



12/05/2016

INTERIM MANAGEMENT STATEMENTS AS OF 31 MARCH 2016 – PRESS RELEASE ¹

Solid quarter confirmed by excellent level of operating return and improved technical results in Life and P&C. Financial performance impacted by volatile markets and low interest rates

Annualised operating RoE at 13.3%, securing the target (>13%)

Net cash inflows over € 4.5 bln (+6.4%)²

Premiums at € 20 bln (-1.1%). Life segment impacted by volatile equity markets, P&C broadly stable

Combined ratio further improving to 92% (-1.3 p.p.)

Operating result over € 1.1 bln (-12.3%) and net profit at € 588 mln (-13.8%), with lower realization of gains on investments due to the adverse market conditions

Solid capital position, with the Economic Solvency Ratio at 188%

The **Generali General Manager** and **Group CFO, Alberto Minali**, commented: “*The results that we are presenting confirm the ability of Generali to deal with particularly challenging times as those we are currently experiencing. Despite a first quarter with equity markets reporting significant losses and interest rates at record lows, Generali maintained an operating return (RoE) above 13%, in line with our strategic plan. Moreover, the technical results show a further improvement in the performance of our insurance business, in both Life and P&C segments. The decrease in the operating result and in the net profit is mainly driven by the decision to realize a lower level of gains on our investments considering the current adverse market conditions, in contrast to the approach taken in the first quarter of 2015. Despite this economic scenario, the Group capital position also remains solid; the Economic Solvency Ratio amounts to 188%. These results confirm that the quality of our management team and the risk underwriting discipline will support Generali in facing better this complex phase as well as granting a satisfactory remuneration for its shareholders.*”

¹ Following the amendment of paragraph 5, art. 154-ter of the legislative decree no. 58 of 24 February 1998, the obligation for the listed issuers to publish the Interim management statements was removed, while Consob was empowered to compel, with an own regulation, the publication of recurring additional financial information. As of today the regulation has not been issued yet.

Assicurazioni Generali decided to leave the quarterly disclosure unchanged from the past, awaiting the further development of the Italian regulatory frame.

² Changes in premiums, net inflows and Annual Premium Equivalent (APE) are presented in equivalent terms (at constant exchange rates and scope of consolidation).

Media Relations
T +39.040.671577
press@generali.com

Investor & Rating Agency
Relations
T +39.040.671202
+39.040.671347
ir@generali.com

www.generali.com



Milan. At a meeting chaired by Gabriele Galateri di Genola, the Assicurazioni Generali Board of Directors approved the consolidated results as of 31 March 2016.

Executive Summary

The results of the first quarter of the year confirm the strength of the Group's technical profitability and business model within an increasingly uncertain macroeconomic scenario. The quarter was marked by the strong impact of the volatile financial markets, with significant losses on the equity indexes and record low interest rates.

The operating return of the Group remained at excellent levels, with an **annualized operating RoE³** at 13.3%, above the 13% target, securing the ambition of the plan. Specifically in the quarter, the strength of the Group business model is proved by the 6.4% growth of **Life net cash inflows** - premiums collected net of claims and benefits paid - to over € 4.5 billion and the further improvement in the P&C technical result, with a combined ratio at 92% (-1.3 p.p.). The total **premium income** is broadly in line at € 19.7 billion (-1.1%; € 20.1 bln 1Q15), a solid result considering the market environment and compared to a particularly favourable first quarter in 2015.

The **operating result** amounts to € 1,163 million (-12.3%; €1,326 mln 1Q15). Despite the improvement observed in Life and P&C technical performances, the decline follows the financial performance impacted by the current low interest rate scenario and by the planned lower realization of gains, which in turn was particularly significant in the first quarter in 2015, mainly in the equity portfolio in light of the favourable performance of these markets. In the absence of such conditions in the first quarter of 2016, Generali decided to adopt a cautious approach to the realization of gains, specifically in the bond portfolio, with the aim of sustaining the future returns of own investments. The decline in the operating result is also impacted by the reduction in the Holding and other activities segment to € -38 million, due to the lower financial performance of Banca Generali within the negative market trend.

The lower realized gains influenced also the non-operating performance, resulting in a **net profit** of € 588 million (-13.8%; € 682 mln 1Q15).

Executive summary

(€ million)	31/03/2016	31/03/2015
Consolidated operating result	1,163	1,326
life segment	756	823
property&casualty segment	498	505
holding and other businesses segment	-38	54
consolidation adjustments	-53	-56
Consolidated non-operating result	-257	-206
Income taxes	-280	-338
Profit or loss from discontinued operations	0	-20
Result of the period	626	761
Result of the period attributable to the Group	588	682
Result of the period attributable to minority interest	38	80

The premium income in the **Life** segment declined by 1.3% to € 13,430 million (€ 13,666 mln 1Q15) mainly due to the performance of the unit linked premiums impacted also by the current equity market volatility. This business line witnessed a 15.4% decrease compared to the over-performance achieved in the first quarter in 2015 (+24.6%).

New business in terms of APE was also impacted by market conditions, declining by 6.9% to € 1,321 million, following the decrease in both single (-4.9%) and regular premiums (-8.6%). Despite the mentioned

³ The annualized operating RoE is calculated as the sum of the last four quarterly operating RoE ratios.



reduction in the APE, new business value (NBV) showed a sharp increase (+12.7%) amounting to € 361 million (€ 322 mln 1Q15). As a consequence, the new business margin (NBM) showed an increase by 4.8% to 27.3% (22.5% 1Q15), driven by the effective actions to recalibrate guarantees and by the trend of interest rates and volatility compared to 1Q15⁴.

As mentioned, the operating result declined to € 756 million (-8.2%; € 823 mln 1Q15) due also to the performance of the investment margin. The technical margin showed a positive trend, sustained by the excellent development of the net cash inflows.

The **P&C** premium income remained broadly stable at € 6,311 million (-0.6%; € 6,483 mln 1Q15), mirroring the trend in the motor segment (-0.9%).

Thanks to the initiatives adopted by the Group, the operating performance remained at excellent levels, going from € 505 million to € 498 million. The slight decline (-1.4%) is due to the lower investment result impacted by the current low interest rate scenario and by the weaker results of the other operating items. The technical result improved with a **combined ratio** (CoR) at 92% (-1.3 p.p.), driven by a positive performance in Italy, France, Germany and Americas.

The strength of the Group **shareholders' equity** is confirmed, with a 5.8% growth to € 24.9 billion (€ 23.6 bln FY15), benefiting from both the net result of the period and the positive performance of the value on financial assets available for sale.

The Group **Economic Solvency Ratio** - determined by applying the internal model to the whole Group's perimeter - amounted to 188% (202% FY15; -14 p.p.) remaining at excellent levels despite the adverse economic scenario, whose negative impact was partially offset by the organic capital generation which remains strong.

The **Regulatory Solvency Ratio** - that instead considers the application of the internal model to the companies for which IVASS approval was obtained and for the remaining companies the application of the Standard Formula - amounted to 161% (175% FY 2015).

Life segment: premiums broadly stable, operating performance impacted by investment result. NBV improving

- Stable premiums at € 13.4 bln (-1.3%), despite the decline in unit linked (-15.4%) due to the equity market volatility. Positive development of the savings and pension line (+5.7%)
- Net cash inflows increased over € 4.5 bln (+6.4%)
- New business value (NBV) grows by 12.7% to € 361 mln, with NBM at 27.3% (+4,8 p.p.)
- Operating result at € 756 mln (-8.2%), due to a lower realization of gains

The Life **premiums** achieved € 13,430 million (-1.3%; € 13,666 mln 1Q15). This performance mainly reflects the 15.4% reduction in the unit linked premiums, impacted by the current equity market volatility. Savings and pension products instead increased by 5.7%, partially offsetting this decline.

As to the main Group countries, Italy grew by 2% driven by the performance of the savings and pension

⁴ The methodology applied for the NBV evaluation involves the use of economic assumptions at beginning of period (for 1Q16 is based on the assumptions at 31.12.2015).



line (+9.6%). France, CEE countries and the EMEA region decreased respectively by 6.5%, 3.8% and 9.5%, mainly due to the above mentioned decline in unit linked premiums and also by a decrease in savings and pension policies. The decline by 16.1% in Germany is mainly attributable to single premium products, in particular in the savings and pension policies, showing a decrease consistent with the strategic activities aimed at reducing this type of products. A positive volume trend was reported in Asia, mainly thanks to the development of sales through bancassurance in China. Our determination is to grow in volumes in a controlled and sustainable way focusing at the same time on results. As interest rates in China have moved significantly lower, and as the volume budgets for certain sources of our production has been reached, the 1Q16 volume pattern is not expected to continue in the rest of the year.

Life net cash inflows - premiums collected net of claims and benefits paid - reached more than € 4.5 billion, with a growth of 6.4%. The trend reflects the performance in Italy (with net cash inflows approximately half the Group total) thanks to the premium performance and the simultaneous reduction of capital outflows. France and Germany witnessed instead a decline, mainly due to premium development, as well as EMEA, due to the reduction in Austria and Switzerland - where net cash inflows are impacted by both the increase in payments and the decline in the premium income - and Spain. The contribution from Asia was excellent, with tripled net cash inflows, driven by the premium income growth.

New business in terms of APE showed a decline of 6.9% to € 1,321 million, due to a reduction both in single premiums (-4.9%) in almost all areas with the exception of Italy and Asia, both in annual premiums (-8.6%) mostly due to the decrease observed in the main areas, only partially offset by growth in Spain and Asia. Despite the mentioned reduction in the APE, new business value (NBV) showed a sharp increase (+12.7%) amounting to € 361 million (€ 322 mln 1Q15).

As a consequence, the new business margin (NBM) improved, up 4.8% to 27.3% (22.5% 1Q15), thanks to the effective recalibration of guarantees and by the trend of interest rates and volatility compared to 1Q15.

The **operating result** amounted to € 756 million (-8.2%; € 823 mln 1Q15). The positive contribution of the technical margin, thanks to the net cash inflows trend, is offset by increased acquisitions and administration costs and by the reduction in the investment result, due to the lower realized gains following the Group aim of sustaining the future gains of the own investments because of the current changed market scenario compared to last year when the financial markets allowed excellent results. The other operating items include also the costs for the brand royalties conveyed to the Parent Company for marketing and brand development activities starting from the fourth quarter in 2015.

The expense ratio - the ratio between costs and the earned premiums - went from 9.1% at 1Q15 to 9.4% at 1Q16 mainly due to the decline in the premium income in EMEA and in France, the latter reporting an increased cost rate following the planned changes in the business mix.

Life segment operating result by driver

(€ million)	31/03/2016	31/03/2015
Operating result	756	823
Technical margin	1,473	1,385
Net investment result	554	678
Insurance and other operating expenses	-1,270	-1,240



P&C segment: high technical profitability, solid premium income

- Premiums stable at € 6.3 bln (-0.6%), despite the challenging market environment
- Operating result at € 498 mln (-1.4%) supported by the excellent performance of the technical result (+27.9%)
- Improved combined ratio to 92% (-1.3 p.p.)

Premiums in the P&C segment are broadly stable at € 6,311 million (-0.6%; € 6,483 mln 1Q15). Within a still particularly uncertain market environment and with high competition in some operating areas, the premium income in the motor segment declined by 0.9%, mainly driven by the performance of Italy and Germany. Premiums in non-motor are broadly stable (-0.3%).

As to the main Group countries, CEE and EMEA witnessed an increase (respectively +0.9% and +3.2%). The performance in Italy declined (-6.2%) mainly due to the 11% reduction in motor - impacted by both the decline in average premium within the competitive market environment and to the exit of some large fleet contracts - and by the 3.4% decline in non-motor. The decline of 1.7% in Germany is due to the decrease in the motor segment (-1.7%) mainly attributable to the renewals postponed to the second half of the year, and in the non-motor (-1.5%) following the planned portfolio pruning in the broker channel and in part in the agency channel. France also reported a slight decline (-1.7%) due to the non-motor segment, while motor is stable.

Premiums increased in Latin America (+9.9%).

The **operating result** amounted to € 498 million (€ 505 mln 1Q15) with a slight reduction (-1.4%). Despite the improvement of the technical performance (+27.9%) thanks to the initiatives adopted by the Group to support the profitability and to the absence of natural catastrophe claims, the decline is driven by both the investment result, following the reduced current returns due to the low interest rate scenario and the performance of the other operating items, also including amongst others the previously mentioned costs of the brand royalties and higher taxes other than income taxes.

Property&Casualty operating result by driver

(€ million)	31/03/2016	31/03/2015
Operating result	498	505
Technical result	369	288
Investment result	201	234
Other operating items	-72	-18

The **combined ratio** achieved 92% improving by 1.3 p.p., entirely driven by the reduced loss ratio to 64% (65.3% 1Q15). The expense ratio is stable at 28%. In the first quarter of 2015, the natural catastrophe claims amounted in total to € 95 million, with an impact of 1.9 p.p. on the CoR. The current accident year loss slightly increased (+0.5 p.p.), due to the development in the motor segment. The prior years loss ratio is broadly stable at -4.1 p.p. (+0.1 p.p.).

As to the main Group countries, in Italy the CoR achieved 88.7%, decreased by 0.6 p.p. and ranking as best ratio in the Group as also recorded at the end of 2015. The improvement in the French combined ratio is confirmed at 99.7% (-0.5 p.p.), benefiting from the portfolio restructuring strategy. The trend was positive also in Germany, with a CoR at 90.4% (-3.5 p.p.). The CoR in the CEE countries increased to 89.7% (+6 p.p.), though still maintaining an excellent technical profitability. The result was impacted by the regulatory changes in the reservation methodology in the motor segment in Poland started in the fourth quarter of last year and by the average claims increase in the motor third-party liability and health lines.

Holding and other activities segment ⁵

Operating result of the holding and other businesses segment

(in € million)	31/03/2016	31/03/2015
Holding and other business Operating result	-38	54
Financial	89	149
Holding operating expenses	-111	-116
Other businesses	-15	21

The **operating result of the Holding and other activities segment** amounts to € -38 million (€ 54 mln 1Q15). It reflects in particular the decline characterizing the **financial segment**, with an operating result from € 149 million to € 89 million at 1Q16, due to the performance of Banca Generali, mainly driven by the reduction in the operating result following the trend of the financial markets.

The **operating holding costs** went from € -116 million to € -111 million. It is to be considered that this includes the brand royalties conveyed to the Parent Company for marketing and brand development activities starting from the fourth quarter in 2015. Excluding this item, the increase reflects the strengthening in the last two years of the Group Head Office structures as well as the development of the Regional Offices tasked with directing, coordinating and controlling the business in key areas in terms of growth opportunities, e.g. Asia.

The operating result of **other activities** amounts to € -15 million, decreased by € -36 million as compared to the same period last year due to lower net realized gains in the real estate and private equity sector.

From operating result to net profit

The **non-operating result** amounts to € -257 million (€ -206 mln 1Q15). This reflects in particular the decline by € 142 million of the investment result due to the mentioned lower realized gains compared to last year, as well as to higher impairments on financial investments.

The holding non-operating costs went from € -187 million to € -197 million; following the new placement of € 1.25 billion in the fourth quarter of 2015, the interest expenses on the financial debt went from € -172 million to € -183 million in the first quarter of 2016.

Finally, the other net non-operating costs improved to € -59 million (€ -159 mln 1Q15). This item mainly consists of € -31 million for the amortization of the acquired portfolios (€ -32 mln 1Q15) and € -37 million for the restructuring costs (€ -39 mln 1Q15). The improvement in this item is mainly due to the absence of other non recurring provisions, which amounted to € -49 million in the first quarter of 2015.

The **earnings before tax** went from € 1,120 million to € 906 million (-19.1%), reflecting the operating and non-operating performances.

The **tax rate** stands at 28.5% (29.2% 1Q15).

The **result of the period attributable to minority interests**, i.e. a minority rate of 6.1% (10.5% 1Q15) went from € 80 million to € 38 million due to the lower performance of Banca Generali.

The **Group result of the period** thus amounts to € 588 million (€ 682 mln 1Q15), decreased by 13.8%.

⁵ The "Holding and other activities" segment includes the activities carried out by the Group companies in the financial advisory and asset management sector (financial segment), the costs incurred for the management, coordination and financing of the business, and other activities that the Group considers subsidiary to its core insurance business.



Shareholders' equity

Capital and reserves attributable to the Group amount to € 24,924 million at 31 March 2016 compared to € 23,565 million at 31 December 2015. The improvement (+5.8%) is driven both by the gains on available for sale financial assets recognized through shareholders' equity (€ 7,191 mln compared to € 6,067 mln at 31 December 2015), and by the result of the first quarter of 2016, only partially offset by the actuarial losses on pension liabilities amounting to € 245 million.

Group investments policy

Group total Assets under Management increased by 4% to € 519 billion at 31 March 2016. In particular, total investments amounted to € 467 billion, while third party assets under management amounted to € 52 billion.

Group investments

(in € million)	31/03/2016	Impact (%)	31/12/2015	Impact (%)
Equity instruments	17,838	4.5%	18,353	4.9%
Fixed income instruments	334,430	84.7%	328,454	87.0%
Land and buildings (investment properties)	13,739	3.5%	13,783	3.6%
Other investments	6,140	1.6%	3,338	0.9%
Cash and cash equivalents	22,491	5.7%	13,768	3.6%
Total	394,638	100.0%	377,697	100.0%
Investments back to unit- and index-linked policies	72,416		74,966	
Total investments	467,054		452,662	

The Group general account investment, amounting to € 394.6 billion, increased by 4.5% mainly driven by the bond portfolio benefiting from the higher value thanks to the interest rate trend. The equity portfolio and the investment properties remain broadly stable.

The further liquidity generated during the first quarter of 2016 originates also from the de-risking activities on the securities portfolio aimed at protecting both the insurance portfolios and balance sheet of the Group from the volatile equity market environment.

The Group investments policy is based on an asset allocation strategy aimed at consolidating current returns and safeguarding consistency with liabilities to the policyholders.

The investment strategy for fixed-income investments aims at portfolio diversification, in both government bonds, where the European core rates are at record lows, and corporate bonds, including private placements and guaranteed loans. The objective is to ensure adequate returns for policyholders and a satisfactory return on capital, while maintaining a controlled risk profile.

Equity and investment property exposure will be kept substantially stable.



Significant events within the period and after 31 March 2016

Fitch affirmed Generali's rating

On 26 January 2016, the rating agency Fitch affirmed the Generali and its subsidiaries' IFS rating (Insurer Financial Strength) at A-; the outlook was confirmed stable. This rating reflects the improvement in the Group's capital position, the expectations that Generali's operating performance will remain strong and that management's ongoing focus will be to preserve capital and reduce financial leverage. On the basis of Fitch's internal model (FBM), Generali's score remained "strong" at end 2014 and it is now close to the "very strong" level, reflecting the improvement in the Group's capitalisation.

Resignation of the Group CEO

On 26 January 2016, the Group CEO Mario Greco affirmed that he would be unwilling to serve another term as CEO. On 9 February the Board of Directors of Assicurazioni Generali approved the mutually agreed termination of all existing relations between Mr. Greco and the Company, in line with the Group's remuneration policies and resolved to assign temporarily the powers of Group CEO to the Chairman of the Company, Gabriele Galateri, pursuant to the Group's provisions for succession planning.

Solvency II: approval of partial internal model

In March, following the authorization request submitted by Assicurazioni Generali S.p.A., IVASS - the Italian Insurance Supervisory Authority - approved the use, starting from 1 January 2016, of a partial internal model to calculate the consolidated Solvency Capital Requirement at Group level as well as the Solvency Capital Requirement for its main Italian and German insurance companies, for the Non-Life French companies and for the Czech company Ceska Pojistovna a.s..

Appointment of the new Group CEO and the new General Manager

On 17 March 2016, the Board of Directors of Assicurazioni Generali, following the selection process lead by the Corporate Governance Committee, appointed Philippe Donnet as Group CEO, conferring him all related executive powers. The Board of Directors of Assicurazioni Generali also appointed the Group CFO Alberto Minali General Manager of the Company.

Modification of the share capital

On 22 April 2016, Assicurazioni Generali completed the share capital increase to euro 1.559.883.538, in execution of the *Long Term Incentive Plan* adopted by the Shareholders' Meeting of the Company on 30 April 2013.

The Shareholders' Meeting appoints the new Board of Directors

On 28 April 2016, the Shareholders' Meeting elected the new Board of Directors to hold office for three financial years, until the approval of the financial statements of December 2018. The following were elected from the majority list: Gabriele Galateri di Genola, Francesco Gaetano Caltagirone, Clemente Rebecchini, Philippe Donnet, Lorenzo Pellicoli, Ornella Barra, Alberta Figari, Sabrina Pucci, Romolo Bardin, Paolo Di Benedetto and Diva Moriani. Paola Sapienza and Roberto Perotti were elected from the minority list presented by institutional investors.

The Board of Directors appointed for the three years 2016-2018 Gabriele Galateri di Genola Chairman of the company, Francesco Gaetano Caltagirone and Clemente Rebecchini Deputy Chairmen, and Philippe Donnet Group CEO and Managing Director.

Outlook

In a macroeconomic and financial environment still facing low interest rates, in the Life segment the Group will continue to favour a portfolio of policies less sensitive to low interest rates and with lower capital absorption.

The P&C segment will continue to be key to the execution of the Group strategy to become retail leader in Europe. Also here, a continued focus on technical profitability will help the overall performance in a



scenario of declining financial income.

Despite the challenging environment and the high volatility of the financial markets, in 2016 the Group confirms the target of an operating ROE above 13% and will improve shareholder remuneration, consistently with the strategic plan presented to the market.

The Board of Directors has evaluated, pursuant to art. 144-*novies*, paragraph 1-*bis* of the Issuers Regulation, the directors' criteria for independence envisaged by art. 147-*ter*, paragraph 4 and 148, paragraph 3 of the TUIF and art. 3 of the Voluntary Code of Conduct for listed companies.

The evaluation was carried out with the support of the Governance and Sustainability Committee, based on the information provided by each director, including updated declarations. The evaluation also took into account other information available to the company.

At the end of the process, the Board ascertained that all directors who had declared their independence did meet this requirement as per art. 147-*ter*, paragraph 4 and 148, paragraph 3 of the TUIF, therefore all current directors are independent with the sole exception of the Managing Director and Group CEO.

The Board has also ascertained that the directors Romolo Bardin, Ornella Barra, Paolo Di Benedetto, Alberta Figari, Diva Moriani, Roberto Perotti, Sabrina Pucci and Paola Sapienza meet the independence requirements set out in art. 3 of the Voluntary Code of Conduct, verifying the absence of self-employment or employment relationships or other ownership or professional interests, as well as the existence of any material business, financial or professional relationships.

During this process, the Board found that Alberta Figari has professional interests which are not, however, material. The findings of the assessment reflected the conclusions stated in greater detail in the Corporate Governance and Share Ownership Report 2015, i.e. the proportion of the costs incurred by the Group for professional services provided by the law firm Clifford Chance – where Alberta Figari is partner – out of the total costs incurred by Generali for legal advice is not material, nor do the fees from the Group have a material effect on the aforementioned said law firm's global annual revenues.

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



DEFINITIONS AND GLOSSARY*

Gross written premiums = Equal to gross written premiums of direct business and accepted by third parties.

Gross direct premiums = Equal to gross written premiums of direct business.

Annual Premium Equivalent (APE) = It is an indicator of volumes of life segment, annual and normalized, and it is equivalent to the sum of new annual premium policies, plus a tenth of premiums in single premium policies (net of the portion attributable to minority interests).

New business value (NBV) = It is an indicator of new value created by the new business of life segment. Is obtained by discounting at the date of new contracts the corresponding expected profits net of the cost of capital (net of the portion attributable to minority interests).

New Business Margin (NBM) = It is a performance indicator of the new business of life segment, equal to the ratio NBV / APE .

Net cash inflows = It is an indicator of cash flows generation of the life segment. It is equal to the amount of premiums collected net of claims and benefits paid (outflows) of direct insurance business.

Combined Ratio (COR) = It is a technical performance indicator of the P&C segment, calculated as the weight of the loss ratio and the acquisition and general expenses (expense ratio) on the earned premiums.

Current accident year loss = It is a further detail of combined ratio calculated as the ratio between:
- current year incurred claims + related claims management costs net of recoveries and reinsurance; and
- earned premiums net of reinsurance.

Previous accident year loss = It is a further detail of combined ratio calculated as the ratio between:
- previous year incurred claims + related claims management costs net of recoveries and reinsurance; and
- earned premiums net of reinsurance.

Solvency II Regulatory ratio = defined as the ratio between the Eligible Own Funds and the Group Solvency Capital requirement, both calculated according to the definitions of the SII regime. Own funds are determined net of proposed dividend. The ratio has to be intended as preliminary since the definitive Regulatory Solvency Ratio will be submitted to the supervisory authority in accordance with the timing provided by the Solvency II regulations for the official reporting.

Economic Solvency ratio = defined as the ratio between Eligible Own Funds and the Group Solvency Capital requirement, both calculated applying the internal model also to all the companies for which at present the authorization was not obtained yet.

Equivalent consolidation area = Refers to equivalent consolidation scope.

Equivalent terms = Refers to equivalent exchange rates and equivalent consolidation scope.

Operating result = obtained by reclassifying the components making up earnings before tax in each line of business on the basis of the specific characteristics of each segment, and taking account of recurring expense of the holding. All profit and loss items were considered, with the exception of net non-operating costs, i.e., results of discontinued operations, corporate restructuring costs, amortisation of portfolios

* Please see the Annual Integrated Report for further details.



acquired directly or through acquisition of control of insurance companies or companies in the holding and other activities segment (value of business acquired or VOBA) and other net non-recurring costs. In the Life segment, the following are also considered as non-operating items: realized gains and losses on investments not considered in determining profits attributed to policyholders and net measurement losses that do not contribute to the formation of local technical reserves but exclusively in determining the deferred liability to policyholders for amounts not relating to policyholders and those on free assets. In the P&C segment, the following are considered as non-operating items: all realized and measurement gains and losses, including exchange-rate gains and losses. In the holding and other activities segment, the following are considered as non-operating items: realized gains and losses and non-recurring net measurement losses. The total operating result does not include non-operating holding costs such as interest expense on borrowings and costs arising from parent stock option plans and stock grants.

Operating return on equity= an indicator of return on capital in terms of the Group operating result (adjusted as described in the methodological note of the Annual Integrated Report) related to the Group shareholders' equity.

For a description of the **alternative performance measures**, please refer to the Methodological Note of the Group [Annual Integrated Report](#).

The Group used the option provided for under art. 70, paragraph 8, and art. 71, paragraph 1-bis of the Issuers' Regulations to waive the obligation to publish the information documents provided for in relation to significant mergers, de-mergers or capital increases by contribution of assets, acquisitions and disposals.

THE GENERALI GROUP

The Generali Group is one of the largest global insurance providers with 2015 total premium income of more than €74 billion. With above 76,000 workers in the world, present in over 60 Countries, the Group has a leading position in Western European Countries and an ever more significant presence in the markets of Central and Eastern Europe and in Asia. In 2015, Generali was the sole insurance company included among the 50 smartest companies in the world by the MIT Technology Review.

List of annexes:

- 1) Group highlights**
- 2) Balance sheet**
- 3) From operating result to net profit**
- 4) Additional key data by segment**



1) GROUP HIGHLIGHTS

Economic highlights

Economic highlights		
(€ million)	31/03/2016	31/03/2015
Gross written premiums	19,741	20,149
of which life segment	13,430	13,666
of which property&casualty segment	6,311	6,483
Consolidated operating result	1,163	1,326
of which life segment	756	823
of which property&casualty segment	498	505
Result of the period	588	682

Balance sheet

Balance sheet		
(€ million)	31/03/2016	31/12/2015
Total investments	467,054	452,662
Third parties asset under management	51,952	47,159
Shareholders' equity attributable to the Group	24,954	23,565
Economic Solvency ratio	188%	202%

2) BALANCE SHEET

Assets		
(€ million)	31/03/2016	31/12/2015
1 INTANGIBLE ASSETS	8,644	8,645
1.1 Goodwill	6,659	6,661
1.2 Other intangible assets	1,985	1,985
2 TANGIBLE ASSETS	4,496	4,469
2.1 Land and buildings (self used)	2,847	2,844
2.2 Other tangible assets	1,649	1,625
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	4,121	4,094
4 INVESTMENTS	457,745	447,448
4.1 Land and buildings (investment properties)	12,045	12,112
4.2 Investments in subsidiaries, associated companies and joint ventures	1,263	1,369
4.3 Held to maturity investments	1,933	1,984
4.4 Loans and receivables	46,653	48,198
4.5 Available for sale financial assets	296,843	289,399
4.6 Financial assets at fair value through profit or loss	99,007	94,385
of which financial assets where the investment risk is borne by the policyholders and related to pension funds	72,416	74,966
5 RECEIVABLES	11,898	11,706
5.1 Receivables arising out of direct insurance operations	7,390	6,497
5.2 Receivables arising out of reinsurance operations	1,037	1,060
5.3 Other receivables	3,472	4,149
6 OTHER ASSETS	16,508	15,142
6.1 Non-current assets or disposal groups classified as held for sale	0	0
6.2 Deferred acquisition costs	2,025	2,000
6.3 Deferred tax assets	2,696	2,652
6.4 Tax receivables	2,753	3,115
6.5 Other assets	9,033	7,375
7 CASH AND CASH EQUIVALENTS	10,742	9,044
TOTAL ASSETS	514,153	500,549

Equity and liabilities

(€ million)	31/03/2016	31/12/2015
1 SHAREHOLDERS' EQUITY	26,070	24,708
1.1 Shareholders' equity attributable to the Group	24,924	23,565
1.1.1 Share capital and reserves	18,355	16,337
1.1.2 Reserve for unrealized gains and losses through equity	5,982	5,197
1.1.3 Result of the period	588	2,030
1.2 Shareholders' equity attributable to minority interests	1,146	1,143
2 OTHER PROVISIONS	1,796	1,807
3 INSURANCE PROVISIONS	414,678	404,687
of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	55,915	57,793
4 FINANCIAL LIABILITIES	47,636	49,904
4.1 Financial liabilities at fair value through profit or loss	17,867	20,082
of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	16,389	16,793
4.2 Other financial liabilities	29,769	29,821
of which subordinated liabilities	9,569	9,643
5 PAYABLES	10,124	8,828
5.1 Payables arising out of direct insurance operations	3,250	3,464
5.2 Payables arising out of reinsurance operations	578	511
5.3 Other payables	6,295	4,853
6 OTHER LIABILITIES	13,849	10,614
6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0	0
6.2 Deferred tax liabilities	3,425	3,034
6.3 Tax payables	1,889	1,320
6.4 Other liabilities	8,536	6,259
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	514,153	500,549

3) FROM OPERATING RESULT TO NET PROFIT

(€ million)	31/03/2016	31/03/2015
Consolidated operating result	1,163	1,326
Net earned premiums	17,409	17,572
Net insurance benefits and claims	-14,960	-22,821
Acquisition and administration costs	-2,710	-2,706
Net fee and commission income and net income from financial service activities	78	174
Operating investment result	1,583	9,326
Net operating income from financial instruments at fair value through profit or loss	-1,561	5,571
Net operating income from other financial instruments	3,144	3,754
Interest income and other income	2,885	2,913
Net operating realized gains on other financial instruments and land and buildings (investment properties)	607	1,259
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-121	-158
Interest expense on liabilities linked to operating activities	-90	-114
Other expenses from other financial instruments and land and buildings (investment properties)	-138	-145
Operating holding expenses	-111	-116
Net other operating expenses(*)	-126	-103
Consolidated non-operating result	-257	-206
Non operating investment result	-2	140
Net non-operating income from financial instruments at fair value through profit or loss	-36	-44
Net non-operating income from other financial instruments(**)	34	185
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	150	258
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-115	-73
Non-operating holding expenses	-197	-187
Interest expenses on financial debt	-183	-172
Other non-operating holding expenses	-14	-15
Net other non-operating expenses(***)	-59	-159
Earning before taxes	906	1,120
Income taxes(*)	-280	-338
Earnings after taxes	626	781
Profit or loss from discontinued operations	0	-20
Consolidated result of the period	626	761
Result of the period attributable to the Group	588	682
Result of the period attributable to minority interests	38	80

(*) At 31 March 2015 the amount is net of operating taxes for € 16 million and of non-recurring taxes shared with the policyholders in Germany for € 15 million (at 31 March 2015 respectively for € 16 million and € 0.4 million).

(**) The amount is gross of interest expense on liabilities linked to financing activities.

(***) The amount is net of the share attributable to the policyholders in Germany and Austria.

4) ADDITIONAL KEY DATA PER SEGMENT

LIFE

Operating result by driver

Life segment operating result: technical margin

(€ million)	31/03/2016	31/03/2015
Technical margin	1,473	1,385
Net earned premiums	12,439	12,558
Fee and commission from financial service activities	41	47
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	-11,039	-11,239
Other insurance items	33	19

Life segment operating result: investment result

(€ million)	31/03/2016	31/03/2015
Net investment result	554	678
Operating income from investments	1,282	8,984
Net income from investments	2,977	3,514
Current income from investments	2,724	2,633
Net operating realized gains on investments	592	1,238
Net operating impairment losses on investments	-119	-155
Other operating net financial expenses	-219	-202
Net income from financial instruments at fair value through profit or loss	-1,696	5,470
Net income from financial instruments related to unit and index-linked policies	-1,896	4,333
Net other income from financial instruments at fair value through profit or loss	200	1,137
Policyholders' interests on operating income from own investments	-728	-8,306

Life segment operating result: insurance and other operating expenses

(€ million)	31/03/2016	31/03/2015
Insurance and other operating expenses	-1,270	-1,240
Acquisition and administration costs related to insurance business	-1,240	-1,227
Net other operating expenses	-30	-13

Gross written premiums and operating result by country

(€ million)	Gross written premiums		Operating Result	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	Italy	5,012	4,913	368
France	2,183	2,335	154	145
Germany	3,095	3,688	90	90
Central and Eastern Europe	383	397	65	60
EMEA	1,562	1,732	63	97
Spain	266	261	29	30
Austria	311	353	21	19
Switzerland	259	321	26	32
Other EMEA	726	796	-14	15
Americas	63	77	7	13
Asia	1,057	449	15	38
International Operations	76	74	-4	-17
Total	13,430	13,666	756	823

Life segment premiums by line of business by country

(€ million)	Savings and Pension		Protection		Unit/index linked		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	Italy	4,385	4,000	61	62	565	852	5,012
France	1,151	1,322	456	416	458	490	2,065	2,228
Germany	1,127	1,376	1,041	1,325	927	987	3,095	3,688
Central and Eastern Europe	180	185	100	65	102	146	383	397
EMEA	525	615	331	308	704	805	1,560	1,728
Spain	181	176	84	78	2	7	266	261
Austria	157	216	87	74	66	60	310	351
Switzerland	51	102	36	38	172	181	259	321
Other EMEA	136	121	124	118	465	557	725	795
Americas	8	7	54	70	0	0	62	77
Asia	859	291	162	130	36	29	1,057	449
International Operations	23	36	13	12	0	0	37	47
Total direct written premiums	8,259	7,831	2,219	2,387	2,793	3,310	13,271	13,528

Life segment indicators by country

(€ million)	Net cash flows		APE	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Italy	2,418	2,143	590	590
France	151	208	238	303
Germany	742	1,064	186	238
Central and Eastern Europe	161	74	36	42
EMEA	356	588	147	185
Spain	-15	5	37	32
Austria	-91	12	27	38
Switzerland	98	164	11	20
Other EMEA	365	406	72	95
Americas	27	43	5	6
Asia	673	156	121	66
International Operations	17	29	0	0
Total	4,546	4,306	1,321	1,429

Property&Casualty

Operating result by driver

Property&Casualty operating result: technical result

(€ million)	31/03/2016	31/03/2015
Technical result	369	288
Net earned premiums	4,971	5,014
Net insurance benefits and claims	-3,180	-3,272
Net acquisition and administration costs	-1,393	-1,403
Other net technical income	-29	-50

Property&Casualty operating result: investment result

(€ million)	31/03/2016	31/03/2015
Investment result	201	234
Current income from investments	273	313
Other operating net financial expenses	-72	-79

Property&Casualty segment indicators by country

(€ million)	Gross written premiums		Operating result	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Italy	1,319	1,407	163	160
France	819	834	30	33
Germany	1,423	1,447	102	99
Central and Eastern Europe	531	526	46	74
EMEA	1,678	1,638	92	100
Spain	441	400	38	33
Austria	503	498	38	45
Switzerland	473	473	16	17
Other EMEA	261	267	1	5
Americas	231	318	20	-10
Asia	40	33	-3	-2
International Operations	269	281	48	51
Total	6,311	6,483	498	505

Property&Casualty direct written premiums by line of business by country

(€ million)	Motor		Non motor		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Italy	547	615	746	772	1,293	1.387
France	249	260	557	552	805	812
Germany	683	695	739	750	1,422	1.445
Central and Eastern Europe	256	249	263	268	520	517
EMEA	631	620	1,014	983	1,645	1.602
Spain	113	94	308	288	421	383
Austria	187	185	310	305	497	491
Switzerland	225	239	247	232	472	472
Other EMEA	107	101	149	156	255	258
Americas	162	229	68	87	229	317
Asia	3	3	24	23	28	26
International Operations	0	0	186	189	186	189
Total direct written premiums	2,531	2.671	3,597	3.624	6,127	6.295

Technical indicators by country

	Combined ratio*		Loss ratio		Expense ratio	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Italy	88.7%	89.3%	66.8%	68.8%	21.9%	20.5%
France	99.7%	100.3%	71.3%	73.2%	28.4%	27.0%
Germany	90.4%	93.8%	61.9%	64.5%	28.4%	29.3%
Central and Eastern Europe	89.7%	83.7%	58.7%	51.8%	31.0%	31.9%
EMEA	94.3%	95.0%	66.4%	66.7%	27.9%	28.3%
Spain	93.0%	95.3%	65.4%	67.2%	27.7%	28.1%
Austria	92.5%	93.4%	66.4%	65.8%	26.1%	27.6%
Switzerland	93.3%	93.5%	69.0%	69.6%	24.3%	23.9%
Other EMEA	102.5%	99.7%	65.5%	64.5%	37.0%	35.2%
Americas	98.7%	106.4%	60.4%	65.4%	38.2%	41.1%
Asia	112.2%	112.7%	58.1%	63.8%	54.1%	48.9%
International Operations	86.7%	88.5%	61.2%	63.6%	25.5%	24.9%
Total	92.0%	93.3%	64.0%	65.3%	28.0%	28.0%

(*) In the first quarter of current year CAT claims did not impacted the Group combined ratio (At 31 March 2015 CAT claims impacted on the Group combined ratio for 1.9 pps, of which 2.6 pps in Italy, 5.9 pps in Germany and 1.7 in Austria).