8.2.2017
PRESS RELEASE

Positive first half performance: improved net profit and operating result. Operating return on equity again above target

- Net profit increased to € 1,221 mln (+3.7%), thanks to the positive performance in all areas of operation
- Operating RoE stood at 13.6% (target >13%)
- Operating result up to € 2.6 bln (+4.1%), despite the current low interest rate environment, reflecting the improved profitability in the Financial and Property&Casualty segments
- Technical performance confirmed at excellent levels with CoR at 92.9% and Life New Business Value at € 942 mln rising by 52%, with a margin of 4.11%
- Premiums solid at € 36.6 bln (-0.8%[1]). Growth recorded in P&C business (+1.5%); in Life, net inflows stood at best in class levels exceeding € 5.7 bln
- Improved capital position with Regulatory Solvency Ratio[2] at 188% and Economic Solvency Ratio at 207%

Media Relations
T +39.02.48248884
media@generali.com

Investor Relations
T +39.040.671402
ir@generali.com

www.generali.com

Generali
@GENERALI
Generaligroup
GruppoGenerali

Generali Group CEO, **Philippe Donnet**, declared: *"Generali's first-half results confirm the solidity of our business and the efficient execution of our industrial transformation. The Combined Ratio at 92.9% and the New Business Value, which registered a strong increase of 52% with a margin of 4.11%, continue to remain at excellent levels. The rise in P&C premiums together with the solid and continued high-quality Life net inflows, are a result of our focused and disciplined approach to growth. The successful execution of our strategic plan led to today's positive results with a 3.7% rise in net profit, operating RoE remaining above our target and an overall increase in capital-light products. We are achieving our financial goals thanks to the determination, the focus and the commitment with which we are implementing our strategy to make Generali 'simpler & smarter'."*

---

[1] Changes in premiums, net cash inflows and Annual Premium Equivalent (APE) and the present value of new business premiums (PVNBP) are presented in equivalent terms (at constant exchange rates and scope of consolidation)
[2] Preliminary Regulatory Solvency Ratio net of the accrued dividend. Please for definition see Glossary at page 134 of Consolidated Financial half-yearly Report 2017.

Milan - At a meeting chaired by Gabriele Galateri di Genola, the Assicurazioni Generali Board of Directors approved the consolidated results as of 30 June 2017.

Executive Summary

Generali Group's results in the first six months of the year highlight an excellent performance in terms of profitability and capital strength. The results confirm the effective and disciplined management of our business targeted at pursuing its strategic objectives. The Group's performances were obtained in a recovering macroeconomic context, albeit with interest rates that have remained low, with growth in the equity markets, especially in the second quarter, a gradual increase in returns on German bonds and a tightening of spreads of Euro peripheral countries.

The **operating result** rose by 4.1% to € 2,588 million (€ 2,487 mln 1H16) reflecting the development in the P&C segment, with a combined ratio that was confirmed at excellent levels (92.9%), and in particular the Holding and other businesses segment, mainly thanks to the excellent performance of Banca Generali, the reduction in the Operating holding expenses (-3%) and significantly higher income from private equity and the property sector recorded in the second quarter of the year. The Life technical margin net of insurance expenses fell slightly. The operating financial performance reflects, on the one hand, a context of low interest rates and the impact of foreign exchange translation effects and, on the other, the higher realised gains registered in the period as a result of the seizing of financial market opportunities.
Therefore, the Group maintains excellent operating profitability levels, measured through the **annualised operating RoE, equal to 13.6%**, in line with the plan objective.

With reference to volumes, **Life Net cash inflows** remains solid exceeding € 5.7 bln. The decrease of 23% reflects the more selective underwriting policy in the savings line and a targeted rebalancing in favour of products offering better risk-return terms. Furthermore, Italy, France and Ireland experienced an increase in surrenders. **Life gross written premiums**, amounting to € 25.3 bln, recorded a drop of 1.8%, due to the continuation of the aforementioned strategic objectives, savings products declined by 15.5%, while unit-linked policies registered significant growth (+30%) in particular in Italy and France, together with a remarkable growth in the protection line (+5,4).

New business in terms of present value of new business premiums (PVNBP) amounted to € 22,941 million (-1.6%). As a result of the aforementioned execution of the strategic objectives, savings production decreased (-22.6%), counterbalanced by the increase in unit linked (+44.3%) and protection business (+8.2%). Notwithstanding the slight slowdown in PVNBP, new business value (NBV) recorded a sharp increase (+51.8%), totalling € 942 million (€ 627 mln 1H16). The above mentioned Group actions aimed at selective underwriting and product rebalancing, boosted the PVNBP margin to 4.11%[3] (2.68% 1H16), up by 1.44 p.p..

The growth observed in **the P&C premium** income in the first quarter continued, and rose to € 11.3 bln (+1.5%), due to the increase in the Motor segment (+3.7%), concentrated in particular in Germany, in Central and Eastern European countries and in the Americas. Premiums in the Non-Motor segment were also positive (+0.8%).
Total gross written premiums of the Group consequently reached € 36.6 bln, a slight drop (-0.8%) compared to the previous year.

The **Non-operating result** improved to € -577 mln, reflecting better financial performances, lower interest on financial debt and lower restructuring costs.

---

[3] This performance indicator is calculated as the ratio New Business Value (NBV)/ Present Value of New Business Premiums (PVNBP, that replaces the performance indicator APE, in order to provide a better representation of margin on new business volumes). For further information please see Glossary at page 134 of Consolidated Financial half-yearly Report 2017). The technical margin calculated considering APEs would increase up to 40.5%.

The aforementioned positive economic performances, partially offset by the greater weight of taxes, which went from 31.6% to 32.5%, are reflected in the **Result of the period attributable to the Group** of € 1,221 mln, up by 3.7% compared to € 1,178 mln in the half in 2016.

(€ million)	30/06/2017	30/06/2016	Change
Consolidated operating result	2,588	2,487	4.1%
life segment	1,614	1,660	-2.8%
property&casualty segment	1,095	1,087	+0.7%
holding and other activites segment	30	-102	n.a.
consolidation adjustment	-150	-158	-4.7%
Consolidated non-operating result	-577	-620	-7%
Income taxes	-683	-606	+12.6%
Profit or loss from discontinued operations	0	0	n.a.
Consolidated result of the period	1,328	1,260	+5.4%
Result of the period attributable to the Group	1,221	1,178	+3.7%
Result of the period attributable to minority interests	107	82	+29.8%

The **shareholders' equity attributable to the Group** remains solid amounting to € 23,705 mln, down by 3.4% compared to the € 24,545 mln at 31 December 2016. The change was due to the result of the period attributable to the Group, amounting to € 1,221 mln, more than offset by the payment of the dividend totalling € 1,249 mln and the reduction of € 713 mln in the reserve for unrealized gains and losses on available for sale financial assets.
The **Preliminary Regulatory Solvency Ratio** – which represents the regulatory view of the Group's capital and is based on use of the internal model, solely for companies that have obtained the relevant approval from IVASS, and on the Standard Formula for other companies – stood at 188% (178% FY 2016[4]; +10 p.p). The trend is due to normalised generation of capital, net of the accrued dividend for the current year, and the positive trend of financial markets.
The **Economic Solvency Ratio**, which represents the economic view of the Group's capital and is calculated by applying the internal model to the entire Group perimeter, stood at 207% (194% FY16; +13 p.p.).

Life segment: NBM up, disciplined underwriting approach, solid operating performance in a context of low interest rates

- **Life net cash inflows exceed € 5,7 billion**
- **NBM improves to 4.11%**

Life net cash inflows - premiums written net of claims and lapses - reached more than € 5.7 bln. The decrease of 23% reflects decreases in France, Italy, Germany and China, primarily as a result of the trend in premiums. France and Italy also felt the effects of the trend in lapses, which also rose in Ireland.

Life premiums, amounting to € 25,302 mln, recorded a drop of 1.8%, due to the continuation of the more selective underwriting policy for savings products (-15.5%) and the rebalancing in favour of products offering better risk-return terms, such as unit-linked products (+30%) and protection contracts (+5.4%).
With reference to the main countries in which the Group operates, Italy recorded a decrease of 4.3%, due entirely to the aforementioned savings products underwriting policies, while unit-linked policies registered significant growth (+80.2%) deriving from hybrid products, as well as protection policies (+11.2%). Also France, which grew by 4.1%, and Germany, whose premium income is stable, recorded trends similar to those of Italy, with growth in unit-linked policies, especially in

[4] The ratio represents an update with respect to the figure communicated on 16 March 2017 (177%), consistent with the information disclosed to the Supervisory Authority in accordance with the timing provided by the Solvency II regulations and published on 30 June 2017 in the 2016 Report on the solvency and financial position of the Generali Group.

France (+46.5%), and protection policies. Central and Eastern European Countries registered a decrease of 3.4%; the growth recorded in unit-linked policies is actually offset by the fall in savings and protection products.
After a particularly favourable 2016 in terms of premium income, thanks in particular to the bancassurance channel in China, premiums in Asia recorded a drop of 25.5%, accompanied by a major improvement in the new business margin.

New business in terms of present value of new business premiums (PVNBP) amounted to € 22,941 million (-1.6%; € 23.352 mln 1H16). As a result of the aforementioned execution of the strategic objectives, savings production recorded a general decrease (-22.6%) in the Group's main operating countries, in particular in Italy (-24.7%) and in Germany (-26.6%). On the contrary, unit linked showed an increase (+44.3%), concentrated in Italy, whose new production doubled, in France (+56.3%) and in Germany (+ 16.6%). The protection line was also positive (+ 8.2%), particularly in France (+33.6%). Notwithstanding the slight slowdown in PVNBP, new business value (NBV) recorded a sharp increase (+51.8%), totalling € 942 million (€ 627 mln 1H16). The mentioned action aiming at selective underwriting policy and product rebalance, boosted the PVNBP margin to 4.11% (2.68% 1H16), up by 1.44 p.p., despite the less favorable economic scenario than the first half of 2016.

Life segment operating result by driver

(€ million)	30/06/2017	30/06/2016	Change
Operating result	1,614	1,660	-2.8%
Technical margin	2,999	2,979	0.7%
Net investment result	1,122	1,156	-2.9%
Insurance and other operating expenses	-2,507	-2,475	1.3%

The **Operating result** of the life segment came to € 1,614 mln (€ 1,660 mln in 1H2016; -2.8%), reflecting the contraction in the technical margin net of insurance and other operating expenses. The financial performance was also down (-2.9%) due to a lower contribution from current income and impact of foreign exchange translation effects.
With reference to the main countries of operations, a solid contribution was made to the Group result by Italy, Germany and France, despite the low interest rates. France recorded significant growth in the operating result, thanks to the increase in the technical margin, which benefitted from a better business mix.

Finally, the operating return on investments of the life segment stood at 0.38% (0.40% in 1H16).

The expense ratio - the ratio between costs and the earned premiums - went from 9.6% in 1H16 to 9.9% in 1H17, due to the increase in administration costs ratio (+0.2 p.p.) and acquisition costs ratio (+0.1 p.p.).

Property&Casualty segment: increase in premium income, solid technical profitability

- **Premiums up to € 11.3 bln (+1.5%), thanks to the strong Motor (+3.7%) and Non-motor (+0.8%) performance**
- **Solid operating result at € 1,095 mln (+0.7%)**
- **Combined ratio confirmed at excellent levels: 92.9% (+0.5 p.p.)**

Positive performance recorded by **P&C premiums** which increased to € 11,302 mln, thanks to the increase in the Motor segment (+3.7%), concentrated in particular in Germany, Central and Eastern European countries and in the Americas. The decrease of 4.9% in Italy reflects the prolonged contraction of average premiums and the portfolio. A positive performance was also recorded in the Non-Motor segment (+0.8%), which increased in the main countries of Group operations, with the exception of Italy (-4.6%), which reflects the drop in premium income of Global Corporate&Commercial. Premiums were essentially stable in France (-0.5%).

The **operating result** amounts to € 1,095 mln (€ 1,087 mln in 1H16; +0.7%). The technical margin is influenced by the increase in the acquisition cost component reflecting the rebalancing of the portfolio towards the Non motor segment, while the financial result remains solid, despite interest rates remaining low. An improvement was registered by the other operating items, that, during the period, benefitted from lower allocation to risk provisions.

Property&Casualty operating result by driver

(€ million)	30/06/2017	30/06/2016	Change
Operating result	1,095	1,087	0.7%
Technical result	644	681	-5.4%
Investment result	528	533	-1.0%
Other operating items	-78	-127	-39.0%

The **combined ratio** stands at 92.9% (+0.5 p.p.). The half just ended was affected by catastrophic events for around € 93 mln, relating mainly to the severe winter and the bad weather of late June in Italy, storms in Germany and France, impacting for a total of 0.9 p.p. on the CoR (1.3 p.p. in the first half of the previous year). The current year loss ratio excluding natural catastrophes increased (+0.4 p.p.), due to the evolution observed in the Non-Motor segment. The contribution of previous generations remained stable at -4.4 p.p.

As regards our main countries of operations, in Italy, the CoR rose to 90.5% (+1.9 p.p.), impacted by higher natural catastrophe claims of 2 p.p. The CoR improved in Germany, standing at 91.0% (-0.4 p.p.), thanks to the positive development of the loss ratio, which benefitted from a lower impact of natural catastrophe claims equal to 2.4 p.p.. The improvement in the combined ratio in France continues, equal to 98.3% (-1.9 p.p.); net of the benefit deriving from the lower increase in natural events (-1.3 p.p. compared to HY16), the CoR would, nonetheless, still improve thanks to the evolution in the expense ratio. The CoR in CEE countries improved to 89.2%, the best Group ratio, down 1.6 p.p.; this performance reflects the absence of natural catastrophe claims (1.2 p.p. in HY16) and benefits from the positive trend in the loss ratio in the Motor business. The CoR increase in the Americas (from 101.5% to 110.5%) is entirely due to the observed growth in Argentina, reflecting an adjustment of the local reserve for some classes of claims following the inflationary dynamics observed during the period.

Holding and other business segment [5]

Operating result of the holding and other business segment

(in € million)	30/06/2017	30/06/2016	Change
Holding and other business Operating result	30	-102	n.m.
Financial	245	173	41.9%
Holding operating expenses	-230	-238	-3.0%
Other businesses	16	-37	n.m.

The **operating result of the Holding and other activities** segment went from € -102 mln to € 30 mln, thanks to the positive contribution from all sectors. In fact, the Financial operating result increased, going from € 173 mln to € 245 mln due to the excellent performance of Banca Generali as a result of the equity markets performance.

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

Operating holding expenses improved to € -230 million (€ -238 mln 1H16), primarily thanks to the reduction of personnel costs.
The operating result of other activities went from € -37 mln to € +16 mln, due to higher income from the private equity and property sectors, benefitting from favourable conditions in the financial and property markets.

From operating result to net result

From operating result to net result

(€ million)	30/06/2017	30/06/2016	Change
Consolidated operating result	2,588	2,487	4.1%
Consolidated non-operating result	-577	-620	-7.0%
Non operating investment result	0	-45	0.0%
Non-operating holding expenses	-392	-405	-3.3%
Net other non-operating expenses	-185	-171	8.5%
Earning before taxes	2,010	1,866	7.7%
Income taxes(*)	-683	-606	12.6%
Earnings after taxes	1,328	1,260	5.4%
Profit or loss from discontinued operations	0	0	0.0%
Consolidated result of the period	1,328	1,260	5.4%
Result of the period attributable to the Group	1,221	1,178	3.7%
Result of the period attributable to minority interests	107	82	29.8%

The **Non-operating result of the Group** went from € -620 mln to € -577 mln. This performance reflects the improvement in the result of investments and the reduction of non-operating holding expenses.

In particular, the **Non-operating investment result** improved by € 44 mln, due to lower impairments on financial investments, partially offset by less realised gains compared to the previous year.

The **non-operating holding expenses** went from € -405 mln to € -392 mln, reflecting the drop in interest on financial debt which went from € -367 mln to € -336 mln.

Finally, **other net non-operating costs** went from € -171 mln to € -185 mln. This item mainly consists of € -52 mln for the amortisation of the value of acquired portfolios (€ -62 mln 1H16) and € -54 mln for the restructuring costs (down compared to € -91 mln in 1H16). The variation in other net non-operating costs with respect to the previous year was mainly determined by allocation to risk provision.

The tax rate increased to 32.5%, (31.6% in 1H16); in the first half of the previous year, the tax rate had benefitted from a more positive non-recurring income on taxes for previous years.

The **result attributable to minority interests**, amounting to € 107 mln, which corresponds to a minority rate of 8.1% (6.5% 1H16), increased when compared to € 82 mln in the previous year due to the results of Banca Generali.

As a result of the performances commented on above, the **result of the period attributable to the Group** rose by 3.7% to € 1,221 mln (€ 1,178 mln 1H16).

Group financial position

Shareholders’ equity and Group solvency

Share capital and reserves attributable to the Group amounted to € 23,705 million as at 30 June 2017, a decrease of 3.4% compared to € 24,545 million as at 31 December 2016. The change was due to the result of the period attributable to the Group, amounting to € 1,221 million, more than offset by the payment of the dividend totalling € 1,249 million and the reduction of € 713 million in the reserve for unrealized gains and losses on available for sale financial assets.

Group investments policy

Group investments

(in € million)	30/06/2017	Impact (%)	31/12/2016	Impact (%)
Equity instruments	17,997	4.5%	17,701	4.5%
Fixed income instruments	348,165	87.5%	348,729	88.1%
Land and buildings (investment properties)	14,501	3.6%	14,489	3.7%
Other investments	4,543	1.1%	3,735	0.9%
Cash and cash equivalents	12,743	3.2%	11,099	2.8%
Total	397,948	100.0%	395,752	100.0%
Investments back to unit- and index-linked policies	84,192		78,317	
Total investments	482,141		474,069	

Group’s total assets under management recorded an increase of 2.3% at 30 June 2017, up to € 541,3 billion. In particular, total investments amounted to € 482,1 billion, while third party assets under management came to € 59,2 billion.

Total investments, amounting to € 397,9 billion, recorded an increase of 0.6%, mainly due to the increase in cash and cash equivalents and the rise in the equity sector owing to the recovery in share prices. The bond portfolio showed a slight decrease in relation to the increase in interest rates, which more than offset the net purchases in the period, concentrated on government bonds in particular.
Other investments registered an increase due mainly to the rise in the value of derivatives.
With reference to cash and cash equivalents, the former remained substantially stable, while the latter item recorded an increase, mainly due to the increase in repurchase agreements, used to hedge some Group companies’ exposure to currency risk.

Investment properties remained substantially stable.
The investment strategy for fixed-income investments aims at portfolio diversification, in both government bonds and corporate bonds. The objective is to ensure adequate returns for the 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 30 JUNE 2017

Appointments of Group CFO and GMC

The Board of Directors of Assicurazioni Generali on 25 January decided to appoint Luigi Lubelli as Group CFO, who also joined the Group Management Committee, as a consequence to the termination of employment relationship with Alberto Minali. It also decided that the Investments Committee would expand its responsibilities to strategically relevant operations, so its name was changed to the Investments and Strategic Operations Committee.
Marco Sesana, Country Manager of Italy, and Timothy Ryan, incoming Group Chief Investment Officer, become members of the Group Management Committee.

Early redemption of perpetual subordinated bond

Generali Finance B.V. exercised the early redemption option on the perpetual subordinated notes on 8 February 2017. This debt has already been refinanced through the subordinated bond, concluded on 8 June 2016, for an overall amount of € 850 million, targeting institutional investors.

Mazzocco designated as the new Generali Real Estate CEO and general manager

On 16 March the Board of Directors of Assicurazioni Generali has approved the designation of Aldo Mazzocco as the new CEO and General Manager of Generali Real Estate, who entered in the Board of Directors of Generali Real Estate in June.

Share capital increase

On 20 April Assicurazioni Generali completed the share capital increase in execution of the Long Term Incentive Plan approved by the Shareholders' Meeting of the Company on 30 April 2014. The share capital of Assicurazioni Generali S.p.A., fully subscribed and paid up, is subdivided into 1,561,808,262 ordinary shares of € 1 each (par value).

Fitch conferms rating A- and Stable outlook

On 26 April, Following Fitch's recent downgrade of Italy's sovereign rating to 'BBB' from 'BBB+', with Stable Outlook, the agency announced that it has affirmed Generali's and its core subsidiaries' IFS ratings at A-. The outlooks are Stable. Fitch said that the ratings are two notches higher than Italy's sovereign rating (BBB/Stable), "in recognition of Generali's resilient capital position and strong geographical diversification (with around 60% of operating profit from outside Italy), including significant operations in France and Germany with strong market positions".

Generali Board approves the Group's new Charter of Sustainability Commitments

Assicurazioni Generali's Board of Directors has approved the Group's new Charter of Sustainability Commitments. This policy document defines Generali's position regarding sustainability and identifies its commitments towards stakeholders.

2016 financial statements approval and appointment the board of statutory auditors

On 27 April the ordinary and extraordinary General meeting approved the financial statements for the year 2016 and appointed the Board of Statutory Auditors for the three-year period 2017-2019. Carolyn Dittmeier (Chairwoman), Lorenzo Pozza and Antonio Di Bella were elected as Auditors and Francesco Di Carlo and Silvia Olivotto as substitute Auditors. The members of the Board of Statutory Auditors declared that they met the conditions of professionalism, good standing and independence.

Transformational asset management strategy for Generali in Europe

On 11 May Generali announced the new strategy for its asset management unit addressing the needs of insurance companies and individuals in a low interest rate environment and supporting Generali's shift towards a greater contribution from fee-based business. The new asset management strategy is based on two pillars: broadening the investment capabilities and offering bespoke investment solutions to European companies and individual savings products. Asset management unit will broaden investment capabilities and enlarge product offering to reach €500bn of assets under management by 2020.

Granier new CEO of Generali France

Jean-Laurent Granier joined Generali Group as Country manager for France and Président Directeur Général (PDG) of Generali France. Furthermore, Jean-Laurent Granier joined the Group Management Committee.

Intesa San Paolo

On 30 May Assicurazioni Generali sold 510 million ordinary shares of Intesa Sanpaolo, amounting to 3.04% of the share capital, and started the process to terminate the previously disclosed securities lending transaction. At the same time, Generali ended the collateralized derivative transaction, settled on 17 February 2017, in order to fully hedge the economic risk related to the acquisition of these shares. Generali Group maintains a marginal exposure to Intesa Sanpaolo shares as an ordinary financial investment.

New catastrophe bond issued by Generali

Generali returns to the ILS market with a €200 million cat bond on floods and windstorms in Europe and earthquakes in Italy, through a reinsurance agreement with Lion II Re DAC, an Irish special purpose company, providing per occurrence cover in respect the mentioned events over a four year period. The Lion II Re transaction transfers part of these risk to the bond investors allowing for a more optimized protection for the Group against catastrophes.

Footprint optimization

On 19 July Generali has agreed to the disposal of its participation in the Colombian companies, equivalent to 91.3% of Generali Seguros and to 93.3% of Generali Vida, to the Talanx Group. Furthermore Generali also completed the sale of its stake in its Guatemala-based subsidiary to the Neutze family.

Outlook

In an improving macroeconomic and financial context, but still characterized by low interest rates and uncertainty on financial markets, the disciplined strategic plan execution will continue. With reference to rebalancing of the insurance portfolio and to the enhanced of technical capabilities, in the Life segment the Group will continue to foster the offer of policies less sensitive to the level of interest rates and with less capital absorption. In the Property&Casualty segment, that is relevant for the Group strategy to become a leader in the retail segment in Europe, it will continue to focus on the technical profitability, in order to support the performance in a scenario of minor financial earnings. The Group continues to optimise the international footprint, through the aforementioned disposal operations, and to rationalise the operating machine by managing operating expenses. Finally, the strengthening of the brand and innovation initiatives continue in order to retain clients and our distribution network, and to attract new ones.

The above initiatives will enable the Group to counteract and overcome the prolonged scenario of low interest rates and encourage growth, confirming the pre-established objectives of the strategic plan.

***

The Manager in charge of preparing the company's financial reports, Luigi Lubelli, 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.

***

ADDITIONAL INFORMATION

For further information please refer to the Interim Condensed Consolidated Financial Statements of the Generali Group.

***

THE GENERALI GROUP

Generali is an independent, Italian Group, with a strong international presence. Established in 1831, it is among the world's leading insurers and it is present in over 60 countries with total premium income exceeding € 70 billion in 2016. With over 74,000 employees in the world, and 55 million clients, the Group has a leading position in Western Europe and an increasingly significant presence in the markets of Central and Eastern Europe and in Asia. In 2017 Generali Group was included among the most sustainable companies in the world by the Corporate Knights ranking.

List of annexes:

1) Group highlights

2) Debt

3) Balance sheet

4) From operating result to net result

5) Additional key data per segment

6) Information on significant transactions with related parties

1) GROUP HIGHLIGHTS

Economic highlights

(€ million)	30/06/2017	30/062016
Gross written premiums	**36,604**	**36,947**
of which life segment	25,302	25,816
of which property&casualty segment	11,303	11,131
Consolidated operating result	**2,588**	**2,487**
of which life segment	1,614	1,660
of which property&casualty segment	1,095	1,087
Result of the period	**1,221**	**1,178**

Balance sheet highlights

(€ million)	30/06/2017	31/12/2016
Total investments	482,141	474,069
Third parties asset under management	60,648	56,324
Shareholders' equity attributable to the Group	23,705	24,545
Economic Solvency ratio	207%	194%
Preliminary Regulatory Solvency ratio	188%	178%

2) DEBT

Group debt

(€ million)	30/06/2017	31/12/2016
Liabilities linked to operating activites	**40,865**	**38,747**
Liabilities linked to financing activities	**11,891**	**12,669**
Subordinated liabilities	8,395	9,126
Senior bonds	3,009	3,017
Other non subordinated liabilities linked to financing activities	488	526
Total	**52,756**	**51,416**

3) BALANCE SHEET

Assets

References:	(€ million)	30/06/2017	31/12/2016
	1 INTANGIBLE ASSETS	**8,765**	**8,866**
3	1.1 Goodwill	6,675	6,664
18	1.2 Other intangible assets	2,090	2,202
	2 TANGIBLE ASSETS	**4,450**	**4,476**
19	2.1 Land and buildings (self used)	2,802	2,810
19	2.2 Other tangible assets	1,648	1,666
13	**3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**3,926**	**3,933**
38, 39, 40	**4 INVESTMENTS**	**479,500**	**469,172**
10	4.1 Land and buildings (investment properties)	12,688	12,584
2	4.2 Investments in subsidiaries, associated companies and joint ventures	1,200	1,194
6	4.3 Held to maturity investments	2,322	2,168
7	4.4 Loans and receivables	43,823	44,178
8	4.5 Available for sale financial assets	316,660	313,933
9	4.6 Financial assets at fair value through profit or loss	102,807	95,114
	of which financial assets where the investment risk is borne by the policyholders and related to pension funds	84,192	78,317
20	**5 RECEIVABLES**	**12,107**	**11,790**
	5.1 Receivables arising out of direct insurance operations	7,353	7,155
	5.2 Receivables arising out of reinsurance operations	1,252	1,163
	5.3 Other receivables	3,503	3,471
21	**6 OTHER ASSETS**	**15,369**	**15,414**
4	6.1 Non-current assets or disposal groups classified as held for sale	879	772
14	6.2 Deferred acquisition costs	2,104	2,083
	6.3 Deferred tax assets	2,192	2,477
	6.4 Tax receivables	3,101	2,974
	6.5 Other assets	7,094	7,108
11	**7 CASH AND CASH EQUIVALENTS**	**6,238**	**7,533**
	TOTAL ASSETS	**530,357**	**521,184**

Equity and liabilities

References:	(€ million)	30/06/2017	31/12/2016
15	**1 SHAREHOLDERS' EQUITY**	**24,793**	**25,668**
	1.1 Shareholders' equity attributable to the Group	**23,705**	**24,545**
	1.1.1 Share capital	1,562	1,560
	1.1.2 Other equity instruments	0	0
	1.1.3 Capital reserves	7,098	7,098
	1.1.4 Revenue reserves and other reserves	9,223	8,604
	1.1.5 (Own shares)	-8	-7
	1.1.6 Reserve for currency translation differences	19	42
	1.1.7 Reserve for unrealized gains and losses on available for sale financial assets	5,606	6,319
	1.1.8 Reserve for other unrealized gains and losses through equity	-1,016	-1,153
	1.1.9 Result of the period	1,221	2,081
	1.2 Shareholders' equity attributable to minority interests	**1,087**	**1,123**
	1.2.1 Share capital and reserves	946	879
	1.2.2 Reserve for unrealized gains and losses through equity	34	86
	1.2.3 Result of the period	107	158
22	**2 OTHER PROVISIONS**	**1,781**	**1,804**
12	**3 INSURANCE PROVISIONS**	**429,039**	**421,477**
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	65,952	60,799
	4 FINANCIAL LIABILITIES	**52,756**	**51,416**
16	4.1 Financial liabilities at fair value through profit or loss	19,692	19,484
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	18,115	17,404
17	4.2 Other financial liabilities	33,064	31,932
	of which subordinated liabilities	8,395	9,126
23	**5 PAYABLES**	**10,803**	**9,550**
	5.1 Payables arising out of direct insurance operations	3,323	3,465
	5.2 Payables arising out of reinsurance operations	819	579
	5.3 Other payables	6,661	5,506
24	**6 OTHER LIABILITIES**	**11,186**	**11,269**
4	6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	778	702
	6.2 Deferred tax liabilities	2,529	2,616
	6.3 Tax payables	1,639	1,644
	6.4 Other liabilities	6,239	6,307
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**530,357**	**521,184**

4) FROM OPERATING RESULT TO NET RESULT

From operating result to net result

(€ million)	30/06/2017	30/06/2016	Change
Consolidated operating result	**2,588**	**2,487**	**4.1%**
Net earned premiums	32,949	33,554	-1.8%
Net insurance benefits and claims	-34,272	-30,970	10.7%
Acquisition and administration costs	-5,466	-5,294	3.3%
Net fee and commission income and net income from financial service activities	269	186	44.7%
Operating investment result	9,470	5,459	73.5%
Net operating income from financial instruments at fair value through profit or loss	3,186	-704	n.m.
Net operating income from other financial instruments	6,284	6,163	2.0%
Interest income and other income	6,095	6,082	0.2%
Net operating realized gains on other financial instruments and land and buildings (investment properties)	884	826	7.0%
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-269	-276	-2.2%
Interest expense on liabilities linked to operating activities	-143	-180	-20.7%
Other expenses from other financial instruments and land and buildings (investment properties)	-282	-290	-2.7%
Operating holding expenses	-230	-238	-3.0%
Net other operating expenses(*)	-132	-210	-37.1%
Consolidated non-operating result	**-577**	**-620**	**-7.0%**
Non operating investment result	0	-45	n.m.
Net non-operating income from financial instruments at fair value through profit or loss	10	-46	n.m.
Net non-operating income from other financial instruments(**)	-11	1	n.m.
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	188	284	-33.9%
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-199	-283	-29.8%
Non-operating holding expenses	-392	-405	-3.3%
Interest expenses on financial debt	-336	-367	-8.4%
Other non-operating holding expenses	-56	-39	44.3%
Net other non-operating expenses	-185	-171	8.5%
Earning before taxes	**2,010**	**1,866**	**7.7%**
Income taxes(*)	-683	-606	12.6%
Earnings after taxes	**1,328**	**1,260**	**5.4%**
Profit or loss from discontinued operations	0	0	0.0%
Consolidated result of the period	1,328	1,260	5.4%
Result of the period attributable to the Group	**1,221**	**1,178**	**3.7%**
Result of the period attributable to minority interests	107	82	29.8%

(*) At 30 June 2017 the amount is net of operating taxes for € 26 million and of non-recurring taxes shared with the policyholders in Germany for € 17 million (at 30 June 2016 respectively for € 32 million and € -7 million).

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

5) ADDITIONAL KEY DATA PER SEGMENT

LIFE

Operating result by driver

Life segment operating result: technical margin

(€ million)	30/06/2017	30/06/2016	Change
Technical margin	**2,999**	**2,979**	**0.7%**
Net earned premiums	22,929	23,776	-3.6%
Fee and commission from financial service activities	96	91	5.1%
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	-20,173	-20,996	-3.9%
Other insurance items	148	108	36.9%

Life segment operating result: investment result

(€ million)	30/06/2017	30/06/2016	Change
Net investment result	**1,122**	**1,156**	**-2.9%**
Operating income from investments	8,728	4,804	81.7%
Net income from investments	5,739	5,766	-0.5%
Current income from investments	5,581	5,680	-1.7%
Net operating realized gains on investments	879	809	8.7%
Net operating impairment losses on investments	-265	-272	-2.4%
Other operating net financial expenses	-456	-452	1.0%
Net income from financial instruments at fair value through profit or loss	2,988	-962	n.m.
Net income from financial instruments related to unit and index-linked policies	3,103	-1,371	n.m.
Net other income from financial instruments at fair value through profit or loss	-114	409	n.m.
Policyholders' interests on operating income from own investments	-7,605	-3,649	108.4%

Life segment operating result: total operating expenses

(€ million)	30/06/2017	30/06/2016	Change
Insurance and other operating expenses	**-2,507**	**-2,475**	**1.3%**
Acquisition and administration costs related to insurance business	-2,459	-2,428	1.3%
Net other operating expenses	-48	-46	4.0%

Life segment indicators by country

Gross written premiums, net cash flows and PVNBP by country

(€ million)	Gross written premiums		Net cash flows		PVNBP	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Italy	9,022	9,424	3,121	3,948	9,887	10,710
France	4,524	4,344	190	332	3,738	3,314
Germany	6,344	6,351	1,313	1,468	4,710	4,698
Central and Eastern Europe	723	741	205	265	428	435
EMEA	3,194	3,025	506	536	3,009	2,875
Spain	527	523	-57	-30	563	543
Austria	574	588	-57	-220	628	643
Switzerland	525	527	213	201	215	252
Other EMEA	1,567	1,387	407	585	1,603	1,437
Americas	156	129	73	54	147	148
Asia	1,067	1,498	348	879	1,024	1,173
International Operations	273	304	7	41	0	0
Total	**25,302**	**25,816**	**5,764**	**7,523**	**22,941**	**23,352**

Life segment premiums by line of business by country

(€ million)	Savings and Pension		Protection		Unit/index linked		Total	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Italy	6,822	8,155	141	127	2,059	1,142	9,022	9,424
France	2,118	2,367	939	901	1,257	858	4,314	4,125
Germany	2,024	2,196	2,227	2,121	2,092	2,033	6,344	6,351
Central and Eastern Europe	345	357	165	180	212	204	723	741
EMEA	918	1,050	570	557	1,703	1,415	3,191	3,022
Spain	360	382	139	136	28	5	528	523
Austria	274	286	189	180	111	121	574	588
Switzerland	102	102	71	72	352	353	525	527
Other EMEA	182	280	171	169	1,212	936	1,565	1,385
Americas	15	16	140	112	0	0	155	128
Asia	639	1,162	309	260	119	75	1,067	1,498
International Operations	53	53	22	22	0	0	76	75
Total direct written premiums	**12,934**	**15,356**	**4,514**	**4,281**	**7,442**	**5,728**	**24,890**	**25,364**

NBV and operating result by country

(€ million)	Operating Result		NBV	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Italy	660	696	453	330
France	325	293	98	24
Germany	192	190	139	134
Central and Eastern Europe	123	133	48	38
EMEA	272	266	123	88
Spain	66	65	48	31
Austria	41	41	29	15
Switzerland	98	79	12	16
Other EMEA	67	82	34	26
Americas	25	19	4	0
Asia	20	38	77	17
International Operations	-3	25	0	0
Total	**1,614**	**1,660**	**942**	**654**

PROPERTY&CASUALTY

Operating result by driver

Property&Casualty operating result by driver

(€ million)	30/06/2017	30/06/2016	Change
Operating result	**1,095**	**1,087**	**0.7%**
Technical result	644	681	-5.4%
Investment result	528	533	-1.0%
Other operating items	-78	-127	-39.0%

Property&Casualty operating result: investment result

(€ million)	30/06/2017	30/06/2016	Change
Investment result	**528**	**533**	**-1.0%**
Current income from investments	648	668	-3.0%
Other operating net financial expenses	-120	-135	-10.9%

Property&Casualty segment indicators by country

Gross written premiums and Operating result by country

	Gross written premiums		Operating result	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Italy	2,693	2,815	362	416
France	1,351	1,368	79	57
Germany	2,180	2,133	231	208
Central and Eastern Europe	1,094	1,033	107	87
EMEA	2,700	2,640	218	188
Spain	806	795	70	65
Austria	852	833	103	85
Switzerland	553	541	25	32
Other EMEA	489	472	19	6
Americas	563	462	-14	32
Asia	89	78	-1	-2
International Operations	632	602	113	100
Total	**11,303**	**11,131**	**1,095**	**1,087**

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

(€ million)	Motor		Non motor		Total	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Italy	1,089	1,145	1,533	1,607	2,622	2,752
France	452	449	878	883	1,331	1,331
Germany	945	907	1,232	1,224	2,178	2,131
Central and Eastern Europe	561	518	515	496	1,076	1,014
EMEA	1,022	992	1,641	1,605	2,663	2,597
Spain	237	223	545	545	781	769
Austria	329	322	516	504	845	826
Switzerland	227	231	324	309	551	540
Other EMEA	230	216	256	247	486	463
Americas	439	343	121	115	560	458
Asia	7	7	49	42	56	50
International Operations	1	2	449	387	450	388
Total direct written premiums	**4,517**	**4,363**	**6,419**	**6,359**	**10,936**	**10,721**

Technical indicators by country

(€ million)	Combined ratio*		Loss ratio		Expense ratio	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Italy	90.5%	88.6%	66.2%	65.8%	24.3%	22.8%
France	98.3%	100.1%	70.6%	71.7%	27.7%	28.5%
Germany	91.0%	91.4%	62.6%	63.6%	28.4%	27.8%
Central and Eastern Europe	89.2%	90.8%	58.5%	59.9%	30.7%	30.9%
EMEA	93.6%	94.7%	65.7%	66.7%	27.9%	28.0%
Spain	94.3%	95.0%	67.1%	67.2%	27.2%	27.8%
Austria	90.9%	92.5%	64.2%	65.4%	26.7%	27.0%
Switzerland	93.9%	93.3%	67.6%	69.0%	26.2%	24.3%
Other EMEA	97.6%	100.8%	63.9%	66.1%	33.7%	34.7%
Americas	110.5%	101.5%	72.9%	63.1%	37.7%	38.4%
Asia	100.9%	103.9%	62.1%	51.5%	38.8%	52.3%
International Operations	85.8%	84.7%	60.4%	60.4%	25.4%	24.3%
Total	**92.9%**	**92.3%**	**64.6%**	**64.7%**	**28.2%**	**27.7%**

(*) CAT claims impacted on the Group combined ratio for 0.9 pps, of which 2 pps in Italy, 1.4 pps in France, and 1.5 pps in Germany (At 30 June 2016 CAT claims impacted on the Group combined ratio for 1.3 pps, of which 2.7 pps in France, 3.8 pps in Germany, 1.2 pps in Central and Eastern Europe and 1.3 pps attributable to International Operations).

6) INFORMATION ON SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

With reference to transactions with related parties, in accordance with the provisions of paragraph 18 of the Procedures relating to transactions with related parties approved by the Board of Directors in 2010 and subsequent updates, it should be noted that:

(i) no significant transactions were concluded during the reporting period and

(ii) no transactions with related parties having a material effect on the financial position or results of the Group were concluded.

Further details on related party transactions can be found in the related section of the Consolidated half yearly financial statements.