assumptions took place due to the observed deviations from the assumed ratios of paid-ups and surrender for these types of policies. Taking into consideration sales time schedule of these policies as well as the terms stated in the general conditions, the year 2012 was the first one which allows for verification of the assumptions. Following the decrease of the net technical result, the net financial result was also reduced (PLN 10.1 million in 2012 vs. PLN 31.3 million in 2011) accordingly.

## Security Ratios

The Company continues to maintain the solvency ratios at a proper level. The technical reserves coverage by assets for insurance other than life insurance when the investment risk is borne by the policyholder amounted to 127.4% (vs. 117.4% in 2011) while the solvency margin coverage by the own equity was at the level of 201.1% (vs. 228.5% in 2011).

## Expected financial situation

We expect that the Company will achieve increasingly better financial results by further developing its portfolio, increasing its gross premium written, its market share and thus realising growth of the positive financial result of the Company.



### 3. Expected development

In 2012 the Company achieved good results in respect of new customer's acquisition and insurance portfolio growth.

The primary Generali objectives for 2013 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, introduction of modified offer of products corresponding to the current needs of the market, especially increasing their flexibility
- Commencement of activities aimed at maintaining the quality of the existing portfolio and its growth through products offer development.

### 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 time variable and is shaped based on the expectations with regard to the market situation of the Investment Department.

| Category of securities              | Modified duration |
|-------------------------------------|-------------------|
| Debt securities held for trading    | 0.00              |
| Debt securities available for sales | 2.86              |
| Debt securities held to maturity    | 0.79              |
| Total debt securities               | 2.79              |

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.

In 2012 until the balance sheet date the Company has not noticed any significant cash flow disturbances and maintained its financial liquidity.

### Investments credit risk

In the debt part of the portfolio, the Company invests the majority of its 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.

### Company's targets and methods regarding financial risk management

The purpose of the Company investment policy is to maximize 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. adopting 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. adopting system of limits in relation to the maturity of the individual classes of corporate debt securities,
5. adopting system of limits for open foreign currency position,
6. adopting system of limits relating to individual transactions,
7. analysing content of assets vulnerable to changes in interest rates.

## 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 the value of reserves.

Another risk is high concentration of the 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 in the amount of the gross premium written.

Additional factor is the reduction of the portfolio of active policies caused by the negative image of the whole insurance business as result of the nation-wide debate in relation to the level of the surrender fees regarding unit linked life insurance policies.

## 6. Research and development achievements

The Company does not manage any research or development activities.

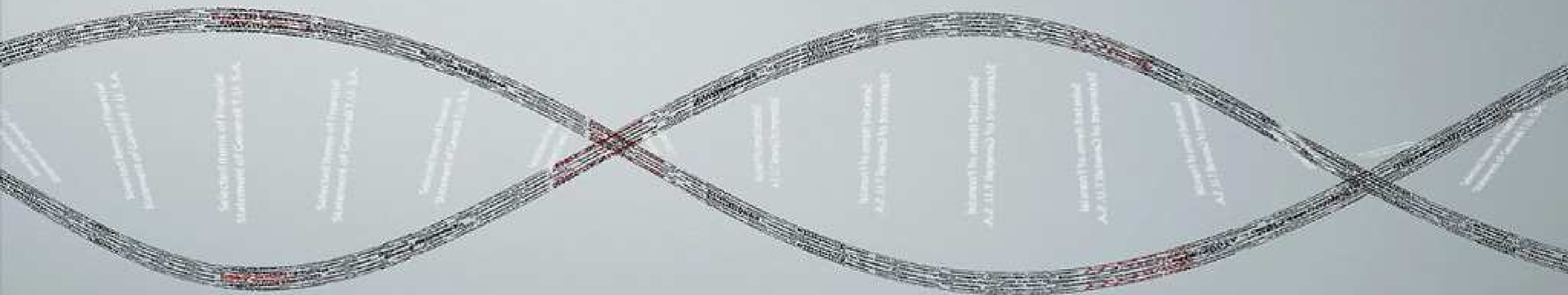
## 7. Branches

The Company does not operate any branches in understanding of the Insurance Activity Act.

## 8. Governance policies for the companies which securities are publicly traded on regulated market within European Economic Area.

The Company's shares are not object of the public trading.

# Selected items of Financial Statement of Generali T.U. S.A.



○ Generali Group Poland

○ Selected items of management reports of Generali T.U. S.A. and Generali Życie T.U. S.A.

○ Selected items of financial statement of Generali T.U. S.A.

○ Selected items of financial statement of Generali Życie T.U. S.A.

○ Selected items of management report of Generali Powszechnie Towarzystwo Emerytalne S.A.

## Selected items of balance sheet

|                                       | As of<br>31 December 2012 | As of<br>31 December 2011 |
|---------------------------------------|---------------------------|---------------------------|
| Total assets                          | <b>1 807 884.77</b>       | 1 524 262.52              |
| including:                            |                           |                           |
| I. Investments in subsidiary entities | <b>330 983.41</b>         | 211 577.35                |
| II. Other ifinancial investments      | <b>1 038 966.84</b>       | 854 806.34                |

|   | As of<br>31 December 2012 | As of<br>31 December 2011 |
|---|---------------------------|---------------------------|
| Total liabilities   | <b>1 807 884.77</b>       | 1 524 262.52              |
| including:  |                           |                           |
| A. Equity   | <b>318 534.02</b>         | 206 070.08                |
| B. Technical provisions   | <b>1 395 730.65</b>       | 1 198 774.95              |
| C. Share of reinsureres in technical reserves<br>(negative value) | <b>687 319.02</b>         | 562 455.43                |

## Selected items of profit and loss account

|   | 12 months until<br>31 December 2012 | 12 months until<br>31 December 2011 |
|---|-------------------------------------|-------------------------------------|
| I. Premium (1-2-3+4)  | <b>515 740.10</b>                   | 458 017.85                          |
| 1.Gross written premium                                     | <b>1 056 010.23</b>                 | 961 620.72                          |
| 2.Share of reinsurers in gross written premium              | <b>520 808.71</b>                   | 572 806.70                          |
| 3.Change in provisions for gross premium and unexpired risk | <b>48 449.99</b>                    | 84 688,10                           |
| 4.Share of insurers in change of provisions for premium     | <b>28 988.58</b>                    | 153 891.94                          |
| II. Indemnities and benefits                                | <b>335 956.62</b>                   | 180 683.39                          |
| III. Costs of insurance operations                          | <b>164 762.52</b>                   | 140 455.45                          |
| IV. Investment revenues                                     | <b>76 846.39</b>                    | 65 348.04                           |
| V. Unrealised gain from investments                         | <b>740.44</b>                       | 10 326.70                           |
| VI. Gross profit (loss)                                     | <b>32 664.61</b>                    | 32 236.43                           |
| VII.Net profit (loss)                                       | <b>25 395.24</b>                    | 32 074.36                           |

|  | 12 months until<br>31 December 2012 | 12 months until<br>31 December 2011 |
|--|-------------------------------------|-------------------------------------|
| Surplus/shortage of own funds to cover solvency margin:                        |                                     |                                     |
| I. Solvency margin   | <b>108 264</b>                      | 108 264                             |
| II. Own funds  | <b>290 334</b>                      | 176 834                             |
| III. Surplus   | <b>182 070</b>                      | 68 570                              |
| Surplus (shortage) of assets used to cover technical and insurance provisions: |                                     |                                     |
| I. Technical provisions  | <b>1 387 555</b>                    | 1 192 095                           |
| II. Assets used to cover technical provisions                                  | <b>1 509 221</b>                    | 1 278 725                           |
| III. Surplus   | <b>121 667</b>                      | 86 630                              |



Selected items of Financial Statement of Generali T.U. S.A.

## Registered Auditor's Opinion



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### OPINIA NIEZALEŻNEGO BIEGŁEGO REWIDENTA O WYBRANYCH DANYCH FINANSOWYCH

**Dla Rady Nadzorczej Generali Towarzystwo Ubezpieczeń S.A.**

Przeprowadziliśmy badanie sprawozdania finansowego za rok zakończony dnia 31 grudnia 2012 roku Generali Towarzystwo Ubezpieczeń S.A. („Spółka”) z siedzibą w Warszawie, ul. Postępu 15B („pełne sprawozdanie finansowe”), na podstawie którego Zarząd Spółki sporządził załączone wybrane dane finansowe przedstawione w publikowanym raporcie rocznym Spółki za rok zakończony dnia 31 grudnia 2012 roku w rozdziale „Wybrane pozycje sprawozdania rocznego Generali T.U. S.A.” („załączone wybrane dane finansowe”). Pełne sprawozdanie finansowe zostało sporządzone zgodnie z zasadami rachunkowości określonymi w ustawie z dnia 29 września 1994 roku o rachunkowości (Dz.U. nr 152 z 2009 roku poz. 1223, z późn. zm. – „ustawa o rachunkowości”) i wydanymi na jej podstawie przepisami oraz na podstawie prawidłowo prowadzonych ksiąg rachunkowych.

Badanie pełnego sprawozdania finansowego, na podstawie którego sporządzono załączone wybrane dane finansowe, przeprowadziliśmy stosownie do obowiązujących w Polsce postanowień rozdziału 7 ustawy o rachunkowości oraz krajowych standardów rewizji finansowej, wydanych przez Krajową Radę Biegłych Rewidentów w Polsce, i w dniu 14 marca 2013 roku wydaliśmy opinię bez zastrzeżeń o tym sprawozdaniu finansowym.

○ Generali Group Poland

○ Selected items of management reports  
of Generali T.U. S.A. and Generali Życie T.U. S.A.

○ Selected items of financial  
statement of Generali T.U. S.A.

○ Selected items of financial  
statement of Generali Życie T.U. S.A.

○ Selected items of management report of  
Generali Powszechne Towarzystwo Emerytalne S.A.

GENERALI





## Registered Auditor's Opinion

Naszym zdaniem załączone wybrane dane finansowe są zgodne, we wszystkich istotnych aspektach, z pełnym sprawozdaniem finansowym, na podstawie którego zostało ono sporządzone.

Dla lepszego zrozumienia sytuacji majątkowej i finansowej Spółki na dzień 31 grudnia 2012 roku oraz jej wyniku finansowego za okres od dnia 1 stycznia 2012 roku do dnia 31 grudnia 2012 roku, jak również zakresu naszego badania, załączone wybrane dane finansowe należy czytać łącznie z pełnym sprawozdaniem finansowym, na podstawie którego zostało ono sporządzone, oraz z opinią niezależnego biegłego rewidenta o tym sprawozdaniu finansowym.

w imieniu  
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nr ewidencyjny 130

Kluczowy Biegły Rewident

Iwona Kozera  
Biegły Rewident  
nr 9528

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Warszawa, dnia 24 maja 2013 roku

ERNST & YOUNG W POLSCE JEST CZŁONKIEM GLOBALNEJ PRAKTYKI ERNST & YOUNG  
Sąd Rejonowy dla m.st. Warszawy w Warszawie, XII Wydział Gospodarczy Krajowego Rejestru Sądowego, KRS: 0000006468  
NIP 526-020-79-76, Kapitał zakładowy: 5 210 500 zł

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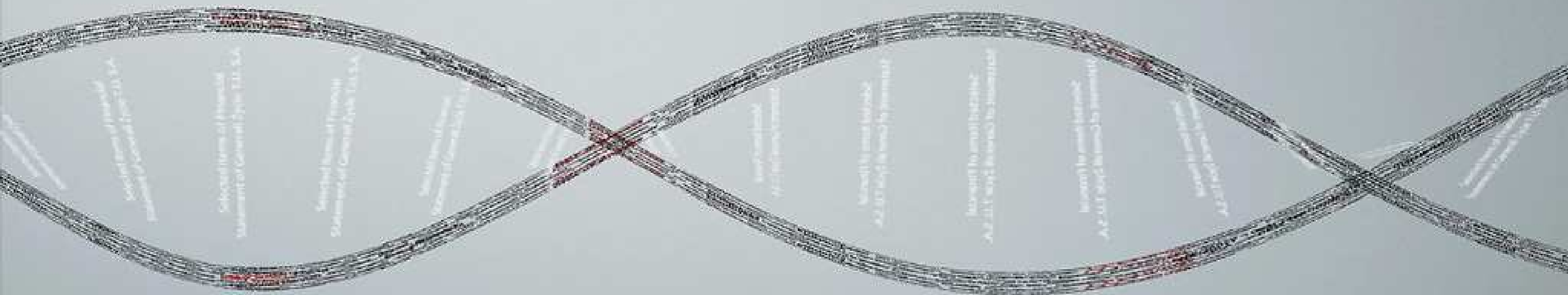
○ Selected items of management report of  
Generali Powszechne Towarzystwo Emerytalne S.A.

**GENERALI**



**Strategia Generali**  
1,2,3,4

# Selected items of Financial Statement of Generali Życie T.U. S.A.



○ Generali Group Poland

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○ Selected items of financial statement of Generali T.U. S.A.

○ Selected items of financial statement of Generali Życie T.U. S.A.

○ Selected items of management report of Generali Powszechnie Towarzystwo Emerytalne S.A.

## Selected items of balance sheet

|   | As of<br>31 December 2012 | As of<br>31 December 2011 |
|---|---------------------------|---------------------------|
| Total assets  | <b>2 643 549.41</b>       | 2 225 255.08              |
| including:  |                           |                           |
| A. Investments  | <b>166 766.87</b>         | 214 373.43                |
| B. Net assets of life insurance with the investment risk with the insurer | <b>2 069 400.17</b>       | 1 608 672.47              |
|   |                           |                           |
|   | As of<br>31 December 2012 | As of<br>31 December 2011 |
| Total liabilities   | <b>2 643 549.41</b>       | 2 225 255.08              |
| including:  |                           |                           |
| A. Equity   | <b>196 831.53</b>         | 182 978.79                |
| B. Technical provisions   | <b>2 223 591.00</b>       | 1 826 355.36              |
| C. Share of reinsurers in technical reserves (negative value)             | <b>6 096.03</b>           | 7 286.34                  |

## Selected items of profit and loss account

|  | 12 months until<br>31 December 2012 | 12 months until<br>31 December 2011 |
|--|-------------------------------------|-------------------------------------|
| I. Premium (1-2-3+4)   | <b>923 705.36</b>                   | 860 450.71                          |
| 1.Gross written premium  | 958 603.64                          | 891 115.99                          |
| 2.Share of reinsurers in gross written premium                 | 32 242.40                           | 30 968.47                           |
| 3.Change in provisions for gross premium and unexpired risk    | 2 669.71                            | -306.07                             |
| 4.Share of insurers in change of provisions for premium        | 13.83                               | -2.88                               |
| II. Revenues from investments                                  | <b>112 151.86</b>                   | 67 964.41                           |
| III. Unrealised investment gains                               | <b>165 759.78</b>                   | 19 864.86                           |
| IV. Indemnities and benefits                                   | <b>569 010.04</b>                   | 599 840.27                          |
| V. Change in other technical provisions,<br>net of reinsurance | <b>405 022.18</b>                   | 10 894.04                           |
| VI. Costs of insurance activity (1+2-3)                        | <b>177 066.63</b>                   | 99 257.32                           |
| VII. Gross profit (loss)                                       | <b>12 220.47</b>                    | 38 893.86                           |
| VIII. Net profit (loss)  | <b>10 098.25</b>                    | 31 275.85                           |

|  | 12 months until<br>31 December 2012 | 12 months until<br>31 December 2011 |
|--|-------------------------------------|-------------------------------------|
| Surplus/shortage of own funds to cover solvency margin:                        |                                     |                                     |
| I. Solvency margin   | 59 536                              | 57 565                              |
| II. Own funds  | 119 701                             | 131 511                             |
| III. Surplus   | 60 165                              | 73 946                              |
| Surplus (shortage) of assets used to cover technical and insurance provisions: |                                     |                                     |
| I. Technical provisions  | 2 223 591                           | 1 826 355                           |
| II. Assets used to cover technical provisions                                  | 2 265 903                           | 1 864 324                           |
| III. Surplus   | 42 312                              | 37 969                              |



Selected items of Financial Statement of Generali Życie T.U. S.A.



## Registered Auditor's Opinion



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### OPINIA NIEZALEŻNEGO BIEGŁEGO REWIDENTA O WYBRANYCH DANYCH FINANSOWYCH

#### Dla Rady Nadzorczej Generali Życie Towarzystwa Ubezpieczeń S.A.

Przeprowadziliśmy badanie sprawozdania finansowego za rok zakończony dnia 31 grudnia 2012 roku Generali Życie Towarzystwa Ubezpieczeń S.A. („Spółka”) z siedzibą w Warszawie, ul. Postępu 15B („pełne sprawozdanie finansowe”), na podstawie którego Zarząd Spółki sporządził załączone wybrane dane finansowe przedstawione w publikowanym raporcie rocznym Spółki za rok zakończony dnia 31 grudnia 2012 roku w rozdziale „Wybrane pozycje sprawozdania rocznego Generali Życie T.U. S.A.” („załączone wybrane dane finansowe”). Pełne sprawozdanie finansowe zostało sporządzone zgodnie z zasadami rachunkowości określonymi w ustawie z dnia 29 września 1994 roku o rachunkowości (Dz.U. nr 152 z 2009 roku poz. 1223, z późn. zm. – „ustawa o rachunkowości”) i wydanymi na jej podstawie przepisami oraz na podstawie prawidłowo prowadzonych ksiąg rachunkowych.

Badanie pełnego sprawozdania finansowego, na podstawie którego sporządzono załączone wybrane dane finansowe, przeprowadziliśmy stosownie do obowiązujących w Polsce postanowień rozdziału 7 ustawy o rachunkowości oraz krajowych standardów rewizji finansowej, wydanych przez Krajową Radę Biegłych Rewidentów w Polsce, i w dniu 14 marca 2013 roku wydaliśmy opinię bez zastrzeżeń o tym sprawozdaniu finansowym.

○ Generali Group Poland

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○ Selected items of management report of  
Generali Powszechne Towarzystwo Emerytalne S.A.

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## Registered Auditor's Opinion

Naszym zdaniem załączone wybrane dane finansowe są zgodne, we wszystkich istotnych aspektach, z pełnym sprawozdaniem finansowym, na podstawie którego zostało ono sporządzone.

Dla lepszego zrozumienia sytuacji majątkowej i finansowej Spółki na dzień 31 grudnia 2012 roku oraz jej wyniku finansowego za okres od dnia 1 stycznia 2012 roku do dnia 31 grudnia 2012 roku, jak również zakresu naszego badania, załączone wybrane dane finansowe należy czytać łącznie z pełnym sprawozdaniem finansowym, na podstawie którego zostało ono sporządzone, oraz z opinią niezależnego biegłego rewidenta o tym sprawozdaniu finansowym.

w imieniu  
Ernst & Young Audit sp. z o.o.  
Rondo ONZ 1, 00-124 Warszawa  
nr ewidencyjny 130

Kluczowy Biegły Rewident



Iwona Kozera  
Biegły Rewident  
nr 9528

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Rondo ONZ 1  
00-124 Warszawa

Warszawa, dnia 24 maja 2013 roku

ERNST & YOUNG W POLSCE JEST CZŁONKIEM GLOBALNEJ PRAKTYKI ERNST & YOUNG  
Sąd Rejonowy dla m.st. Warszawy w Warszawie, XII Wydział Gospodarczy Krajowego Rejestru Sądowego, KRS: 0000006468  
NIP 526-020-79-76, Kapitał zakładowy: 5 210 500 zł

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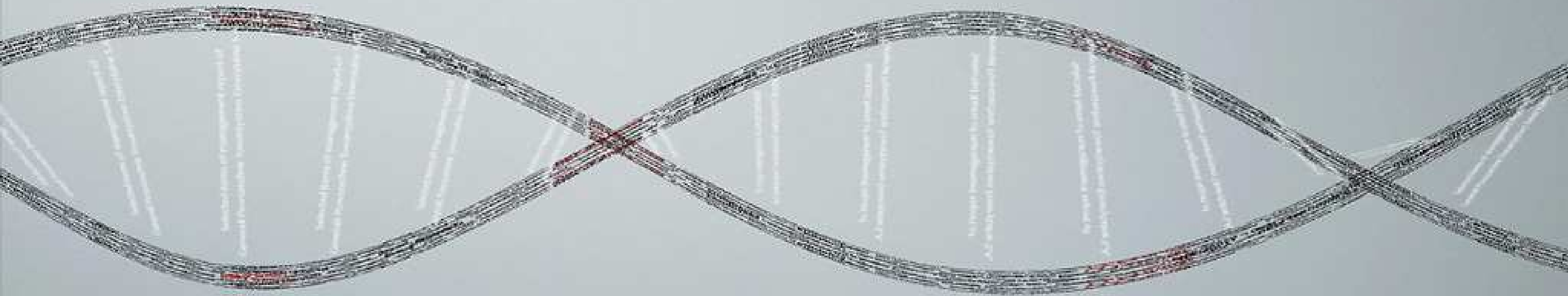
○ Selected items of management report of  
Generali Powszechne Towarzystwo Emerytalne S.A.

GENERALI



Strategia Generali  
1,2,3,4

# Selected items of Management Report of Generali Powszechne Towarzystwo Emerytalne S.A.



○ Generali Group Poland

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○ Selected items of financial  
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○ Selected items of management report of  
Generali Powszechne Towarzystwo Emerytalne S.A.

**GENERALI**



**Strategia**Generali  
1,2,3,4



## Generali Powszechne Towarzystwo Emerytalne S.A.

### Report on the Company's activities in the financial year from 1 January to 31 December 2012

Pursuant to the Accounting Act of 29 September 1994, (consolidated text: Dz.U. No. 152 of 2009 item 1223 with subsequent amendments), the Directors are obliged to prepare annual financial statements and attach a report on the Company's activities, including important information about the Company's assets and financial position, as well as the evaluation of consequences and the description of risks and threats, thereto.

This report on the Company's activities was prepared in accordance with the Accounting Act.

**Piotr Pindel**  
Member of the Board

**Jacek Smolarek**  
Member of the Board

**Luisa Coloni**  
Member of the Supervisory  
Board delegated to  
conduct activities as a  
Member of the Board

Warsaw, 14 March 2013

○ Generali Group Poland

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Generali Powszechne Towarzystwo Emerytalne S.A.

**GENERALI**



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## 1. Key events

### The dynamic growth of the number of customers and assets managed by Generali PTE

The year 2012 must be considered successful for members of open-end pension funds operating in Poland. During 2012, assets collected in the accounts of members of openend pension funds increased dynamically both in terms of new funds from Social Security (ZUS), as well as very good investment results. The value of OFE Generali's net assets grew during the year by over 20% and reached PLN 13 529.1 million. In 2012, the volume of new funds flowing to OFE member accounts decreased as a result of changes in the amount of premiums transferrable by Social Security to the second pillar of the pension system. The return of rate of a dozen or so percents, which was recorded in the latest 12 months, contributed decisively to the fast growth of the fund's net assets and is another proof that the capital part of the pension system has a positive impact on the amount of future pensions of our customers.

After such a good year, the rate of return of pension funds counted from 30 September 1999 improved significantly and substantially exceeded 200% at the end of December 2012. For that period, Generali OFE, which recorded 236.65%, is at the third position among all pension funds operating in Poland. This result shows Generali's competitive advantage since these is long-term investment performance that is the best criterion in the evaluation of pension funds.

Such good investment results substantially contributed to the further expansion of the base of customers who entrusted their funds to Generali PTE for management purposes and Generali PTE joined the group of 6 companies having at least 1 million of customers (increase by 116 300, i.e. 13.1% in comparison to the end of 2011).

The year 2012 was the first year when acquisition to OFE was forbidden. In spite of that, the balance of transfers was positive during the whole year 2012, which means that the number of members leaving Generali OFE is smaller than the number of members newly attracted by the Fund. The balance of the whole year is over 4 000. This mainly results from very good investment performance recorded by Generali OFE. The Fund also attracted almost 104 000 new members as a result of drawing.

## IPSA at Generali PTE

In the last days of 2012, the Generali Voluntary Pension Fund (Generali Dobrowolny Fundusz Emerytalny (DFE)) commenced its activity and Generali PTE's product offer was expanded with the Individual Pension Security Account (IPSA). The history of its results comprises only several days, but we hope that the Fund's long-term investment results will encourage the present and new customers to save under Generali DFE, which will contribute to the Insurance Company's better performance.

## Changes in the capital structure of the Generali Group in Poland

In 2012, important changes in the capital structure of the Generali Group in Poland were made with regard to Generali PTE's subordinates.

During 2012, Generali Autoprogram (an indirect subsidiary through Generali Finance Sp. z o.o.) was liquidated. In September 2012, Generali PTE executed an agreement concerning the sale of 100% shares in its subsidiary, Generali Finance Sp. z o.o., to Generali Towarzystwo Ubezpieczeń S.A. The selling price of PLN 83 247 000 was determined on the basis of independent valuation. As a result of the above transaction, Generali PTE recorded the loss from divestments of PLN 22 820 000 or, including dividend received from Generali Finance Sp. z o.o. in 2012, PLN 15 112 000. Funds obtained from sale improved the Company's liquidity ratios and contributed to the achievement of such a level of liquid funds in relation to net assets of the Open-end Pension Fund as recommended by the Financial Supervision Authority.

## Fund Members

As regards the number of members, the Fund, having 1 006 344 members, is the sixth of all pension funds in the market.

| Open-end Pension Fund  | Number of members as of 31.12.2012 | % share as of 31.12.2012 | Number of members as of 31.12.2011 | % share as of 31.12.2011 |
|------------------------|------------------------------------|--------------------------|------------------------------------|--------------------------|
| AEGON OFE              | 947 048                            | 5.94                     | 948 497                            | 6.12                     |
| Allianz Polska OFE     | 553 666                            | 3.47                     | 508 124                            | 3.28                     |
| Amplico OFE            | 1 269 898                          | 7.97                     | 1 192 597                          | 7.70                     |
| Aviva OFE Aviva BZ WBK | 2 672 860                          | 16.77                    | 2 687 475                          | 17.35                    |
| AXA OFE                | 1 162 223                          | 7.29                     | 1 109 445                          | 7.16                     |
| <b>Generali OFE</b>    | <b>1 006 344</b>                   | <b>6.31</b>              | <b>890 084</b>                     | <b>5.74</b>              |
| ING OFE                | 3 010 238                          | 18.88                    | 2 954 060                          | 19.07                    |
| Nordea OFE             | 888 272                            | 5.57                     | 898 783                            | 5.80                     |
| Pekao OFE              | 342 820                            | 2.15                     | 344 520                            | 2.22                     |
| PKO BP Bankowy OFE     | 657 837                            | 4.13                     | 539 456                            | 3.48                     |
| OFE Pocztylion         | 595 930                            | 3.74                     | 588 349                            | 3.80                     |
| OFE Polsat             | 300 789                            | 1.89                     | 302 459                            | 1.95                     |
| OFE PZU „Złota Jesień” | 2 222 853                          | 13.94                    | 2 214 995                          | 14.30                    |
| OFE WARTA              | 311 504                            | 1.95                     | 314 529                            | 2.03                     |
| <b>Total</b>           | <b>15 942 283</b>                  | <b>100</b>               | <b>15 493 373</b>                  | <b>100.00</b>            |

Source: www.knf.gov.pl, percentage share: own calculation

## Net assets managed by Generali PTE

| Open-end Pension Fund  | Net assets<br>(in PLN million)<br>as of 31.12.2012 | % share<br>as of<br>31.12.2012 | Net assets<br>(in PLN million)<br>as of 31.12.2011 | % share<br>as of<br>31.12.2011 |
|------------------------|--|--------------------------------|--|--------------------------------|
| AEGON OFE              | 11 601.44  | 4.3                            | 9 692.66   | 4.31                           |
| Allianz Polska OFE     | 8 220.18   | 3.05                           | 6 725.70   | 2.99                           |
| Amplico OFE            | 21 368.33  | 7.93                           | 17 444.70  | 7.76                           |
| Aviva OFE Aviva BZ WBK | 60 901.42  | 22.59                          | 51 272.01  | 22.82                          |
| AXA OFE                | 16 912.61  | 6.27                           | 14 142.87  | 6.29                           |
| <b>Generali OFE</b>    | <b>13 529.07</b>                                   | <b>5.02</b>                    | <b>11 270.00</b>                                   | <b>5.02</b>                    |
| ING OFE                | 64 169.71  | 23.8                           | 53 301.69  | 23.72                          |
| Nordea OFE             | 12 048.30  | 4.47                           | 10 083.92  | 4.49                           |
| Pekao OFE              | 4 047.57   | 1.5                            | 3 387.67   | 1.51                           |
| PKO BP Bankowy OFE     | 9 447.04   | 3.5                            | 7 558.26   | 3.36                           |
| OFE Pocztynion         | 5 091.98   | 1.89                           | 4 261.28   | 1.9                            |
| OFE POLSAT             | 2 369.72   | 0.88                           | 1 999.98   | 0.89                           |
| OFE PZU "Złota Jesień" | 36 282.35  | 13.46                          | 30 522.95  | 13.58                          |
| OFE WARTA              | 3 606.74   | 1.34                           | 3 056.44   | 1.36                           |
| <b>Total</b>           | <b>269 596.46</b>                                  | <b>100</b>                     | <b>224 720.13</b>                                  | <b>100</b>                     |

As of the end of 2012, Generali OFE's net assets amounted PLN 13 529.07 million, which caused that the Fund was classified as the sixth fund in the market with the total market share of 5.0%. Generali OFE's net funds increased during the year by 20% in accordance with the rate of growth of the whole sector.

Source: www.knf.gov.pl, percentage share: own calculation

## 2. Financial position

| Selected figures (in PLN '000)                       | 2012             | 2011             | % change     |
|--|------------------|------------------|--------------|
| Sales and sales equivalents                          | 86 941.5         | 92 215.3         | -5.7%        |
| Operating expenses                                   | 44 738.0         | 63 314.4         | -29.3%       |
| <b>Profit (+) / Loss (-) on sale</b>                 | <b>42 203.5</b>  | <b>28 901.0</b>  | <b>46.0%</b> |
| Other operating income and expenses                  | - 630.0          | 87.0             | -824.3%      |
| <b>Profit (+) / Loss (-) on operating activities</b> | <b>41 573.5</b>  | <b>28 988.0</b>  | <b>43.4%</b> |
| Profit (loss) on business activities                 | - 11 941.9       | 1 016.3          | -1 275.0%    |
| <b>Net profit</b>                                    | <b>25 373.6</b>  | <b>24 190.2</b>  | <b>4.9%</b>  |
| <b>Equity as of the period end</b>                   | <b>270 967.0</b> | <b>243 797.2</b> | <b>11.1%</b> |
| <b>Balance-sheet total</b>                           | <b>310 750.9</b> | <b>283 780.0</b> | <b>9.5%</b>  |

During 2012, Generali PTE recorded significant changes both in its balance sheet, as well as in the structure of its income and expenses. The results of 2012 were also materially influenced by one-off events, like dividend obtained from a subordinate and the sale of shares therein.

In spite of a drop in sales, the Insurance Company recorded the high positive rate of growth of profit from sale and profit from operating activities. At the same time, its result of 2012 was substantially reduced by loss from financial activities, including income from dividend received from Generali Finance Sp. z o.o. and loss from the sale of shares therein.

Net profit was 4.9% bigger than in 2011.

## Income

| Structure of income   | 2012<br>(in PLN '000) | 2012<br>(in %) | 2011<br>(in PLN '000) | 2011<br>(in %) |
|---|-----------------------|----------------|-----------------------|----------------|
| <b>Sales and sales equivalents including, without limitation:</b> | <b>86 941.48</b>      | <b>88.66%</b>  | <b>92 215.34</b>      | <b>98.42%</b>  |
| Distribution fee  | 17 872.77             | 18.23%         | 30 342.70             | 32.38%         |
| Management fee  | 63 796.45             | 65.06%         | 57 914.31             | 61.81%         |
| Net return of funds from premium and reserve accounts             | 4 659.02              | 4.75%          | 3 547,37              | 3.79 %         |
| <b>Other operating income</b>                                     | <b>208.77</b>         | <b>0.21%</b>   | <b>438.12</b>         | <b>0.47%</b>   |
| <b>Financial income</b>   | <b>10 907.78</b>      | <b>11.12%</b>  | <b>1 041.89</b>       | <b>1.11%</b>   |
| <b>TOTAL</b>  | <b>98 058.03</b>      | <b>100.00%</b> | <b>93 695.35</b>      | <b>100.00%</b> |

## Income

In 2012, Generali PTE recorded a drop in income from its core activity by 5.7% in comparison to 2011. It was caused by the reduction of income from a distribution fee payable on the value of premiums received by the Open-end Pension Fund by 41.1% (drop by PLN 12 470 000), which was partially compensated with the growth of the Open-end Pension Fund management fee (growth by PLN 5 882 000, i.e. 10.2%) and other income (growth by PLN 1 112 000, i.e. 33.2%). Income from a distribution fee dropped as a result of decrease in premiums transferrable to OFE member accounts by Social Security (ZUS) as a consequence of changes in related regulations implemented in May 2011 (till May 2011, premiums transferrable to OFE accounts formed 7.2% of the base, while later and in 2012 2.3% of the base).

Increase in other income results from the dynamic growth of net assets managed by Generali PTE as a consequence of the receipt of a new premium and very good investment performance.

In the reporting period, the rate of a distribution fee of Generali OFE was 3.5%. A monthly net asset management fee of Generali OFE was calculated in accordance with the following formula: PLN 3.6 million + 0.04 % of surplus over PLN 8 000 million of net assets per month.

In 2012, the Insurance Company earned financial income of PLN 10 907 800 in total in comparison to PLN 1 041 900 in the previous year. High financial income of 2012 resulted from dividend obtained from the Company's subsidiary, Generali Finance Sp. z o.o., and the significant growth of financial assets, which contributed to the growth of the Company's interest income



## Expenses

| Structure of expenses                       | 2012<br>(in PLN '000) | 2012<br>(in %) | 2011<br>(in PLN '000) | 2011<br>(in %) |
|---|-----------------------|----------------|-----------------------|----------------|
| <b>Operating expenses</b>                   | <b>44 738.00</b>      | <b>65.38%</b>  | <b>63 314.37</b>      | <b>99.41%</b>  |
| including, without limitation:              |                       |                |                       |                |
| Acquisition expenses                        | 10 951.81             | 16.01%         | 22 329.62             | 32.06%         |
| Costs of a transfer agent                   | 10 383.43             | 15.17%         | 10 188.54             | 16.00%         |
| Wages, salaries and other employee benefits | 8 582.15              | 12.54%         | 8 053.87              | 12.65%         |
| Social Security (ZUS) payments              | 4 033.54              | 5.89%          | 6 835.35              | 10.73%         |
| <b>Other operating expenses</b>             | <b>838.76</b>         | <b>1.23%</b>   | <b>351.14</b>         | <b>0.55%</b>   |
| <b>Financial expenses</b>                   | <b>22 849.69</b>      | <b>33.39%</b>  | <b>25.60</b>          | <b>0.04%</b>   |
| <b>TOTAL</b>                                | <b>68 426.45</b>      | <b>100.00%</b> | <b>63 691.11</b>      | <b>100.00%</b> |

○ Generali Group Poland

○ Selected items of management reports of Generali T.U. S.A. and Generali Życie T.U. S.A.

○ Selected items of financial statement of Generali T.U. S.A.

○ Selected items of financial statement of Generali Życie T.U. S.A.

○ Selected items of management report of Generali Powszechnie Towarzystwo Emerytalne S.A.

## Expenses

In 2012, the Insurance Company recorded almost 30% drop in its operating expenses. Key factors that contributed to cost reduction were as follows:

- decrease in acquisition expenses as a result of the enforcement of a ban on acquisition activities for the benefit of open-end pension funds as of 1 January 2012. This amendment both contributed to the reduction of acquisition expenses, as well as influenced the scheme of depreciation of activated acquisition expenses in the income statement in connection with the significant reduction of the rotation of open-end pension fund members;
- decrease in the impact of premiums on OFE member accounts as a result of changes in regulations in the case of expenses depending on premiums, i.e. in particular fees charged by Social Security.

The result of 2012 was reduced by financial expenses of PLN 22 849 700 in comparison to PLN 25 600 in the previous year. The major item of financial expenses in 2012 was loss from the sale of shares of Generali Finance Sp. z o.o.

## Balance-sheet total and equity

In 2012, the balance-sheet total of Generali PTE increased PLN 26 970 900, i.e. by 9.5%. At the same time, the structure of the Company's equity changed. Fixed assets dropped by PLN 116 088 700, while current assets grew PLN 143 059 600.

Fixed assets dropped mainly as a result of the purchase of shares in affiliates of the total net book value of PLN 106 050 000 and the settlement of a part of activated acquisition expenses of PLN 10 050 600 in total. Current assets grew in 2012 mainly as a result of:

- generating significant positive cash flows from basic operating activities;
- inflows from the sale of shares of Generali Finance Sp. z o.o. and related short-term payables.

As regards of equity and liabilities, an important change related to the amount of equity, while other liabilities remained at a relatively stable level. In 2012 equity grew PLN 27 169 800, i.e. by 11.1% in relation to the net profit of PLN 25 373 600 and the growth of reserve from the revaluation of financial assets by PLN 1 796 200.

Taking into account very good financial results and the Company's ability to generate positive cash flows as a result of, without limitation, the ban on acquisition for the benefit of OFE, the Insurance Company's Directors recommend to allocate the profit of 2012 and a part of the supplementary capital coming from the profit of previous years to pay the dividend of PLN 64 000 000 in total.

## Expected financial position

We expect that the Company will record better financial results in next reporting periods and will still generate significant positive cash flows from its operating activities. The financial result will improve thanks to the gradual growth of premiums transferrable to the second pillar (legal regulations provide for gradual growth from 2.3% in 2012 to the target 3.5% of the base) and the absence of a negative impact of one-off events in the following years. In the Company's opinion, its positive financial results and ability to generate positive cash flows from the core activity will ensure that the Company will be able to pay dividends in the following years.

## 5. Description of risks related to the Insurance Company's financial instruments

Item 1.12 of supplementary information and explanatory notes to the financial statement describes, in details, the scope of interest rate and credit risks. Interest rate risk is believed to be a key financial risk and is controlled on a current basis by the Company's Investment Department, which takes up defined actions to minimise the risk.

A basic method used to evaluate risks is a modified duration method.

Modified duration (MD) is a more precise (in terms of duration) measure of the sensitivity of changes in the value of bonds (or the portfolio of bonds) to changes in market interest rates.

In the literature, duration is said to be an average weighted period to maturity. However, more advanced papers point out that it is only a sensitivity measure (the sensitivity of changes in the value of bonds/portfolio to changes in market interest rates). While, modified duration is more precise (it detects a potential change in the value of bonds/portfolio more precisely) and is calculated in accordance with the following formula:

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

The Company minimises its credit risk by investing only in instruments issued by the State Treasury.

Taking into account the Company's existing portfolio of securities and expected positive cash flows from operating activities, the Company is not exposed to financial liquidity loss in the foreseeable future.

## Financial risk management goals and methods applied by the Company

The goal of the Insurance Company's investment policy is to maximise a rate of return on investments and maintain its relevant security of investments and financial liquidity at the same time.

Investment portfolio risks are controlled by:

1. adjusting the modified duration ratio adequately to the market situation and the Investment Department's expectations as to the debt portfolio;
2. using amount limits with regard to single transactions.

## 6. Expected directions of development

Major goals and plans for 2013 are to:

- maintain the growth of funds measured with the number of active customers and net assets;
- remain at the top of funds in terms of the return rate of membership units;
- improve services provided to fund members;
- develop voluntary pension funds when legal conditions providing for their operation improve, in particular with regard to tax incentives.

## 7. Key business activity risks

Key risks connected with business activity include the risk of changes in the legal environment in relation to the operation of the obligatory second pillar of social insurances. Final decisions concerning the target operating model of pension payments from the second pillar were still not made. The uncertainty of the legal environment is also compounded by a debate on potential further modifications in the operation of the pension system in Poland.

## Selected items of balance sheet

|                           | As of<br>31 December 2012 | As of<br>31 December 2011 |
|---------------------------|---------------------------|---------------------------|
| Total assets              | <b>310 750.87</b>         | 283 779.96                |
| including:                |                           |                           |
| A. Long-term investments  | <b>0.00</b>               | 106 050.00                |
| B. Short-term investments | <b>146 514.00</b>         | 34 601.00                 |

|                   | As of<br>31 December 2012 | As of<br>31 December 2011 |
|-------------------|---------------------------|---------------------------|
| Total liabilities | <b>310 750.87</b>         | 283 779.96                |
| including:        |                           |                           |
| A. Equity         | <b>270 966.97</b>         | 243 797.21                |



## Selected items of profit and loss account

|                                  | As of<br>31 December 2012 | As of<br>31 December 2011 |
|----------------------------------|---------------------------|---------------------------|
| A. Sales revenues and equivalent | <b>86 941.48</b>          | 92 215.34                 |
| B. Operating costs               | <b>44 738.00</b>          | 63 314.37                 |
| C. Gross profit                  | <b>29 631.58</b>          | 30 004.25                 |
| D. Net profit (loss)             | <b>25 373.56</b>          | 24 190.18                 |

## Registered Auditor's Opinion



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### OPINIA NIEZALEŻNEGO BIEGŁEGO REWIDENTA O WYBRANYCH DANYCH FINANSOWYCH

#### Dla Rady Nadzorczej Generali Powszechnie Towarzystwo Emerytalne S.A.

Przeprowadziliśmy badanie sprawozdania finansowego za rok zakończony dnia 31 grudnia 2012 roku Generali Powszechnie Towarzystwo Emerytalne S.A. („Spółka”) z siedzibą w Warszawie, ul. Postępu 15B („pełne sprawozdanie finansowe”), na podstawie którego Zarząd Spółki sporządził załączone wybrane dane finansowe przedstawione w publikowanym raporcie rocznym Spółki za rok zakończony dnia 31 grudnia 2012 roku w rozdziale „Wybrane pozycje sprawozdania rocznego Generali Powszechnie Towarzystwo Emerytalne S.A.” („załączone wybrane dane finansowe”). Pełne sprawozdanie finansowe zostało sporządzone zgodnie z zasadami rachunkowości określonymi w ustawie z dnia 29 września 1994 roku o rachunkowości (Dz.U. nr 152 z 2009 roku poz. 1223, z późn. zm. – „ustawa o rachunkowości”) i wydanymi na jej podstawie przepisami oraz na podstawie prawidłowo prowadzonych ksiąg rachunkowych.

Badanie pełnego sprawozdania finansowego, na podstawie którego sporządzono załączone wybrane dane finansowe, przeprowadziliśmy stosownie do obowiązujących w Polsce postanowień rozdziału 7 ustawy o rachunkowości oraz krajowych standardów rewizji finansowej, wydanych przez Krajową Radę Biegłych Rewidentów w Polsce, i w dniu 14 marca 2013 roku wydaliśmy opinię bez zastrzeżeń o tym sprawozdaniu finansowym.

○ Generali Group Poland

○ Selected items of management reports  
of Generali T.U. S.A. and Generali Życie T.U. S.A.

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Generali Powszechnie Towarzystwo Emerytalne S.A.

GENERALI



## Registered Auditor's Opinion

Naszym zdaniem załączone wybrane dane finansowe są zgodne, we wszystkich istotnych aspektach, z pełnym sprawozdaniem finansowym, na podstawie którego zostało ono sporządzone.

Dla lepszego zrozumienia sytuacji majątkowej i finansowej Spółki na dzień 31 grudnia 2012 roku oraz jej wyniku finansowego za okres od dnia 1 stycznia 2012 roku do dnia 31 grudnia 2012 roku, jak również zakresu naszego badania, załączone wybrane dane finansowe należy czytać łącznie z pełnym sprawozdaniem finansowym, na podstawie którego zostało ono sporządzone, oraz z opinią niezależnego biegłego rewidenta o tym sprawozdaniu finansowym.

w imieniu  
Ernst & Young Audit sp. z o.o.  
Rondo ONZ 1, 00-124 Warszawa  
nr ewidencyjny 130

Kluczowy Biegły Rewident

Iwona Kozera  
Biegły Rewident  
nr 9528

ERNST & YOUNG AUDIT sp. z o.o.  
Rondo ONZ 1  
00-124 Warszawa

Warszawa, dnia 24 maja 2013 roku

ERNST & YOUNG W POLSCE JEST CZŁONKIEM GLOBALNEJ PRAKTYKI ERNST & YOUNG  
Sąd Rejonowy dla m.st. Warszawy w Warszawie, XII Wydział Gospodarczy Krajowego Rejestru Sądowego, KRS: 0000006468  
NIP 526-020-79-76, Kapitał zakładowy: 5 210 500 zł

○ Generali Group Poland

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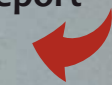
○ Selected items of financial  
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○ Selected items of management report of  
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GENERALI



Strategia Generali  
1,2,3,4



# The genesis of success is encoded in the DNA

Meet our code of success seen  
from the angle of Polish explorers

DO YOU KNOW  
CODE OF SUCCESS?  
Look at the Strategy logo



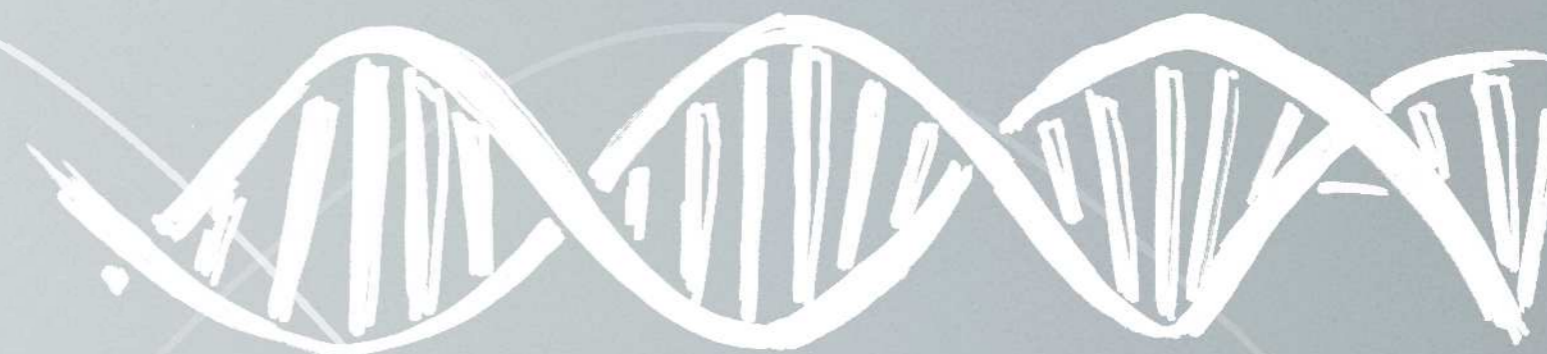


## The genesis of **SUCCESS** is encoded in the DNA

The year 2012 was a special period for Generali Poland Group companies. It was the year of the new 5-year company strategy coded as 1\_2\_3\_4. The end of the year crowned several months of work performed by many work and workshop groups which joined efforts to arrive at a concept of the new **1\_2\_3\_4 strategy** with participation of many Generali employees.

For a company, a business strategy is what the **DNA** code is for a human being. Works aiming at creation of the map of human genome are coming to the final stage. The scientists managed to isolate genes responsible for professional success – genes which determine the will to work, ability to communicate well with the others, even an attractive personality or confidence in one’s own intuition and risk tolerance. In the near future, it will be possible for people to glimpse into their future without availing themselves to a glass ball or a deck of tarot cards.

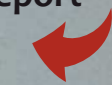
In case of Generali DNA the situation was slightly different. First we defined the success factors, then – over several months – we were encoding them in the numbers **1\_2\_3\_4**, in the new **Strategy**.



Since we are aware that only companies equipped with the **success gene** are able to create many excellent solutions, just as only teams made up of players with victory encoded in their genes are able to accomplish success, we created a new DNA of our organization. The DNA is based on eight key success factors of Generali in Poland. We felt like scientists or explorers while we were at it.



**That is why today we would like to present you with the DNA as seen from the angle of Polish explorers.**



## EMPLOYEES

Generali is strong with its organizational culture defined by open communication and the spirit of entrepreneurship. The culture which ensures impact on decision-making, while offering a work-life balance.

One brilliant mind may accomplish a lot; nevertheless, it is only with the help of others that unbelievable things are created. The strength of team work, mutual motivation efforts and skillful steering of the team's potential form the kind of strength which denies the very existence of the word 'impossible'.

The best proof to support this thesis is the history of **decoding Enigma** – the German portable encrypting machine used during WWII by the military and other state and intelligence agencies of Germany. Enigma- encrypted codes were first decoded by Polish mathematicians and cryptologists.

In 1932 **Henryk Zygalski, Jerzy Różycki** and **Marian Adam Rejewski** deciphered the codes, and their work allowed for further decoding of cryptograms created with the use of constantly modernized Enigma machines; first in Poland and after the war had broken out – also in France and the United Kingdom.

## PRODUCTS

**Product simplification. User-friendly and comprehensible sales process.**

Is it possible to conceive a better product than one that has the capacity to ensure a sense of security or can actually protect human life, while its use has not changed over the years? Securing the future, thanks to a single product can change destinies of a person or their loved ones and the chance of reaching different people and fulfilling their diverse safety needs grows in proportion to the growing number of such solutions.

This was what happened in case of discoveries made by **Jan Szczepanik**, who was a teacher and an inventor, called 'the Polish Edison' and 'Galician genius'. He was the creator of the **bulletproof** jacket which brought him global recognition when it served to protect the Spanish king Alfons XIII from the consequences of an assassination attempt. It is difficult to imagine the work of police officers or security guards without such jackets.

Szczepanik also authored several hundreds of patented technical ideas, especially in the field of color photography and television, he also created a teletroscope – a device for remote transmission of color picture, which was the predecessor of modern TV.





Wise use of new technologies will constitute Generali's competitive advantage. Fully electronic sales process.

## TECHNOLOGY

Always serving people, bearing in mind their development potential and enhancement of capabilities. Those who are able to act in such way and persevere in their efforts to bring this noble idea into real life are entitled to call their work useful and modern, since it is paving the path to the future. Just like a ground-breaking and universal invention which remains in constant demand throughout the years, always serving the human kind.

The brilliant method of obtaining monocrystals, allowing for manufacturing and global distribution of microprocessors was developed by a Polish chemist and metal expert – **Jan Czochralski**. The method allowed for development of microcomputers. Moreover, in 1924 he prepared and patented a **tin-free B** bearing alloy for the railways. The patent caused a revolution in railway transportation, bringing economies and reliability, and was later purchased by the German railways and numerous states, including the USA, France and England.

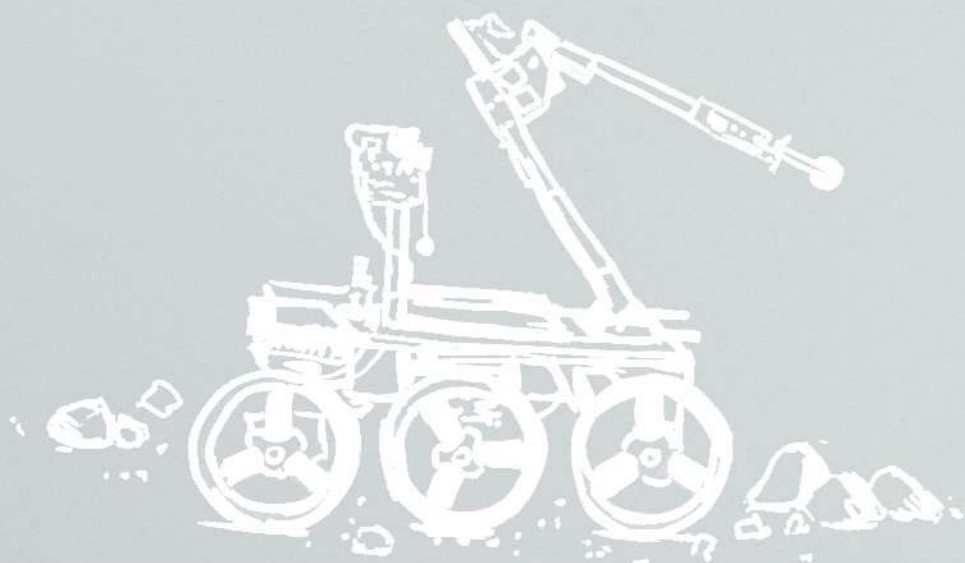
Optimization of technical result. Further diversification of the product portfolio structure.

## PROFITABILITY

Business and war are alike... In order to maintain profitability companies must escape dangers and adjust to the surrounding reality, avoiding land mines. However, they can only be avoided when their location is precisely identified.

The first **mine detector** was prepared during the WWII, in winter of 1941/1942. It was invented by two remarkable Poles serving during the years of WWII in the Polish Armed Forces in the West – officer **Józef Kosacki**, a scientist, inventor, engineer and sapper and **Andrzej Garboś**. The Polish mine detector made it possible for the Brits to cross the mine fields near El Alamein, which contributed to their victory in practical terms. The detector was not patented and the invention was passed over to the British army free of charge. Its construction was sufficiently good for the Kosacki detector to be used by many armies over the next 50 years. It was last used in 1995.





Nowadays we say that if something is not present in the Internet, it does not exist at all. This applies mainly to brands, which should especially care about existing in the minds of recipients.

Internet, reaching millions of people on daily basis enhances the efficiency of marketing messages and allows for a more convenient communication with clients.

How did it all begin? It started in the mind of an American IT specialist of Polish descent, known as 'the father of the Internet'.

## DISTRIBUTION

Using the potential of tied network and external partners. Creating new distribution channels.

Reaching the set goal is not easy, it is not enough to merely define it well. It is also important what kind of tools we are using as well as good methodology. This way, through preparation of a diligent work method, product building principles and definition of delivered tasks, a new creation was made, which contributed to the 'giant leap for the mankind'.

When in 1961 NASA announced a competition to create a vehicle capable of movement on the surface of the moon within the Apollo Space Program, a Polish engineer and scientist

**Mieczysław Grzegorz (Gregory) Bekker** gathered a team of constructors and commenced works within this program.

The works resulted in the construction of a **LRV moon vehicle**, which was eventually produced by General Motors in cooperation with Boeing. Professor Bekker was the author of the whole technical solution, which allowed the LRV to move around the moon surface. This way we left a Polish trace on the only natural satellite of the Earth.

## THE BRAND

Using the strength of Generali brand, which is rooted in an almost 200 year old tradition.

**Paul Baran** was initially pursuing his studies in Drexel University, then in 1959 he received the degree of a Master of Science in engineering on the UCLA and began working for RAND Corporation, which was the think tank of the American aviation. At the request of the American Armed Forces, Baran realized a project of durable, scattered digital networks of data transfer, able to withstand the WW III which was predicted at the time.

Finally he published a 12-tome work which was a project of the network, and in 1968 he caused the ARPANET network to be divided into the military MILINET and civil **INTERNET**.





Nothing increases our chances of achieving success like a well thought-out breakdown of activities to be performed in time, which helps to understand their scope and the way they relate to each other. It also facilitates supervision and early detection of risks threatening the completion. In a nutshell – an **agenda**.



**New technologies accompanied by changes of old habits in the organization. Optimalization and automation of processes.**

**EFFICIENCY**

It was invented by a Polish theorist of management **Karol Adamiecki**, who presented his concepts of collective work organization in a form of a lecture which was delivered in 1903. It was a ‘graphic method of organization of collective work in rolling mills’. Adamiecki justified the necessity of adjusting the work of devices and people as a prerequisite of a successful team work, introducing the concept of harmonization of work in time which had previously been unknown in the technical world.

He represented his thoughts and conclusions in the form of a diagram, which resulted in the creation of the first ‘agenda’, i.e. a diagram showing collective work on the example of the production process in a rolling mill which he presided over at the time. Adamiecki was the first to apply the chronometric method. In conclusion of his research he found that the main reason of time waste in the production process is lack of adjustment of individual operations. He also formulated the laws of harmony of selection, harmony of functioning of collective work institutions, optimalization of production, which along with work division and concentration laws became the theoretical foundations of organization and managerial sciences.



**CLIENT**

**Enhancement of client satisfaction achieved among others through new sales approach encompassing all client needs. Creation of a single Client Account, simplicity and multi-channel access.**



At times we tend to perceive the existence of certain things as obvious to such extent, that we start to take them for granted without thinking about the way they impacts our lives. But sometimes, a seemingly imperceptible detail may have core influence on our safety, to give just one example. It is worth bearing in mind, say, with the help of this text, which evokes the history of incredible Polish minds. The minds which conceived inventions that revolutionized the lives not only of Polish citizens, but also impacted people’s lives around the globe and made it both easier and safer.

It happened thanks to creation of a part of equipment of motor vehicles, which makes it possible to wipe away rain, drizzle, hail, snow and mud from the windscreens while the vehicle is in motion...

**Car wipers** were invented by **Józef Kazimierz Hofmann** – Polish pianist, composer and teacher, who spent part of his life living in the USA. He became famous for his numerous inventions. Among approximately 100 inventions that he patented there is a device used for measurement of the strength of a pianist’s stroke. He authored ideas for pneumatic springs, electric clock and office clip, and it was probably the metronome beating rhythm that inspired him to conceive wipers fastened in metal arms. This wonderful patent by a multi-talented Pole was used for mass production in the Ford factory.