

185<sup>th</sup> year

# Management Report and Parent Company Financial Statements Proposal 2016





Management Report  
and Parent Company  
**Financial Statements**  
Proposal 2016

# Corporate bodies

## as at 15 March 2017

Chairman

**Gabriele Galateri di Genola**

Vice-Chairmen

**Francesco Gaetano Caltagirone**

**Clemente Rebecchini**

Managing Director and  
Group CEO

**Philippe Donnet**

Board members

**Romolo Bardin**

**Ornella Barra**

**Paolo Di Benedetto**

**Alberta Figari**

**Diva Moriani**

**Lorenzo Pelliccioli**

**Roberto Perotti**

**Sabrina Pucci**

**Paola Sapienza**

Board of Statutory Auditors

**Carolyn Dittmeier (Chairwoman)**

**Antonia Di Bella**

**Lorenzo Pozza**

**Francesco Di Carlo (substitute)**

**Silvia Olivotto (substitute)**

Board secretary

**Giuseppe Catalano**

Company established in Trieste in 1831

Share capital € 1,559,883,538 fully paid-up

Registered office in Trieste, piazza Duca degli Abruzzi, 2

Tax code and Company Register no. 00079760328

Company entered on the Register of Italian insurance and reinsurance companies under no. 1.00003

Parent Company of the Generali Group, entered on the Register of insurance groups under no. 026

Certified email (Pec): assicurazionigenerali@pec.generaligroup.com

ISIN: IT0000062072  
Reuters: GASI.MI  
Bloomberg: G:IM



Contacts  
available at the end of this document

## A journey into our future

Our reports are not simply reporting documents. Their aim is to provide a comprehensive overview of how the Group creates value with regard to a number of major contemporary issues. These issues, of course, outline the field of action of a global insurance player such as ours: more specifically, demographic trends, climate change, the company's social role and, above all, the changes dictated by innovation technology.

**Innovation** is indeed the cross-cutting issue of Generali's 2016 reports, viewed from different perspectives: **customers**, who are evermore well-informed and interconnected; **agents**, the cornerstone of a distribution strategy increasingly open to multimedia; **employees**, actively involved in a process of cultural and operational change; **big data** management, a key tool for interpreting the world surrounding us and anticipating its developments. And then the **Internet of Things**, **mobility** and the major topic of **growth**, the real challenge not only for businesses but for all policymakers who need to take decisions in such complicated times.

This year, readers will be accompanied by illustrations created by artists who have used, each in their own way, a symbolic and coloured language to outline concepts that have a deep impact on the life of our Group and of its stakeholders. Our wish is for readers to have a pleasant journey that at the same time will make them reflect, help them interpret the economy and society with a more informed and aware attitude, and make them feel surprised that a Generali Group report can be much more than a simple report.



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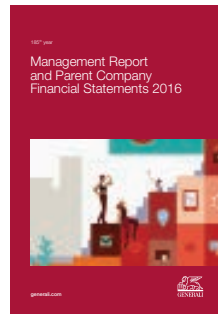
## The integrated overview of our reports

In recent years, the Generali Group reports were prepared from different perspectives: financial, sustainability, governance and remuneration.

In 2016, we embarked upon a new path inspired by the innovative concept of integrated thinking and reporting. The functions responsible for the Group reports have established the **Integrated Lab** with the objective of further developing integrated reporting to describe the Group's value creation process from different perspectives, within a coherent framework in terms of content and graphics.

The **Corporate Governance and Share Ownership Report** illustrates the functioning of the corporate governance system of Assicurazioni Generali and its ownership structure.

The **Remuneration Report** provides specific information about the remuneration policy adopted by the Group and its implementation.



The **Management Report and Parent Company Financial Statements** provides a disclosure on the performance of Assicurazioni Generali in accordance with the provisions of regulations in force.



The **Annual Integrated Report and Consolidated Financial Statements** expands the content of the Annual Integrated Report, providing details of the Group's financial performance in compliance with national and international regulations.



The **Annual Integrated Report** provides a concise and integrated view of the Group's financial and non-financial performance.



The **Sustainability Report** tells the story of how the Group creates value responsibly over the long term for all of its stakeholders.



Reference to a section of the report or other Group reports



[www.generali.com/info/download-center/results](http://www.generali.com/info/download-center/results) for the Group's reports and policies in pdf format and in interactive format



## About Management Report and Parent Company Financial Statements

This **Report** provides an overview of the Assicurazioni Generali S.p.A.'s value creation process, reporting current and outlook financial and non-financial information and highlighting the connections between the environment in which we carry on our business, our strategy and our corporate governance structure..

This report has been prepared in accordance with the provisions of Legislative Decree 209/2005, CONSOB communications, and other regulatory provisions

The Report starts with a foreword, that contains a summary of economics, managerial and governance characteristics of our Group and Assicurazioni Generali S.p.A., with reference to 2016.

Follow the **Management Report** which presents an analysis of the Company's situation, the trend and results overall, as well as a description of the principal risks and uncertainties to which the Company is exposed, and the **Notes**, part of the Parent Company Financial Statements that provides the explanatory and supplementary information to synthetic and quantitative data contained in the balance sheet and profit or loss.

At the end of the Report the part concerning **Tables** and the **Appendices to the Notes** in accordance with current requirements.



The Assicurazioni Generali S.p.A.'s Report aims to best satisfy stakeholder information requirements. Comments, opinions, questions and request for hard copies of the Report may be sent to **BilancioIndividualeCapogruppo@generali.com**

Follow Generali on



[www.generali.com](http://www.generali.com)  
per altre informazioni sul Gruppo

## Letter from the Chairman and the Group CEO



Gabriele

**Galateri di Genola**

We closed 2016 with excellent results. This is true for business trends as well as our technical insurance performance, capital strength and, in particular, our new strategic policy which has launched a business turnaround intended to rapidly change the Group. Generali closed the year with a record operating result of € 4.8 billion and profit in excess of € 2 billion, a RoE of 13.5% and an Economic Solvency Ratio of 194%. These results are even more significant as they were achieved within a complex environment marked by high market volatility and low interest rates, elements which always have significant repercussions in our sector, as well as extraordinary geopolitical events, which in some cases were quite difficult to predict. In addition, there has been an abrupt shift in the technological paradigm linked to the use of big data, and the increasingly stringent nature of regulations.

The Group is ready to face this challenging scenario through its targeted strategy. The new plan presented to the market outlines the direction of our development: Generali aims for technical and operational excellence in all areas and in all markets in which it is present. We will measure our success based not on size, but on the profits we generate. We will further improve our operating performance and we will create long-term value. We will increase our efficiency by boosting productivity and we will optimize our geographical presence by reinvesting in markets with the highest potential. We will strengthen our competitive advantage in life and property&casualty, based on technical performance as well as profitability. And as regards the needs of our clients and our distribution networks, we will leverage our capacity for innovation and the strength of our brand, the winged Lion.



Philippe  
Donnet

We will do all of this having confirmed our highly ambitious 2018 financial targets: cash generation of more than € 7 billion, dividends exceeding € 5 billion and an average Operating RoE in excess of 13%. We will do this by increasing our speed of execution and making intensive use of technology and innovation, essential conditions to win the race to the top in the insurance sector, which is confirmed as one of the most important and vital for the growth and well-being of modern societies.

Our strengthening confirms not only industrial leadership: Generali aims to act as a global point of reference for corporate social responsibility as well, by best interpreting that role of corporate citizen inherent in its insurance mission: to protect, prevent, manage risk and always take a long-term view. These are the tactics that will guide our initiatives all over the world, with a view to sustainability and the creation of shared value.

Once again this year, as always, we share our pride in our results with tens of thousands of Group employees, distributors and associates, to whom we express our heartfelt thanks. They constitute our strength, and are the real reason to be optimistic about the future of Generali.

Gabriele Galateri di Genola

Philippe Donnet



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# We, Generali

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## Company Highlights

### Net profit

+17.7%

€ 1,096.2 mln

### Total dividend

+11.2%

€ 1,249 mln

### Dividend for share

+11.1%

€ 0.80

### Total gross premiums

+17.3%

€ 3,667.6 mln

### Life gross premiums

+15.2%

€ 2,008 mln

### Non life gross premiums

+19.9%

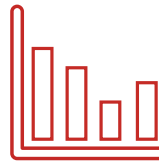
€ 1,660 mln

The variation % on like for like exchange rates

### Non life Combined Ratio

+6.5%

89.6%



### Employee

2,010

Total staff  
in Italy

1.120



Foreign  
branches staff

890



[www.generali.com/our-responsibilities/performance/Ethical-indices--](http://www.generali.com/our-responsibilities/performance/Ethical-indices--)

## Shareholders' fund



- 0.2%

€ 14,670 mln

## Total assets

Shareholdings  
in Group Companies

+0.6%

€ 48,284 mln

-0.0%

€ 29,639 mln

## Net technical provisions

Life net technical provisions

-0.4%

€ 14,059 mln

-1.4%

€ 11,968 mln



Non life net technical provisions

+5.4%

€ 2,091 mln

## Debt

+1.1%

€ 13,939 mln

## Our history

Since 1831 we are an Italian, independent Group, with a strong international presence. We are one of the largest global players in the insurance industry, a strategic and highly relevant sector for the growth, development and welfare of modern companies. In almost 200 years we have built a Group that operates in over 60 countries through more than 420 companies and almost 74 thousand employees

1832-1914

1915-1918

1831

The Group was established as **Assicurazioni Generali Austro-Italiche** in Trieste. Trieste was the ideal choice at the time as a commercial and international hub located in the main port of the Austro-Hungarian Empire.

The positive economic and social context, the keen business acumen of the founding fathers and Trieste's strategic geographical position allowed Generali to grow and thrive: it was **listed on the Trieste stock exchange** in 1857 and **became a Group** in 1881. As a consequence, subsidiaries were founded in Italy and abroad, starting with Erste Allgemeine, established in Vienna in 1882.

The First World War raged across Europe. After the Allied victory over the Central Powers, Trieste became part of Italy: as a result, **Generali became an Italian company.**





[www.generali.com/  
who-we-are/history](http://www.generali.com/who-we-are/history)

## 1919-1945

Generali returned to the growth that had been temporarily interrupted during World War I. In line with what was going on in Italy in those years when public construction activities and agriculture were strongly boosted through the policies adopted by the government, **Generali made significant investments in agriculture and real estate** starting from 1933.

With the outbreak of World War II, the Group lost contact with its subsidiaries located in 'enemy' countries: one of the most complex periods of its bicentenary history began.

## 1946-2010

After World War II, Trieste's future appeared uncertain: in 1947, Generali transferred its registered office to Rome to formalize its position as an Italian company.

The Group resumed its expansion during the Italian economic boom years. An agreement was signed with the US-based Aetna in 1966, and in 1974 **Genagricola** was founded, which heads all agricultural activities of the Group. Generali transferred its registered office from Rome back to Trieste in 1990. **Genertel**, the first direct insurance company in Italy, was established in 1994. The Group took control of the **AMB group** in 1997 to promote growth in the German market. **Banca Generali** was established in 1998 in order to concentrate all asset management activities and services under one umbrella. There were some acquisitions in the first decade of the new millennium, e.g. INA and Toro, and joint ventures were launched in Central and Eastern Europe and Asia.

## 2011-2015

Recent years have driven a new phase of change, with a **new top management** and a **corporate reorganization** which saw the birth of Generali Italia in the wake of a significant restructuring process, the completion of the acquisitions of the minority interests of Generali Deutschland Holding and Generali PPF Holding, and the disposal of non-core activities. Generali presented its **strategic plan** at the Investor Day in May 2015, which aims to set out a new business model and achieve new, challenging targets.



## 2016 key facts

# 2016

## April

## June

## January

## May

## March

Fitch confirmed the Insurer Financial Strength (IFS) rating at A- for Generali, with a stable outlook.

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.

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 the main Italian and German insurance companies, for the French property&casualty companies and for the Czech company Ceska Pojistovna a.s..

The Board of Directors of Assicurazioni Generali co-opted Philippe Donnet, vesting him with executive powers and appointing him Group CEO, and appointed Group CFO Alberto Minali as General Manager of the Company.

Assicurazioni Generali completed the share capital increase to € 1,559,883,538, in execution of the Long Term Incentive Plan approved by the Shareholders' Meeting of the Company on 30 April 2013.

The Shareholders' Meeting elected the new Board of Directors to hold office for three financial years, until the approval of the financial statements as at 31 December 2018. 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.

A subordinated bond was issued for an overall amount of € 850 million, targeting institutional investors.

The issuance was intended to refinance the subordinated debt with the first call date in 2017, which amounts to € 869 million. The subordinated bond issue received ratings BBB by Fitch, Baa3 by Moody's and bbb+ by AM Best.

Generali Finance B.V. exercised the early redemption option of two perpetual subordinated notes rispettivamente per respectively for € 1,275 million and £ 700 million. These debts have already been refinanced through the subordinated bond launched by Assicurazioni Generali on 20 October 2015 for an overall amount of € 1,250 million, targeting institutional investors.

In Germany, Generali Vitality was launched, the first health and well-being programme in Europe designed to promote and incentivize healthy behaviour by members.



Our governance and remuneration policy, p. 34



[www.generali.com/  
media/press-releases/all](http://www.generali.com/media/press-releases/all)

July

September

October

November

December

Moody's confirmed the IFS rating at Baa1 for Generali, with a stable outlook.

Generali supported the people impacted by the earthquake in central Italy and actively participated in several programmes for the management of the second phase of the emergency.

The Generali Group and The Progressive Group of Insurance Companies, among global leaders in the field of telematics applied to motor insurance, entered into a Research & Development agreement to strengthen their respective skills in the area of data analytics and boost their product ranges.



Sustainability Report 2016, p. 34

Two agreements were signed for the disposal of companies in Guatemala and Liechtenstein. These transactions are part of the active management strategy of our operations, which privileges investments in more appealing geographical areas for the Group and in business lines with greater potential and less capital or cash absorption.



Group Strategy, p. 26

AM Best confirmed the Financial Strength Rating (FSR) at A (Excellent) for Generali, the rating of the debt instruments issued or guaranteed by Generali and the stable outlook.

Fitch confirmed the IFS rating at A- for Generali, with a stable outlook.

The Generali Group presented the updated strategic plan at Investor Day, confirming its targets for 2018.

The Business Digital Transformation agreement with Microsoft was announced, which aims to enhance the efficiency of Generali employees, agents and partners, improve operating processes and boost revenues thanks to new insurance products and innovative business models.



Sustainability Report 2016, p. 34

The Board of Directors announced its favourable assessment of the conversion into Banca Monte dei Paschi di Siena (BMPS) shares of the Group's exposure to the subordinated debt of BMPS.

Moody's confirmed the IFS rating at Baa1 for Generali, with a stable outlook, thanks to the strong geographical diversification of the Group in spite of the negative outlook on the Italian sovereign.

The Board of Directors of Assicurazioni Generali appointed Marco Sesana as Italy Country Manager.



Our governance and remuneration policy, p. 34

An innovative Insurance Linked Security (ILS) named Horse Capital I was placed in the capital market to cover the loss ratio on the aggregated motor third-party liability (MTPL) portfolio of 12 of the Group's European companies.

## Significant events after 31 December 2016 and 2017 corporate event calendar

# 2017

## January

**Marco Sesana**, appointed Italy Country Manager in December 2016, and **Timothy Ryan**, incoming Group Chief Investment Officer, became members of the Group Management Committee.



Our governance and remuneration policy, p. 35

**Assicurazioni Generali** acquired the voting rights on 505 million shares of **Intesa Sanpaolo**, amounting to 3.01% of the share capital, through a securities lending transaction.

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**.



Our governance and remuneration policy, p. 32

## February

**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.

**Assicurazioni Generali** acquired 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. It also entered into a collateralized derivative transaction in order to fully hedge the economic risk related to the acquisition of these shares.

## March

### 15 March 2017

**Board of Directors** Approval of the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal, the Corporate Governance and Share Ownership Report and the Sustainability Report as at 31 December 2016 and the Remuneration Report

### 16 March 2017

**Publication of the results** as at 31 December 2016

April

May

August

November

**27 April 2017****Shareholders' Meeting**

Approval, inter alia, of the Parent Company Financial Statements as at 31 December 2016 and the Remuneration policy as well as appointment of a new Board of Statutory Auditors



[www.generali.com/  
governance/  
annual-general-meeting](http://www.generali.com/governance/annual-general-meeting)

**10 May 2017****Board of Directors**

Approval of intermediate financial reporting as at 31 March 2017

**11 May 2017**

Publication  
of the results  
as at 31 March 2017

**24 May 2017**

Dividend pay-out  
on the shares of  
Assicurazioni Generali

**1 August 2017****Board of Directors**

Approval of the half-year financial reports as at 30 June 2017

**2 August 2017**

Publication  
of the results  
as at 30 June 2017

**8 November 2017****Board of Directors**

Approval of intermediate financial reporting as at 30 September 2017

**9 November 2017**

Publication  
of the results  
as at 30 September 2017

# How we create value: our business model

## Capital

Financial

Human

Intellectual

Social and relationship

Manufactured

Natural

ENVIRONMENT

Employees

Community

Clients

Financial community

Agents and distributors

Contractual partners

ENVIRONMENT

VISION MISSION VALUES

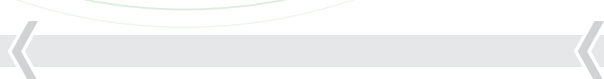
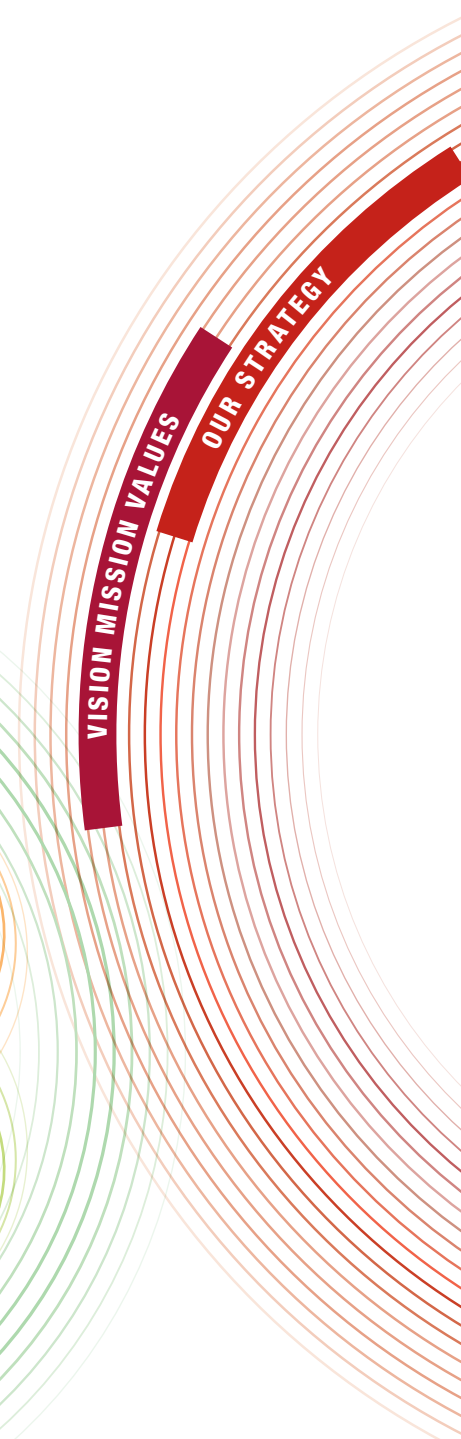
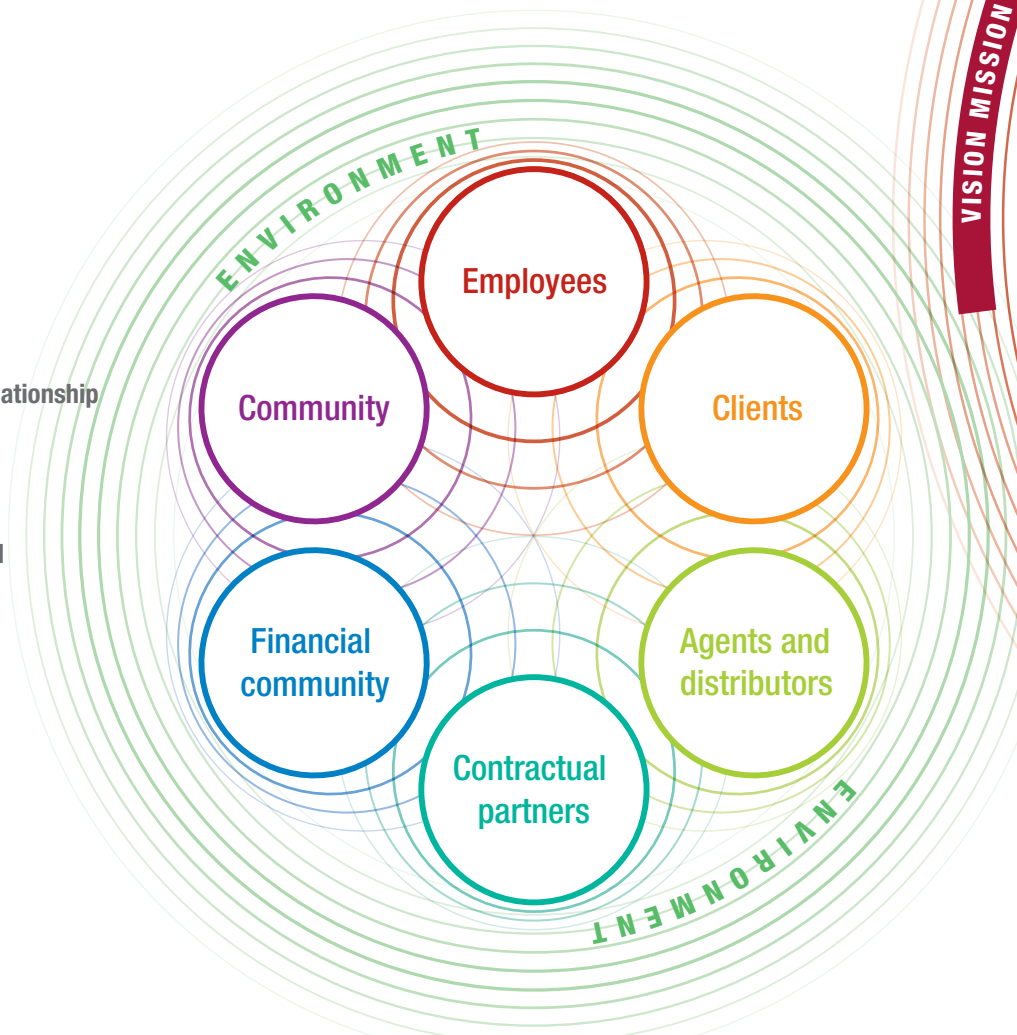
OUR STRATEGY

EXTERNAL

New customer needs

Technological evolution

Uncertain financial and macro-economic landscape





Group Strategy, p. 26 for 2016-2018 targets

OUR GOVERNANCE

OUR BUSINESS MODEL

INNOVATION

# Capital

Financial

Human

Intellectual

Social and relationship

Manufactured

Natural



We develop simple, integrated, customized and competitive life and property&casualty **insurance solutions** for our clients: the offer ranges from savings, individual and family protection policies, unit-linked policies, as well as motor third-party liability (MTPL), home, accident and health policies, to sophisticated coverage for commercial and industrial risks and tailored plans for multinational companies.



We distribute our products and we offer our services based on a multi-channel strategy, while also relying on new technologies: not only through a **global network of agents and financial advisors**, but also through **brokers, bancassurance and direct channels** which allow our clients to obtain information on alternative products, compare options for the desired product, acquire the preferred product and rely on excellent after-sales service and the best customer experience.



The **premiums** we receive from our clients to enter into insurance contracts are **responsibly invested in high quality assets**.



The premiums collected are managed through appropriate asset-liability management policies so as to guarantee the **payment of claims and benefits** to our policyholders or their beneficiaries **after death, accidents or the occurrence of the insured event**.

## CONTEXT

Regulatory evolution

Environmental challenges

Demographic and social change



As for capital other than financial capital, more information on external and internal impacts resulting from our business is reported in the Sustainability Report, the Corporate Governance and Share Ownership Report and the Remuneration Report

## Business model of Assicurazioni Generali S.p.A.



### Management of Investments

The parent company provides the strategic direction, management and coordination and control of all its affiliated and investments.



### Management of capital structure

The parent company coordinates and manages all activities aimed at capital optimization, via the balance between the strengthening of capital, profits and cash flow. The efficiency of the capital structure is also guaranteed through the optimization of financial debt.





**Direction and co-ordination activities**

**The parent company sets guidelines in order to improve efficiency in operational management.**

**Insurance and reinsurance activity**

**The insurance and reinsurance business of the parent company is conducted through both the Head Office and foreign branches(London, Panama, New York, Dubai, Hong Kong and Tokio).**

# Vision, Mission, Values

## Our vision

### Our purpose is to actively protect and enhance people's lives

#### Actively

We play a proactive and leading role in improving people's lives through insurance.

#### Protect

We are dedicated to the heart of insurance - managing and mitigating risks of individuals and institutions.

#### Enhance

Generali is also committed to creating value.

#### People

We deeply care about our clients' and our people's future and lives.

#### Lives

Ultimately, we have an impact on the quality of people's lives: wealth, safety, advice and service are instrumental in improving people's chosen way of life for the long term.

## Our mission

### Our mission is to be the first choice by delivering relevant and accessible insurance solutions

#### First choice

Logical and natural action that acknowledges the best offer in the market based on clear advantages and benefits.

#### Delivering

We ensure achievement striving for the highest performance.

#### Relevant

Anticipating or fulfilling a real life need or opportunity, tailored to local and personal needs and habits, perceived as valuable.

#### Accessible

Simple, first of all, and easy to find, to understand and to use; always available, at a competitive value for money.

#### Insurance solutions

We aim at offering and tailoring a bright combination of protection, advice and service.



## Our values

### Deliver on the promise

We tie a long-term contract of mutual trust with our people, clients and stakeholders; all of our work is about improving the lives of our clients. We commit with discipline and integrity to bringing this promise to life and making an impact within a long lasting relationship.

### Value our people

We value our people, encourage diversity and invest in continuous learning and growth by creating a transparent, cohesive and accessible working environment. Developing our people will ensure our company's long term future.

### Live the community

We are proud to belong to a global Group with strong, sustainable and long lasting relationships in every market in which we operate. Our markets are our homes.

### Be open

We are curious, approachable and empowered people with open and diverse mindsets who want to look at things from a different perspective.

## Our rules for running business with integrity

We run our business in compliance with the law, internal regulations and professional ethics.

The **Code of Conduct** defines the rules of conduct to be observed, for example, for the promotion of diversity and inclusion, the management of personal data and privacy, the prevention of conflicts of interest and corruption, bribery, money laundering, terrorist financing and international sanctions, and the proper management of relationships with customers and suppliers.

The **Responsible Investment Guideline** codifies responsible investment activities at Group level.

The **Group Policy for the Environment and Climate** contains the guiding principles of reference for our environmental management strategies and objectives.

The **Ethical Code for suppliers** highlights the general principles for the proper and profitable management of relations with contractual partners.



[www.generali.com/info/download-center/policies](http://www.generali.com/info/download-center/policies)  
[www.generali.com/our-responsibilities](http://www.generali.com/our-responsibilities)



Sustainability Report 2016, p. 24  
for other information on the prevention of corruption topic

We also have a structured internal regulatory system named **Generali Internal Regulation System** (GIRS).



Corporate Governance and Share Ownership Report 2016, p.45

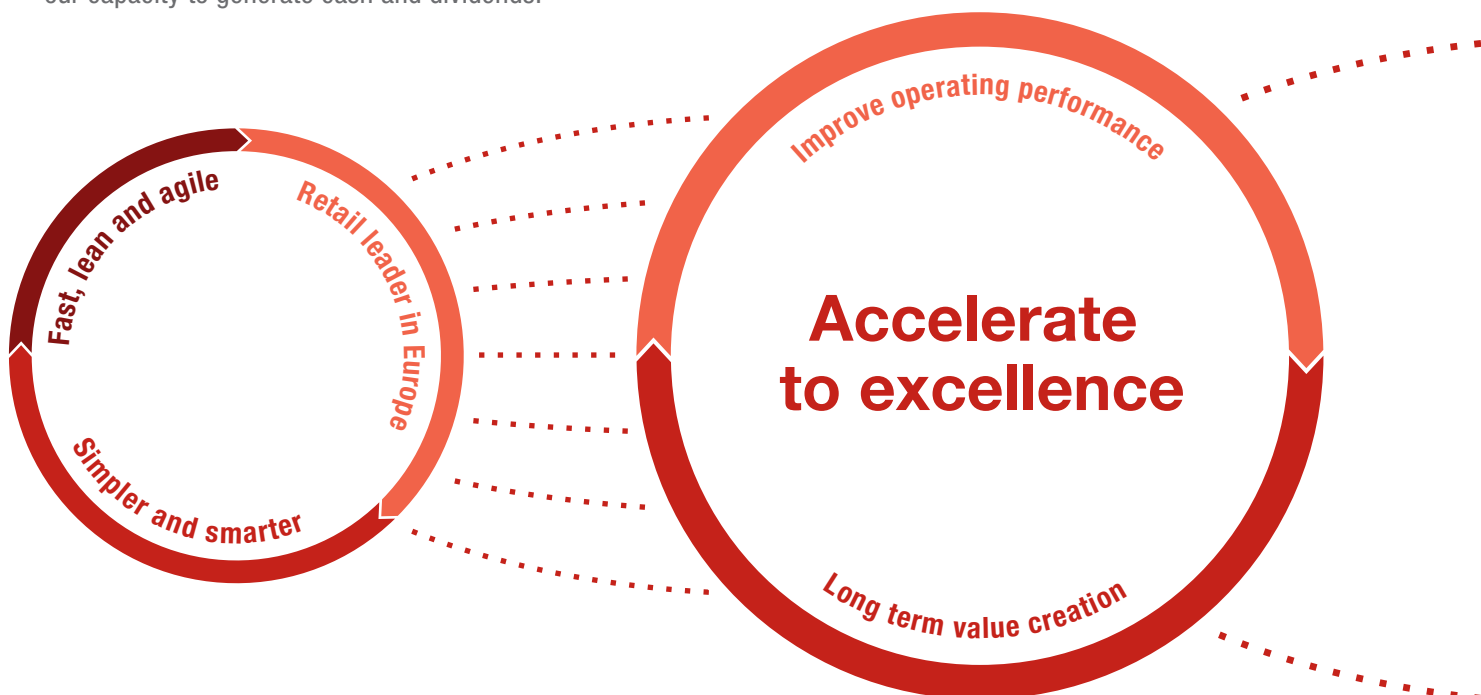
# Group strategy

Accelerate to excellence

2015 | SIMPLER AND SMARTER

2016-2018

In May 2015 we rolled out our strategy of becoming a simpler and smarter insurer for customers and distributors, to improve our capacity to generate cash and dividends.



The external context is increasingly challenging: on one hand, economic, financial and political uncertainty which results in greater volatility in interest rates, government and corporate bond spreads and the equity markets and, on the other hand, different customer behaviour, driven primarily by rapid technological evolution and more stringent regulations.

**Our people always**

**SIMPLER, SMARTER. FASTER**

- > € 7 bln** cumulative net operating cash (2015-2018)
- > € 5 bln** cumulative dividends (2015-2018)
- > 13 %** Operating ROE on average (2015-2018)

**● Improve operating performance**

- Optimise international footprint
- Rationalise the operating machine
- Enhance technical capabilities

**At least € 1 bln**  
cash proceeds from disposals

**€ 200 mln**  
net reduction in nominal OpEx cost base in mature markets by 2018

**Best combined ratio**  
further improvement in outperformance vs peers  
**Guarantees maximum 0%**  
on new retail business

**● Long-term value creation**

- Rebalance the insurance portfolio
- Customer and distribution innovation
- Strengthen the brand

**~30 bp**  
reduction in average portfolio guarantee to 1.5% by 2018  
**+6 pps**  
on the total capital-light reserves by 2018

**+2 pps**  
increase in retention in three years

**+3%**  
brand preference in mature markets

**at the heart of the strategy**

## Improve operating performance

### Optimise international footprint



We aim to maintain a diversified global presence by focusing on markets in which we can achieve a significant position and excellent performance. We will therefore dispose of the companies that do not meet specific profitability and future growth requirements in order to invest in those activities that generate higher returns.

We have already embarked upon a streamlining process with the disposal of our companies in Guatemala and Lichtenstein. We expect to generate at least € 1 billion from the optimization of our international presence by the end of 2017 as to reinvest into the business. We aim to remain in the markets in which we can be in the top 5 in the short-medium term.

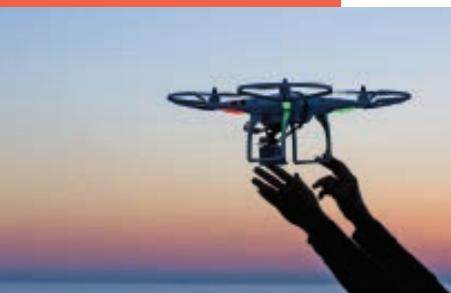
### Rationalize the operating machine



We are committed to constantly improving our operating machine to maximize the Group's potential, by implementing optimization initiatives such as streamlining the product portfolio, simplifying processes and integrating IT platforms. At the same time, we will invest in new competences enhance those activities that have higher value for stakeholders.

In Germany, we digitalized the entire claims management process, eliminating our use of paper records and speeding up compensation timing. Our clients are also able to use an app to view the entire claims settlement process: more than 30 thousand clients have used it since its introduction.

### Enhance technical capabilities



We already have strong technical capabilities but to become the best player we will continue with price sophistication, risk selection and claims management in our P&C business while with the continuous improvement in the quality of our products and the capital return optimization in our life business.

In the Czech Republic, we have been the first in the insurance industry to obtain a license to use drones for large property inspections. It is a unique solution for obtaining detailed documentation and cutting time and costs.

It took us three years to develop the project, and we foresee an even bigger development potential thanks to its easy implementation elsewhere and the opportunity to merge it with new technologies, like thermo and multispectral cameras, in order to carry out inspections and to take pictures and videos in the most difficult situations, too.

## Long-term value creation

### Rebalance the insurance portfolio

The share of products with low capital absorption and commission income will be increased so as to generate long-term value while protecting portfolio sustainability and increasing resilience in the face of market volatility.

BG Stile Libero represents an innovative investment and protection solution in terms of content, services and distribution opportunities, which is flexible throughout the client's life. For the first time private networks are going beyond the borders of financial products and mere insurance guarantees and meet a combination of these two worlds resulting in an increased mutuality. This enhances the central role of the wealth planning professional. BG Stile Libero was our most successful product in terms of the net inflows of Banca Generali in the past two years.



We are one of the insurance industry leader in the area of **telematics**, with over 1.3 million policies that use various technology tools, such as Mobile Apps or Black Boxes, to encourage the adoption of responsible driving behaviour to help reduce accidents, and to collect useful information that can be used to provide products and services that are increasingly tailored to the needs of customers. Recently, the first **connected home** policies have also been launched, important innovations in the domestic risk insurance sector.



## Customer and distribution innovation

We will continue to be committed to our laser-like focus on customers and distributors with the introduction of specific, targeted innovations with clear added value.

### T-NPS Group Program

Launched in 2015, the Net Promoter Score Listen and Act program is currently active in 26 business units and covers roughly 90% of our client base. As part of this program, we sent more than three million surveys to clients all over the world, obtaining a high global response rate, a sign of our clients' desire to have their voices heard and their interest in the future of Generali.

We called more than 108 thousand dissatisfied clients to understand their reasons and we organized interdepartmental work groups to implement several actions in response to the feedback received. Feedback provides us with pointers on what clients like and areas in which we could improve; to date, 256 quick wins have been implemented, and we have made 175 structural improvements, such as automatic updates on the status of dossiers via SMS, app and portals.



More than  
**562 thousand**  
responses to surveys sent



More than  
**436 thousand**  
comments



More than  
**108 thousand**  
calls to detractors



Sustainability Report 2016, p. 54; 63

### Digital Agent and Mobile Hub

New technologies offer the insurance business important innovations to be exploited in order to gain increasing awareness of the needs of our people and our clients.

The **Digital Agent program** is the Group initiative launched with a view to equipping our agents with suitable digital tools in order to understand and best adjust to customers' new approach to insurance, through greater visibility online, in social media and in the mobile world. The creation of web&mobile tools has been completed in Spain and is underway in France, Germany and Austria. Agents in Indonesia, Italy and Spain are now equipped with tools allowing them to efficiently be on the social networks.

In addition, we strive to offer our clients the possibility of interacting with us even more via mobile. This is why we created **Mobile Hub**, a framework shared at Group level which will enable our clients to manage their policies easily on their own. They will be able to file a claim, contact an agent or renew a policy right from their mobile phone by simply downloading our app which, with its user friendly interface, aims to improve customer satisfaction.





## Strengthen the brand

We aim to become the top choice for consumers, committing ourselves to:

- strengthening our brand
- increasing its visibility through not only event sponsorship and media support, but also search engine optimization for insurance coverage estimates
- helping our agents to build value-added relationships with current and potential clients and adopting an even more advisory-oriented approach to sales.

There will be 4 main initiatives to achieve these objectives:



**optimize number of brands to maximize efficiencies**



**shift to more coordinated media mix/pend**



**favour common platforms and strategic partnerships  
to efficiently drive cost savings**



**repackage our offering to prevent and protect what is most  
valuable for our clients**



In France, we aimed at increasing our visibility in the sports field by adopting a non-commercial approach and building relationships with national sports federations based on a shared commitment to sustainability. In 2010 we launched La Charte du Sport Responsible that covers several aspects such as social inclusion, equal opportunities, health protection, risk prevention and the safeguarding of the environment. Its goal is to promote and spread six core principles for sporting activity that respects others and the environment, the Charter is flanked by a website that offers visibility to our brand e allows associations to share and promote their practices.

## Our people always at the heart of the strategy

The transformation process that results in us being Simpler, Smarter. Faster is supported by the

### Generali People Strategy

based on four priorities:

73,727 employees



Promote  
Engagement  
& Empowerment



Strengthen  
our Leadership  
& Talents



Build an Agile  
Organization  
& New Capabilities



Shift mindset  
towards Customer  
Centricity



#### • measuring and promoting engagement

June 2015

**Global Engagement Survey**, the first step on a path aimed at making Generali an even better place to work

**82% engagement rate**

**85% response rate**

2016

**more than 330 local actions** to respond to specific opportunities for improvement arising in the Group's various countries and companies, the most recurring of which are:

- improving communication
- promoting empowerment and enablement to be simpler, smarter, faster
- developing a culture focused on the customer

June 2017

second edition of the **Global Engagement Survey**, a further fundamental step on our path of engagement and continuous improvement

• **creating and embedding a new global managerial system** which equips our managers with the necessary mindset, skills and tools to effectively manage our people and the organization

2016

- **11 focus groups** to better understand the management capacities required to promote empowerment
- **243 participants** with diverse profiles (geographies, seniority, gender, levels and professional background)

The objective is also to design a management school that offers a consistent management training program for all new Group managers.

#### • boosting a performance culture

We strive to provide every one of our people with the opportunity to dialogue in a structured manner with their managers regarding individual performance in light of predefined targets, and to be assessed regularly in a fair and transparent manner.

2016

61% employees assessed\*

2018

100% employees assessed following a common Group framework

\* The data refer to the Group companies equal to 64,447 employees or 87.4% of the total.

● **improving diversity and inclusion**

We commit to valuing the uniqueness of people and diversity of thought, particularly in relation to generation, gender and geographical differences.

**2016**

- creation of an **international network of colleagues** to facilitate an aligned and consistent approach to diversity and promote a concrete plan of initiatives throughout the Group
- **Breaking bias and building bridges**, a program that has involved a considerable number of people from the international HR offices on the topic of unconscious bias and the impact that this may have in decision-making processes, with a focus on people selection, management, promotion and performance management processes
- support in the organization of **Elle Active Forum**, an Italian female empowerment event
- appointment of Frédéric de Courtois as **Group D&I Sponsor**

**2017**

- introduction of **training courses** in all managerial training programmes at Group level for the purpose of maximising the value of diversity, teamwork and inclusion
- implementation of **D&I Colourful Program**, a programme aimed at identifying local projects in order to create awareness and to promote a culture of diversity and inclusion



- **providing succession plan for top positions and clear career paths**
- **developing leadership skills**
- **identifying and developing talents at local and Group level**
- **attracting, selecting and retaining the best people through internal mobility and training programs**

We have always focused on developing and strengthening the technical and other skills of all of our people.

91.1% trained people

37.3 average hours of training per capita

€ 61.2 mln training costs



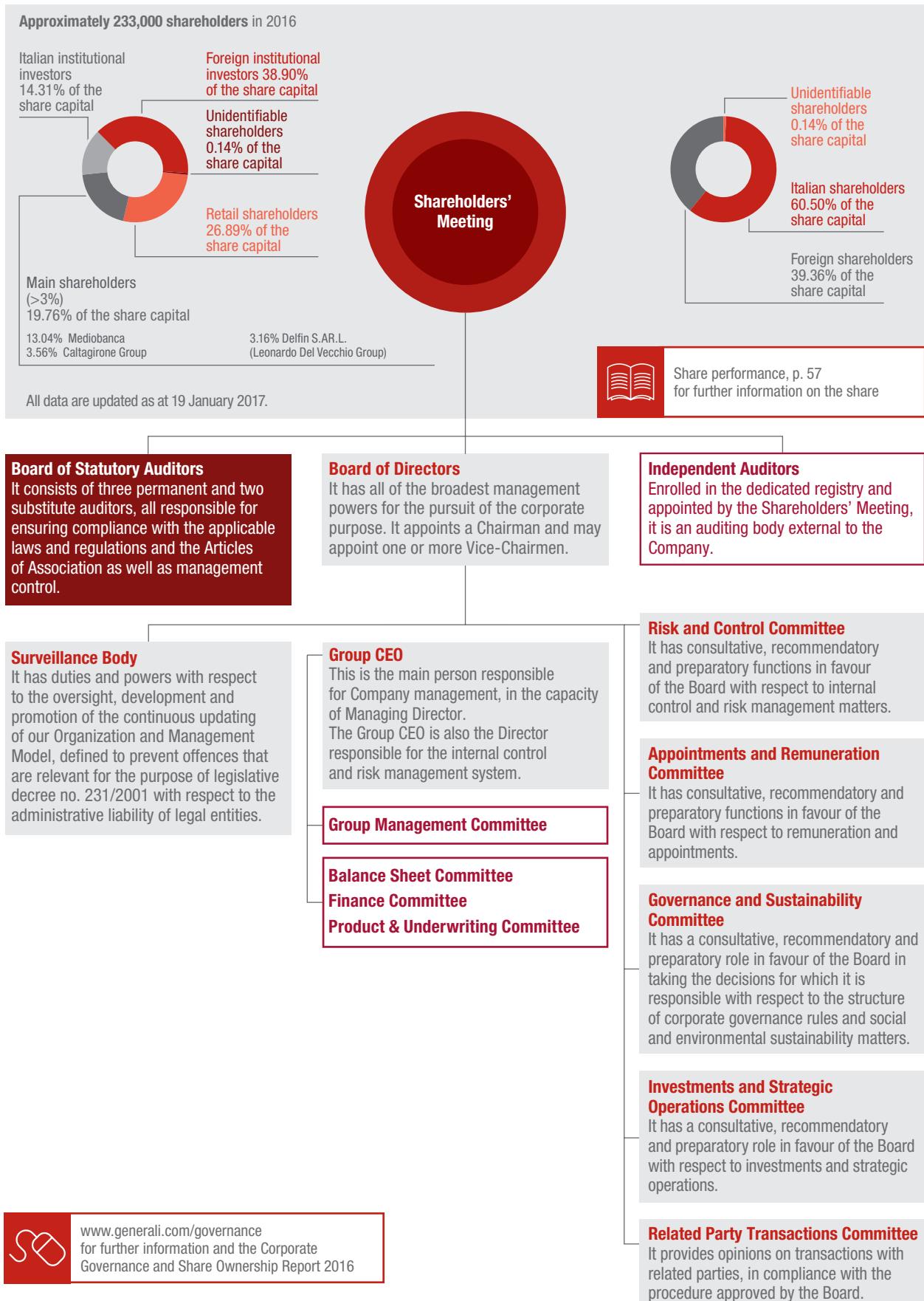
- **building a simpler Group organization**
- **simplifying our HR processes with a cutting-edge platform**
- **identifying and investing in key new capabilities**
- **sustaining smart working and developing a new approach to working that empowers us by increasing our flexibility, autonomy and responsibility**



- **fostering a customer mindset from day 1**
- **understanding how to support our customer experience**
- **giving recognition for great customer service showcasing examples of employee actions that create excellent customer experiences**



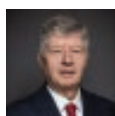
# Our governance\* and remuneration policy



\* The corporate governance is updated as at 25 January 2017.

# Focus on the Board of Directors

as at 25 January 2017



**Gabriele Galateri di Genola**

Chairman



**Nationality:** Italian

**Professional background:** Manager

**In office since** 8 April 2011



**Francesco Gaetano Caltagirone**

Vice-Chairman and Deputy Chairman



**Nationality:** Italian

**Professional background:** Entrepreneur

**In office since** 28 April 2007

Vice-Chairman since 30 April 2010



**Philippe Donnet**

Group CEO



**Nationality:** French

**Professional background:** Manager

**In office since** 17 March 2016



**Clemente Rebecchini**

Vice-Chairman



**Nationality:** Italian

**Professional background:** Manager

**In office since** 11 May 2012

Vice-Chairman since 6 November 2013



**Romolo Bardin**

Director



**Nationality:** Italian

**Professional background:** Manager

**In office since** 28 April 2016



**Ornella Barra**

Director



**Nationality:** Monegasque

**Professional background:** Entrepreneur

**In office since** 30 April 2013



**Paolo Di Benedetto**

Director



**Nationality:** Italian

**Professional background:** Lawyer

**In office since** 28 April 2016



**Alberta Figari**

Director



**Nationality:** Italian

**Professional background:** Lawyer

**In office since** 30 April 2013



**Diva Moriani**

Director



**Nationality:** Italian

**Professional background:** Manager

**In office since** 28 April 2016



**Lorenzo Pelliccioli**

Director



**Nationality:** Italian

**Professional background:** Manager

**In office since** 28 April 2007



**Roberto Perotti**

Director



**Nationality:** Italian

**Professional background:** Professor

**In office since** 28 April 2016,

elected from the minority slate



**Sabrina Pucci**

Director



**Nationality:** Italian

**Professional background:** Professor

**In office since** 30 April 2013



**Paola Sapienza**

Director



**Nationality:** Italian

**Professional background:** Professor

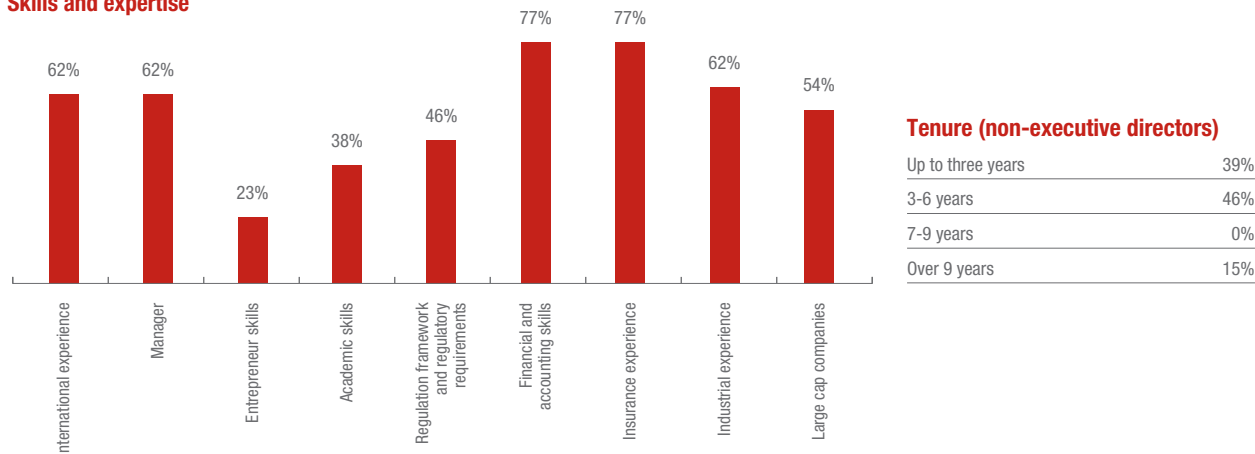
**In office since** 30 April 2010,

elected from the minority slate

Executive	Non-executive	Independent as defined in the listed companies' Corporate Governance Code	Director responsible for the internal control and risk management system
Appointments and Remuneration Committee	Risk and Control Committee	Related Party Transactions Committee	Governance and Sustainability Committee
			Investments and Strategic Operations Committee



### Skills and expertise



### Number of meetings of the Board and Committees

1/1/2016 - 28/4/2016	28/4/2016 - 31/12/2016
Investments Committee 3	Investments Committee 7
Appointments and Governance Committee 5	Governance and Sustainability Committee 4
Remuneration Committee 4	Appointments and Remuneration Committee 5 appointment topics 5 remuneration topics 6
Related Party Transactions Sub-Committee 2	Related Party Transactions Committee 2
Risk and Control Committee 6	Risk and Control Committee 7
Board of Directors 6	Board of Directors 10

### Average percentage attendance at the meetings of the Board and Committees

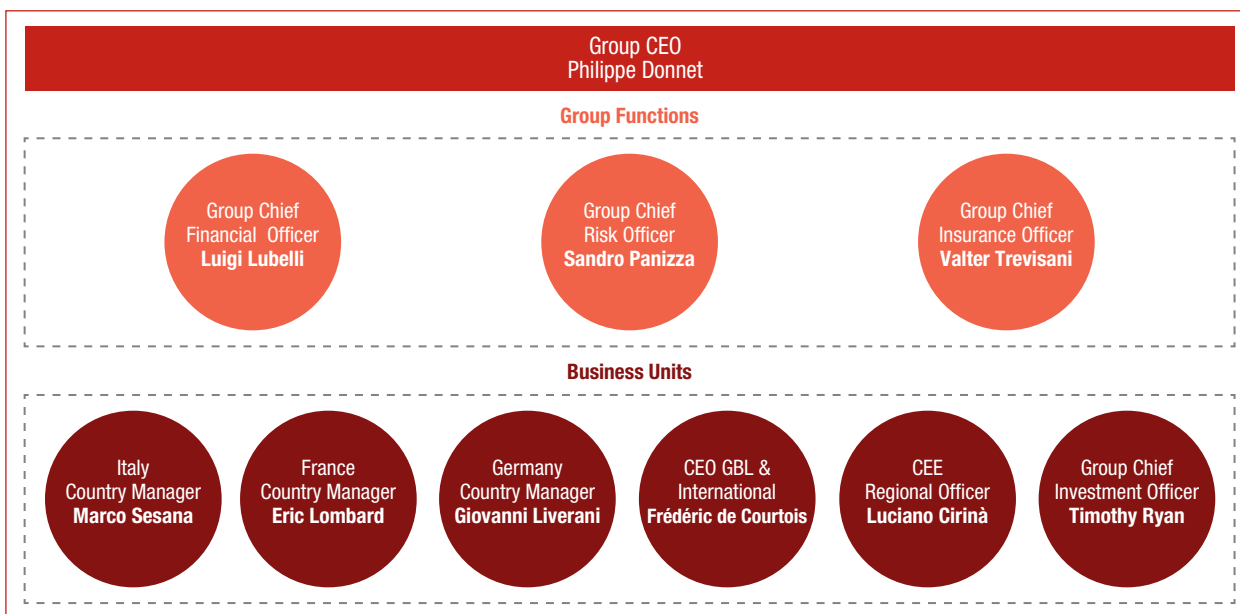
1/1/2016 - 28/4/2016	28/4/2016 - 31/12/2016
Investments Committee 100%	Investments Committee 100%
Appointments and Governance Committee 100%	Governance and Sustainability Committee 100%
Remuneration Committee 92%	Appointments and Remuneration Committee 92% appointment topics 92% remuneration topics 94%
Related Party Transactions Sub-Committee 100%	Related Party Transactions Committee 100%
Risk and Control Committee 100%	Risk and Control Committee 97%
Board of Directors 83%	Board of Directors 94%

The **remuneration policy** for **non-executive directors** establishes that remuneration consists of a fixed component as well as an attendance fee for each Board of Directors meeting in which they participate, in addition to the reimbursement of expenses incurred for participation in such meetings. Directors who are also members of the board committees are paid remuneration in addition to the amounts already received as members of the Board of Directors (with the exception of those who are also Generali Group executives), in accordance with the powers conferred to those committees and the commitment required in terms of number of meetings and preparation activities involved. This remuneration is established by the Board of Directors.

In line with the best international market practices, there is no variable remuneration.

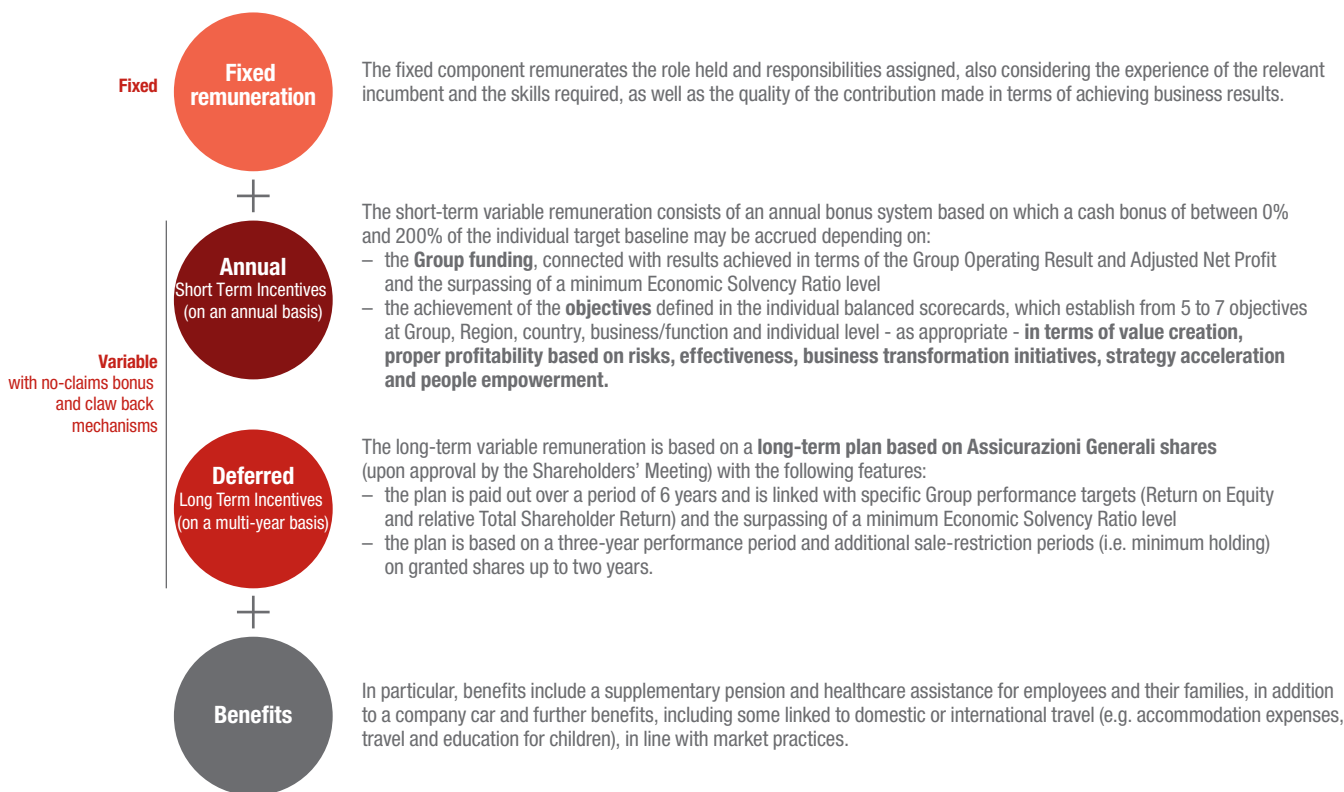
The remuneration policy for the Managing Director and Group CEO, the only executive director, instead comprises a fixed amount, a variable amount (short and medium/long-term) and benefits in line with the remuneration package of the GMC members and the other executives with key responsibilities as later described.

# Focus on the Group Management Committee (GMC) as at 15 February 2017



The **Managing Director and Group CEO**, the **members of the GMC** and the **other executives with key responsibilities** receive a **remuneration package** consisting of a fixed component, a variable component (short and medium/long-term) and benefits, on the basis of the following principles:

<b>Fairness and consistency</b> with respect to the responsibilities assigned and the abilities demonstrated	<b>Alignment with corporate strategy</b> and defined objectives	<b>Competitiveness</b> with respect to market practices and trends	<b>Evaluation of merit and performance</b> in terms of results, conduct and values	Clear <b>governance</b> and <b>compliance</b> with the regulatory environment
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# Risks and opportunities of the external context

Main long-term factors that could significantly affect the business and capacity of the Group to create value



Risk Report  
for a detailed description on the risk profile and the specific methods used to assess it, p. 80  
of the Management Report

## New customer needs

Risk identified

In this currently uncertain economic environment, consumer attitudes to insurance products and services are changing in light of two global trends:

- **digitalization**, which has introduced new selling options and different insurance product management
- **economic uncertainty**, which has changed spending on savings and other insurance products.

Today, customers are demonstrating greater attention to service quality: they no longer rely only on an agent to acquire an insurance product; rather, they have a more independent approach to the decision-making process, which includes visiting the websites of insurance companies, reading customer reviews on social media and checking comparison websites.

Strategic risk  
Insurance risk

## Technological evolution

Risk identified

We are facing a profound change caused by the interaction and the cumulative effects of various developments in technology: the Internet of Things, the constant growth of mobile networks, the adoption of cloud services, the development of cognitive computing and machine learning are all elements that contribute to creating a renewed environment in which to operate.

The unprecedented availability of customer data, combined with the **technological capabilities** of processing data quickly and efficiently in terms of costs, allows the insurance business to create customized prices and identify potential fraud. However, it creates potential risks arising from the management of personal data as well as new challenges within the traditional insurance risk management model.

Technology as an enabling element of the processes may also impair business continuity, representing a potential threat (malfunction of equipment and systems, etc.).

Strategic risk  
Operational risk

## Uncertain financial and macro-economic landscape

Risk identified

In 2016, numerous political events have impacted the global economy: the referendum on the constitutional reform in Italy, Brexit and the US presidential elections. At **macroeconomic** level, Italy remains in difficulty, with expected growth of 0.8%; Eurozone growth forecasts stand at 1.7% in 2016 and 1.5% in 2017. The British economy has not yet shown signs of a slowdown, and the pound has depreciated by 17% with respect to the euro. Consumption has slowed and investments are weak in the United States. US growth forecasts are 1.6% for 2016 and 2.2% for 2017; the Fed will therefore raise benchmark interest rates.

The European **insurance sector** was characterized by good performance in property&casualty premiums (with the exception of Italy), in line with the albeit feeble economic recovery and a certain difficulty in the performance of life premiums, influenced by low interest rates. This situation should also continue in 2017; the only exception is forecast in Italy, which is expected to record an improvement in life premiums.

Financial risk  
Credit risk  
Strategic risk



## Our risk management

We aim to become the **top choice of clients and distributors**. We offer insurance solutions and services that are simple, tailored and even more innovative to meet their needs, also digital ones, and to improve their customer experience. We are analyzing and implementing a real digital transformation in our business units in order to make our global distribution networks more efficient. We are supporting them so that the interaction with clients can be increasingly based on an advisory approach. It means to interpret the clients' needs and offer the best solutions for them.



Sustainability Report 2016, p. 57; 63

## Our risk management

We have implemented an **analytics platform on cloud** in all our business units, leveraging the cutting-edge technologies for the management and analysis of data. The technology was critical to provide a superior user experience, designed to bring us closer to requests for greater digital interaction from our clients. This development is based on a hybrid architecture that offers the latest mobile technology. To protect our trustworthiness, reputation and survival from threats of natural, human and technological origin, we have also implemented a **Business Management Continuity process** that identifies critical processes and operational risks that may interrupt business operations, as well as risk mitigation measures and solutions to recover and resume vital business processes as soon as possible and with limited financial impact.

## Our risk management

Macroeconomic and financial expectations, along with yield expectations of policyholders, the Solvency II rules relating to the calculation of economic capital and Group targets on profitability, are the main factors influencing the definition of our **asset allocation strategy**. In addition, the progressive decline of interest rates and the new regulatory environment have made asset management disciplined and focused on consistency between assets and liabilities even more important.

In investment activities, factors such as geographical diversification and a selective focus on alternative investments are key to limit portfolio risks and strengthen current returns.



Risk Report  
for a detailed description on the risk profile and the specific methods used to assess it, p. 80  
of the Management Report

## Regulatory evolution

Risk identified

The insurance industry is characterized by a detailed regulatory system consisting of continuously evolving domestic and European rules and regulations. Some of the most significant are:

- **Solvency II**, the European insurance market supervisory framework which includes three pillars in terms of capital measurements, risk management systems and risk disclosures
- **Common Framework of the International Association of Insurance Supervisors (IAIS)** on the development of standard qualitative and quantitative capital requirements based on risk for insurance groups operating globally
- **European directive on insurance distribution and regulations on investment product disclosure and transparency** guaranteeing an increasingly high level of consumer protection
- **European regulation on personal data protection** for improved protection of citizens
- **European directive on non-financial information**
- **Issuance of IVASS order n.53 of 6 December 2016, that amend the ISVAP regulation n.22 of 4 April 2008.**

Strategic risk

Operational risk

## Environmental challenges

Risk identified

The global warming caused by greenhouse gas emissions originating from human activity is triggering a rise in **extreme weather events**, such as higher temperatures and flooding, that become increasingly frequent and violent. These factors impact the economic and social system as well as the relative insurance needs.

Proper measures are therefore necessary to avoid higher losses and increased volatility that would impact on insurance policies' price, also due to higher capital absorption resulting from the events being underwritten, and make the access to insurance too expensive or, in extreme cases, the offering uninsurable.

Underwriting risk

Emerging risks

Operational risk

## Demographic and social change

Risk identified

Modern communities are characterized by conflicting demographic and social phenomena: the continuous **aging of populations**, driven by increased life expectancies and lower birth rates, which is partially offset by **increasing migration**, boosting younger populations, whose average income capacity is however quite limited and highly conditioned by a flexible, yet precarious, job market. The risk of increasingly unbalanced societies remains, where the higher post-retirement requirements of the older population with greater willingness to save are no longer properly covered by the public system, and the economic and financial resources produced by the younger categories of the population, or from private savings, have to be directed and valued more carefully.

Underwriting risk

Emerging risks

## Our risk management

We run our business in compliance with the law, internal regulations and codes and professional ethics, and we closely monitor the evolution of the regulatory environment, dialoguing with legislators and institutions.

We have implemented the organizational requirements laid out by **Solvency II** and received approval for the partial internal model for the determination of the Group solvency capital requirement from the Supervisory Authority.

We are engaged in the various tests carried out by the **International Association of Insurance Supervisors (IAIS)** to determine the final architecture and calibrations of the supervisory requirement.

We have strengthened an **international and multifunctional initiative** aimed at internally sharing knowledge, experience and best practices in the field of product development and distribution strategies so as to be ready to meet the necessary regulatory requirements.

We have contributed to the European debate on **personal data protection** and we continue to monitor the definition of detailed measures to identify aspects pertaining to our business to be implemented.

We also monitor developments in the new disclosures on **non-financial information** to ensure its implementation.

Lastly, we monitor developments in **international accounting standards** through work groups skilled in investments and insurance contracts.

## Our risk management

We constantly monitor the main perils and territories where we are exposed, using actuarial models to estimate the damage that could result from natural phenomena. We can therefore optimize our underwriting strategy.

**Reinsurance** plays a key role: we manage our protections on a centralized basis in order to take advantage of economies of scale and pricing thanks to the size of the Group, with the aim of leveraging on business diversification.

We also continue to monitor and reduce our **direct impact** and to favour the limitation of global warming to within 2°C through our **insurance solutions** as well as our **investments**. We develop and distribute increasingly innovative products along with a high level of services in order to meet the potential request for more and improved protection against catastrophes, in addition to products that reward virtuous and environmentally sustainable decisions and behaviour. Also in partnership with other public and private stakeholders, we work to support initiatives that help to expand access to insurance products, for example through more favourable taxation for catastrophic coverage, which would lower the impact of reconstruction on the public sector, as well as initiatives aimed at preventing and mitigating environmental risks. We invest responsibly, excluding from our investment universe those companies that are involved in causing serious harm to the environment. We support research and studies on environmental risks.



Sustainability Report 2016, p. 78

## Our risk management

We monitor and manage the consequences of a changing society. We offer **effective, flexible and modular solutions with high pension and assistance content** to cover healthcare expenses and any other possible current and future, individual and family requirements. We commit to strengthening dialogue with people, providing complete and easy-to-use information on products and services, helping them to understand the main risks that may impact their earning capacity and to accurately assess their capacity for saving and the financial gap between the pension that has accrued by the age of retirement and the projected income. We therefore believe it is important to provide support to face the possible needs of old age in due time with adequate financing, within a general context characterized by little knowledge of and propensity to seek out insurance solutions.





## Management

# Report

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- 80 Part B – Risk report
- 93 **Appendix to the Report**

# Part A – Result of operations

## Foreword

This report has been prepared in accordance with the provisions of Legislative Decree 209/2005, CONSOB communications, and other regulatory provisions. This report has been reviewed for consistency compared to the financial statements for the year by the auditing firm EY S.p.A., appointed for the period from 2012-2020. This report contains references to Italian direct business. The portfolio of Italian direct business includes Italian insurance contracts underwritten by the Company in Italy as well as those underwritten by branches in other European Union (EU) member states, in accordance with Legislative Decree 209/2005.

Information on operations contained in the following Part A) and referring to the technical results are net of outwards reinsurance, unless otherwise indicated.

The data in this Management Report is expressed in millions of Euro, unless otherwise indicated.

## Significant operations

- On 26 January 2016 the rating agency Fitch has confirmed Generali's and its subsidiaries IFS (Insurer Financial Strength) rating at A-; the outlook has been confirmed stable. The rating reflects the improvement in Group's capital position, the expectations that 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.
- 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 di Genola, pursuant to the Group's provisions for succession planning.
- 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 French Property&Casualty companies and for the Czech company Ceska Pojistovna a.s.
- On 17 March 2016, the Board of Directors of Assicurazioni Generali, following the selection process lead by the Appointments and 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 as General Manager of the Company.
- 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.
- 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 31 December 2018. The following were elected from the majority list: Gabriele Galateri di Genola, Francesco Gaetano Caltagirone, Clemente Rebecchini, Philippe Donnet, Lorenzo Pelliccioli, 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.
- In May Generali issued a subordinated bond for an overall amount of 850 mln, targeting institutional investors. The issuance is intended to refinance the subordinated debt issued by the subsidiary Generali Finance B.V. with the first call date in 2017, early repayment which, by law, is subject to prior authorization by IVASS, which amounts to 869 mln. The subordinated bond issue received ratings "BBB" by Fitch, "Baa3" by Moody's and "bbb+" by AM Best.
- On 12 July, Moody's affirmed the Baa1 IFS rating on Assicurazioni Generali, with a stable outlook. The af-

firmation reflects the Group's strong and diversified business profile, as well as the improvements in profitability and capitalisation over the recent years.

- On 19 October, the Board of Directors approved the project to transform the Panama branch into an insurance company in and of itself, through the incorporation of a newco under Panamanian law, wholly owned by Assicurazioni Generali S.p.A., to which the branch's assets and liabilities will be transferred.
- In October, AM Best and Fitch confirmed their ratings of Assicurazioni Generali at A and A-, respectively, both with a stable outlook.
- On 9 December, Moody's affirmed the Baa1 rating on Assicurazioni Generali, also confirming the stable outlook.
- In December, Assicurazioni Generali S.p.A. entered into an agreement with Horse Capital I, an Irish designated activity company, to protect the motor TPL loss ratio of 12 Group companies.
- During the second half of the year, the shareholdings were reorganized by means of the merger of Flandria Participations Financières S.A. into Participatie Maatschappij Graafschap Holland N.V. and the transfer of Generali Insurance AD to Generali CEE Holding B.V.

## Overall economic performance

### Net profit

+ 164.7 million

**1,096.2** million

### Profit from ordinary operations

+ 417.8 million

**871.1** million

### Profit from extraordinary operations

+ 301.5 million

**34.8** million

### Income taxes

+ 48.3 million

**190.3** million

Net profit for the period amount to 1,096.2 million, showing an increase of 931.5 million with respect to the previous year. The increase is characterized by:

- An increase in the financial result from ordinary operations of 417.8 million, impacted by:
  - an increase in ordinary financial operations, net of technical interest attributed to the net life underwriting balance, of 515.9 million. This growth derives primarily from higher dividends from the subsidiaries and, to a lesser extent, lower net realized losses on investments;
  - a decrease in the net underwriting balance of 71.7 million. This decrease refers to both the non-life insurance business (-42.4 million) and the life insurance business (-29.1 million);
  - higher ordinary net costs of 26.2 million.
- considerable decrease in the financial result from extraordinary operations of 301.5 million. The previous year benefitted in particular from the positive effects of the transfer to Generali Holding Vienna of the shareholding in Generali Rückversicherung and the non-proportional demerger of Telco S.p.A., for a total of 293.5 million.
- An increase in tax income of 48.3 million, regarding mainly the net IRES tax income.



## Overall economic performance

(in million euro)	2016	2015
<b>Result before taxation</b>	<b>905.9</b>	<b>789.5</b>
Income tax	190.3	142.0
<b>Profit for the year</b>	<b>1,096.2</b>	<b>931.5</b>
Net premiums	2,803.6	2,290.0
Gross premiums from direct business	887.5	595.0
from indirect business	2,780.1	2,518.1
total	3,667.6	3,113.1
Change in technical provisions (a)	160.2	367.6
Claims, maturities and surrenders	-2,622.8	-2,432.8
Operating costs	-503.0	-397.2
Other technical income and charges	5.7	8.9
Technical interests of the life segment	353.9	432.8
<b>Net underwriting balance</b>	<b>197.6</b>	<b>269.3</b>
Income allocated to technical accounts	382.0	218.9
<b>Net technical result</b>	<b>579.6</b>	<b>488.2</b>
Financial result (b)	2,110.7	1,673.8
minus income allocated to technical accounts	-735.9	-651.7
Other ordinary income and charges	-1,083.3	-1,057.1
<b>Profit from ordinary operations</b>	<b>871.1</b>	<b>453.2</b>
Profits and losses on the realisation of other durable invest.	54.7	294.1
Other extraordinary income and charges	-19.9	42.2

(a) Including mathematical provisions.

(b) Including net income on investments, net income on realisation, value adjustments and net profits on internal fund investments.

	2016	2015
<b>Total expense ratio</b>	<b>17.9</b>	<b>17.3</b>
Combined ratio	89.6	83.1

The subsequent paragraphs will provide further insights on the ordinary and extraordinary results and taxes.

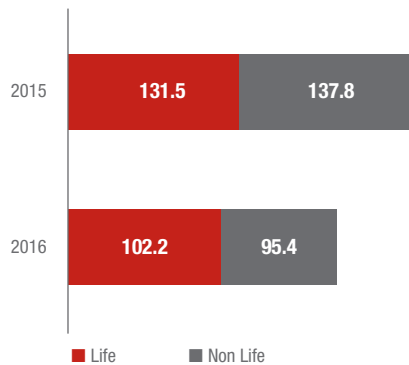
## Ordinary operations

### Technical result

Net technical result improves from 488.2 million to 579.6 million, against a decrease in the underwriting result of 71.7 million. Income allocated to the technical accounts,

net of life technical interest, rose by 163.1 million (from 218.9 million in the prior year to 382 million).

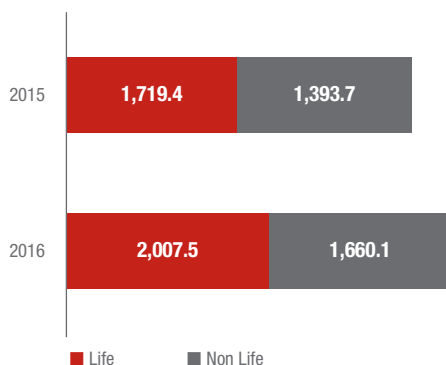
### Net underwriting balance



As regards the net underwriting balance, down from 269.3 million to 197.6 million, the following should be noted:

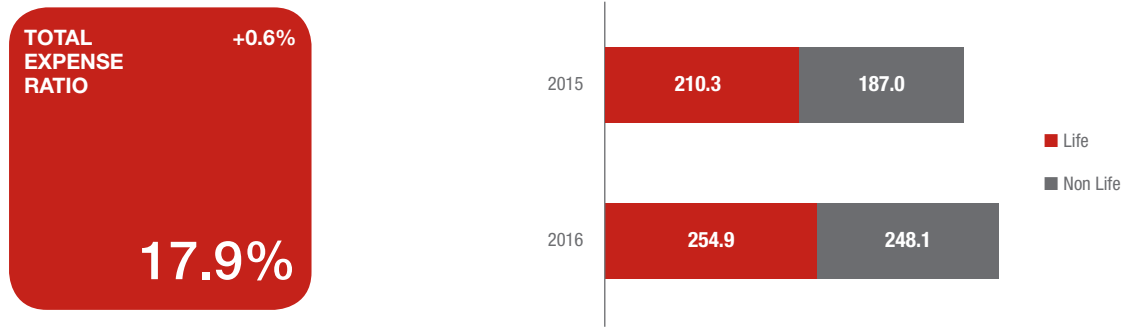
- for the non-life business, a reduction from 137.8 million to 95.4 million, driven by indirect business (from 124.3 million to 78.9 million) whilst direct business grows from 13.4 million to 16.6 million;
- as regards the life business, a reduction from 131.5 million to 102.2 million. The balance of indirect business declines from 175.9 million to 65.9 million, while the balance of direct business improves from -44.4 million last year to 36.3 million.

### Total gross premiums

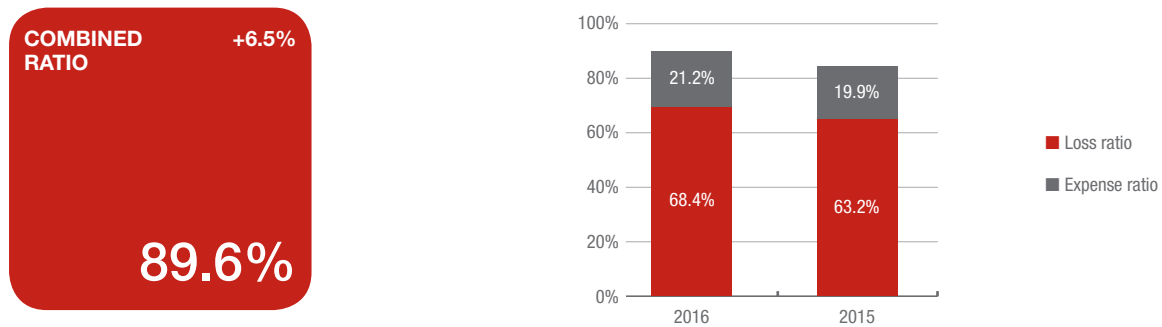


Gross written premiums amount to 3,667.6 million, significantly increasing versus the 3,113.1 million of the previous year. The growth refers to the life insurance business (from 1,719.4 to 2,007.5 million) and the non-life insurance business (from 1,393.7 to 1,660.1 million).

## Acquisition and administration costs



## Combined ratio



Total acquisition and administration costs total 503 million (397.2 million last year), and the ratio on net premiums stands at 17.9% (17.4% in the previous year). Acquisition costs total 418.4 million (325 million last year), and the ratio on net premiums stands at 14.9% (14.2% in the previous year). Administration costs total 84.6 million (72.2 million last year), and the ratio on net premiums stands at 3% (3.3% in the previous year).

The non-life loss ratio, net of reinsurance, stands at 68.4% compared with 63.2% in the previous year. This growth is impacted by indirect business, with a loss ratio that increased from 63.9% in the prior year to 70.2%. As regards direct business, there was substantial stability, from 61% in the previous year to 61.3%.

The combined effect of growth in the loss ratio and in acquisition and administration costs therefore resulted in a non-life net combined ratio of 89.6%, compared to 83.1% in the previous year.

Technical interests of the life segment amount to 353.9 million (432.7 million in the previous year).

The reinsurance cessions are structured on the basis of a detailed risk analysis which allows for the definition, for each class of business, of the type of structure, the retention level and the reinsurance capacity necessary to mitigate the exposure to risks and events, the latter intended as arising from the accumulation of a number of insurance contracts in the portfolio.

Contractual reinsurance provides the transfer of risk for a large part of the portfolio, while facultative reinsurance provides an additional instrument for mitigating the remaining exposures. Contractual reinsurance is preferred in risk management and for this reason it is adjusted annually to reflect any developments or new requirements of the portfolio thereby limiting the facultative reinsurance to a small number of cases.

The most important classes of business are protected by the excess of loss reinsurance, which allows to specifically define the retention for each class of business and thus reduce the volatility of results, whilst retaining higher expected margins.

The above-mentioned principles have been confirmed by the Board of Directors on 15 February 2017, which has also approved the structures in place during the year,

established in accordance with the reinsurance business model requiring the ceding of the treaties of fully-owned subsidiaries to the Parent Company, which in turn purchases suitable protection on behalf of the entire Group, benefiting from the advantages deriving from the amplitude of its portfolio and economies of scale.

The technical components of the life and non-life segments are provided below.

## Business segments – life segment

### Technical result

(in million euro)	2016	2015
Net premiums	1,635.6	1,353.6
Gross premiums from direct business	486.3	244.6
from indirect business	1,521.2	1,474.8
Total	2,007.5	1,719.4
Change in technical provisions (a)	211.5	384.6
Claims, maturities and surrenders	-1,859.2	-1,851.8
Operating costs	-254.9	-210.2
Other technical income and charges	15.3	22.5
Technical interests of the life segment	353.9	432.8
<b>Net underwriting balance</b>	<b>102.2</b>	<b>131.5</b>
Allocated investment transferred to technical accounts	259.0	157.7
<b>Net technical result</b>	<b>361.2</b>	<b>289.2</b>

(a) Including mathematical provisions

%	2016	2015
Total expense ratio	15.6	15.5
Acquisition costs / net premium	13.6	13.3
Administration costs / net premiums	2.0	2.2

Net technical result amounts to 361.2 million, up by 72 million compared with the previous year (289.2 million).

Income allocated to the technical accounts, net of life technical interest, amounts to 259 million (157.7 million in the previous year). This growth was impacted by the increase in ordinary financial activities (from 1,246.3 million to 1,295.3 million) as well as the decline in technical interests, which decrease the total income allocated. The decrease in technical interests of the life segment from 432.8 million to 353.9 million was driven by indirect business (from 366.5 million to 270.5 million) whilst direct business grows from 66.3 million to 83.4 million.

The net underwriting balance amounts to a total of 102.2 million, a decline with respect to 131.5 million in the previous year. This trend was affected by the contraction of indirect business (from 175.8 million to 65.9 million) largely attributable to the acceptances made by the companies of the Group, in part offset by growth in direct business (from -44.4 million in the previous year to 36.3 million). The significant growth in direct business was predominantly impacted by the UK branch, which last year saw a reinforcement of technical provisions in the individual annuities line in run-off and lower underwriting results for the employee benefits line.

Gross written premiums amount to 2,007.5 million, significantly increasing versus the 1,719.4 million of the previous year. In particular, the increase regards direct business, which was up from 244.6 million to 486.3 million, driven by the positive results from the marketing of new individual policy line insurance products by the Hong Kong branch. Indirect business, also up, amounts to 1,521.2 million versus the 1,474.8 million of the previous year.

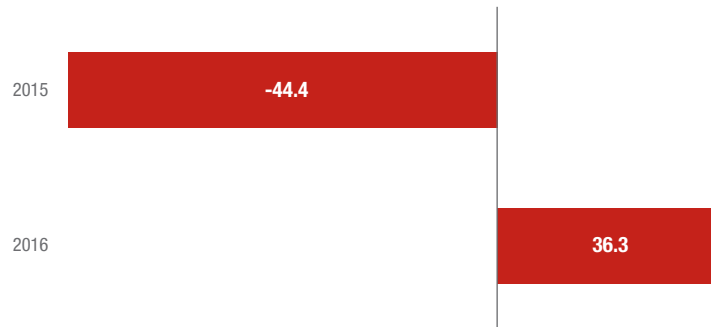
The businesses most concerned by this growth were LoB I, Life insurance (+262.9 million) and, to a lesser extent, LoB III, Unit linked life insurance (+20 million).

Acquisition and administration costs amount to 254.9 million, growth compared with 210.2 million of the prior year, with an expense ratio at 15.6%, rather stable compared to the previous year (15.5%). The ratio for acquisition costs was 13.6% (13.3% in the previous year), while the ratio for administration costs was 2%, down from 2.2%.

A discussion on the trends in the technical result, separately for direct and indirect business, follows.

## Net underwriting result of the direct life business

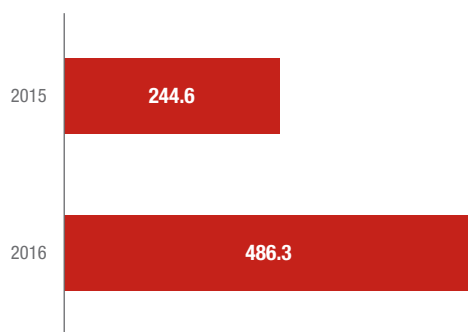
### Technical result



The net underwriting result amounts to 36.3 million, a significant improvement compared with -44.4 million in the previous year. The UK branch, characterized in the previous year by a strengthening in the technical provisions of the individual annuities line in run off, in addition to a lower technical result of the employee benefits portfolio, had an impact on this trend.

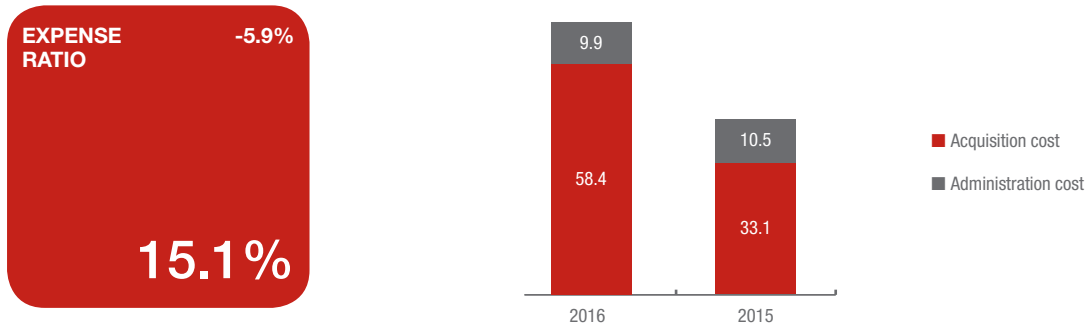
Technical interests increased from 66.3 million to 83.4 million. The growth refers in particular to LoB III (Unit linked life insurance) of the Dubai and UK branches.

### Gross direct premiums



Gross premiums written amount to 486.3 million, significantly increasing versus the 244.6 million of the previous year. In particular, the increase regards the Hong Kong branch in LoB I (Life insurance) and derives from the marketing of new individual policy line insurance products.

## Acquisition and administration costs



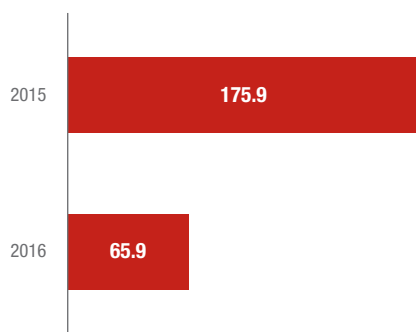
Acquisition and administration costs increased in absolute value (from 43.6 million to 68.3 million) but decreased in terms of ratio on net premiums (from 21.1% to 15.1%).

Specifically, acquisition costs increase from 33.1 million to 58.4 million with a ratio on net premiums decreasing from 16% to 12.9%. These trends are particularly linked to the growth, mentioned above, in business of the Hong Kong branch, characterized by a decreased weight in terms of commission expenses.

Administration costs amount to 9.9 million, compared with 10.5 million in the previous year. The reduction is more significant in terms of the ratio on net premiums (from 5.1% to 2.2%). The reduction in the incidence of administration costs on net premiums was caused by almost all of the Company's operating branches, and is particularly notable with reference to the Hong Kong branch.

## Net underwriting result of the indirect life business

### Net underwriting result



Net underwriting result amounts to 65.9 million, a significant reduction compared with 175.9 million of the previous year.

The technical result primarily includes reinsurance ac-

cepted directly by the Parent Company and those conveyed through the Generali Employee Benefits network.

Reinsurance accepted directly by the Parent Company represents the bulk in terms of technical commitments. Reinsurance derives mainly from Group companies through the following types of contracts: quota share, excess-of-loss and non-proportional. The Parent Company, therefore acts as the principal reinsurer for its own Subsidiaries, providing the necessary reinsurance protection whilst at the same time overseeing the reinsurance operations of Group Companies in any recourse to third party reinsurers outside the Group. Almost all these acceptances are retained by the Company, except for the necessary retrocessions to protect the portfolio and consisting of non-proportional excess-of-loss contracts for catastrophic events.

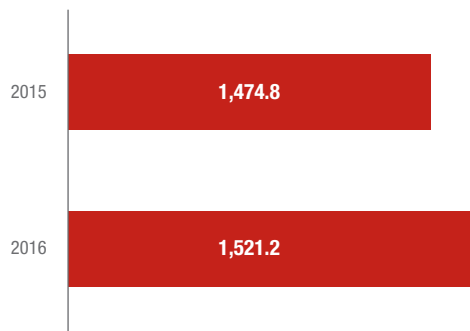
The underwriting results of reinsurance acceptances carried out directly by the Parent Company declined by 93.3 million (from 135.7 million to 42.4 million). The contraction regards the various reinsurance channels of the Group; the most significant drops regard reinsurance acceptances from the subsidiaries Alleanza Assicurazio-

ni S.p.A (-40.7 million) and Generali Levensverzekering Maatschappij N.V. (-25.5 million).

The result of reinsurance acceptances carried out by the Generali Employee Benefits network suffers a more limited contraction, equal to 16.7 million (from 40 million to 23.4 million), concentrated within the segment of non-group carriers.

Technical interests decreased from 366.5 million in the previous year to 270.5 million. The most significant drop regards reinsurance acceptances from Generali Levensverzekering Maatschappij N.V. (-60.7 million), which benefitted in the previous year from the particularly positive investment result. The reinsurance acceptances in run-off by Alleanza Assicurazioni S.p.A. showed a decrease of 43.7 million in technical interests.

## Gross indirect premiums



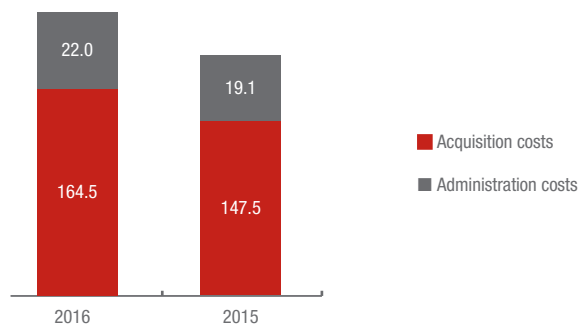
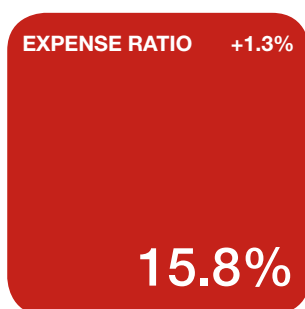
This growth is attributable to reinsurance acceptances through the Generali Employee Benefits (GEB) network, reduced in part by the decline in premiums accepted for reinsurance directly by the Parent Company.

Specifically, the contractions in gross premiums directly accepted by the Parent Company (from 515.2 million to 483.8 million) is affected by contractions in the acceptances in run off by the subsidiary Alleanza Assicurazioni S.p.A.

The growth in gross premiums written of the Generali Employee Benefits (GEB) network (from 958.8 million to 1,036.2 million) regards mainly non-Group carriers.

Gross written premiums amount to 1,521.2 million, increasing versus the 1,474.8 million of the previous year.

## Acquisition and administration costs



Acquisition and administration costs amount to 186.6 million, an increase compared with 166.6 million of the prior year, with an expense ratio that rises from 14.5% to 15.8%.

Acquisition costs rise from 147.5 million to 164.5 million, with an expense ratio that rises from 12.9% to 13.9%. The increases are influenced by higher profit sharing re-



cognized on reinsurance acceptances by the subsidiary Generali Levensverzekering Maatschappij N.V.

Total administration costs total 22 million (19.1 million last year), and the ratio on net premiums stands at 1.9%

compared to 1.7% in the previous year. The growth in this ratio, although it was slight, was seen in direct acceptances of the Parent Company as well as those conveyed through the Generali Employee Benefits (GEB) network.

## Business segments – non-life segment

### Technical account performance

(in million euro)	2016	2015
Net premiums	1,168.0	936.4
Gross premiums from direct business	401.2	350.4
from indirect business	1,258.9	1,043.3
Total	1,660.1	1,393.7
Change in technical provisions	-51.3	-17.0
Claims, maturities and surrenders	-763.6	-581.0
Operating costs	-248.1	-187.0
Other technical income and charges	-9.6	-13.6
<b>Net underwriting balance</b>	<b>95.4</b>	<b>137.8</b>
Allocated income transferred to technical accounts	123.0	61.2
<b>Net technical result</b>	<b>218.4</b>	<b>199.0</b>

%	2016	2015
Loss ratio	68.4	63.2
Total expense ratio	21.2	19.9
Acquisition costs / net premiums	16.7	15.4
Administration costs / net premiums	4.5	4.5
Combined ratio	89.6	83.1

Net technical result amounts to a total of 218.4 million, up compared with the previous year (199 million).

The allocated income transferred to technical accounts shows growth from 61.2 million of the previous year to 123 million, a direct correlation with the relevant increase in non-life financial results (from 427.5 million to 815.4 million).

The net underwriting balance amounts to a total of 95.4 million, a significant reduction with respect to 137.8 million of the previous year. This trend was impacted by the contraction in indirect business (from 124.3 million to 78.9 million) whilst direct business grows from 13.4 million to 16.6 million.

Gross premiums written amount to 1,660.1 million, significant-

tly increasing versus the 1,393.7 million of the previous year. This growth is driven by indirect business, with premiums up from 1,043.3 million in the previous year to 1,258.9 million. Direct business, also up, went from 350.4 million to 401.2 million.

The overall loss ratio amounts to 68.4% with respect to 63.2% in the prior year. The loss ratio of the direct business is equal to 61.3%, substantially stable with respect to 61% in the prior year. The indirect business ratio stands at 70.2% (63.9% in the previous year).

Acquisition and administration costs amount to 248.1 million, an increase compared with 187 million of the previous year. The increase involves both indirect business (from 121 million

to 174.3 million) and direct business (from 66 million in the previous year to 73.7 million).

The ratio of total acquisition and administration costs to net premiums is 21.2% compared to 19.9% in the prior year. Acquisition costs, the ratio of which rose from 15.4% to 16.7%, influenced that trend, while the administration costs ratio remains stable at 4.5%.

The net combined ratio is 89.6% (90.7% in direct business and 89.2% in indirect business). In the previous year, this ratio totalled 83.1% (89.7% in direct business and 81% in indirect business).

A discussion on the trends in the technical result, separately for direct and indirect business, follows.

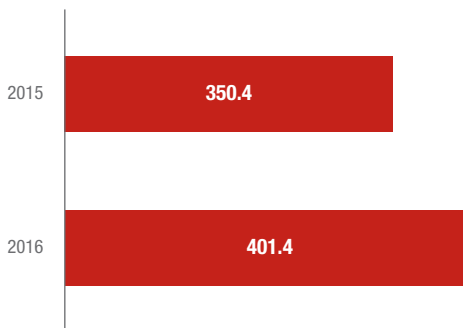
## Net underwriting result of the direct non-life business

### Net underwriting result



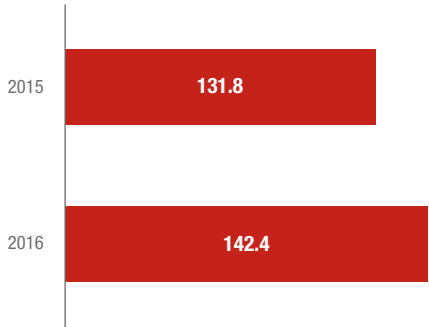
The net underwriting result amounts to 16.6 million (13.4 million in the previous year). There was growth for all of the Company's branches, with the exception of the Hong Kong and New York branches, characterized by growth in the current year loss ratio in the fire and healthcare lines of business for the former and the adoption of a business fronting-based model for the second.

### Gross direct premiums



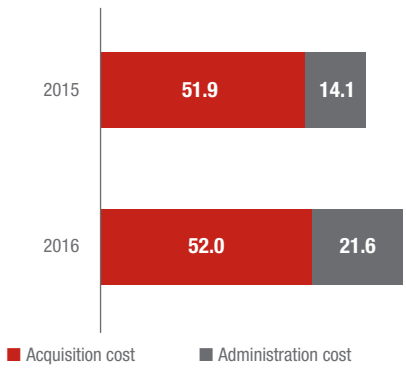
Gross premiums written amount to 401.2 million, increasing versus the 350.4 million of the previous year. Growth was seen in all Company branches for all lines of business.

### Claims, maturities and surrenders



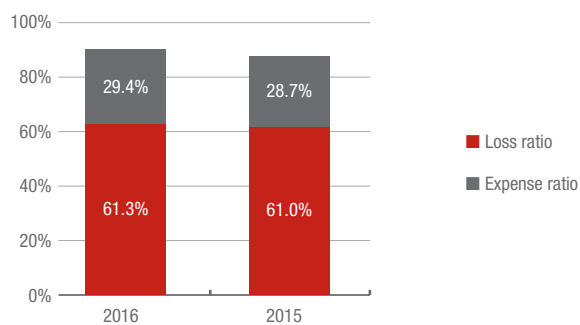
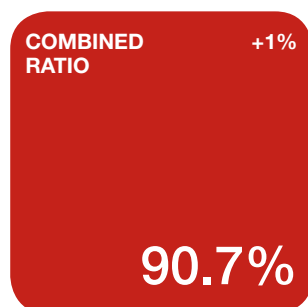
Claims, maturities and surrenders amount to 142.4 million (131.8 million in the previous year) with a loss ratio of 61.3%, substantially stable with respect to the previous year (61%).

### Acquisition and administration costs



Acquisition and administration costs amount to 73.7 million (66 million in the previous year). The ratio with respect to net premiums rises from 28.7% to 29.4% (up from 6.1% to 8.6% for administration costs and, on the other hand, down from 22.6% to 20.8% for acquisition costs). The growth in the incidence of administration costs was driven in particular by the higher operating costs of the UK, New York and Hong Kong branches.

## II combined ratio



The combined ratio stands at 90.7%, compared to 89.7% in the prior year, reflecting the performance shown above in relation to the loss ratio for the year and the ratio of acquisition and administration costs to net premiums.

The following is a prospect of the claim settlement velocity broken down by individual line of business, and current and previous origin year.

## Claims settlement velocity of the direct Italian portfolio

	Claim settlement velocity %	
	Current origin year	Previous year
Motor TPL	61.9	58.8
Motor material damage	95.2	96.0
Accident	24.1	55.6
Health	91.8	7.1
Fire	41.2	46.7
Property other than fire	24.8	48.9
General Liability	26.4	36.9
Marine, aviation and transport (a)	41.9	32.9
Other LOB (b)	32.5	53.4
<b>Total</b>	<b>92.7</b>	<b>40.6</b>

(a) Included trains, air, sea, lake and river craft, cargo, t.p.l. for air, sea, lake and river craft

(b) Included pecuniary loss, legal protection, assistance and credit and suretyship

## Net underwriting result of the indirect non-life business

### Net underwriting result

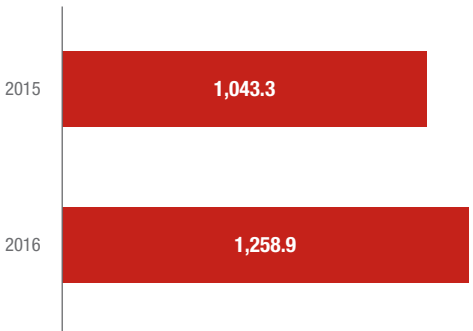


Net underwriting result amounts to a total of 78.9 million, a significant reduction compared with 124.3 million of the previous year.

The underwriting result of the indirect business includes reinsurance accepted directly by the Parent Company, the Generali Employee Benefits network and the foreign offices of the Company: London, New York, Panama, Dubai, Hong Kong and Tokyo.

- With reference to the reinsurance acceptances carried out directly by the Parent Company, reinsurance flows mostly come from the Group companies, using proportional, non-proportional and facultative reinsurance contracts. The underwriting result in reinsurance directly accepted by the Parent Company amounts to a total of 59.7 million, a reduction with respect to 138.1 million of the previous year, impacted by a higher catastrophic loss ratio from certain Group companies.
- With regard to reinsurance accepted by the UK branch, both facultative and contractual primarily from other Group companies, the underwriting result amounts to 10.3 million, a net improvement compared to -10.7 million in the previous year.
- The Generali Employee Benefits (GEB) network, primarily accident and health lines of business, contributes -2.5 million compared with -11.8 million for the prior year. The development of business against stable claims, maturities and surrenders affected this improvement.
- With regard to reinsurance accepted in other branches, mainly facultative, the contribution to the underwriting result amounted to a total of 11.2 million (8.8 million in the prior year).

### I premi lordi del lavoro indiretto



Gross written premiums amount to 1,258.9 million showing an increase versus 1,043.3 million of the previous year. The most significant increases regard the reinsurance accepted by the UK branch (from 250.8 million to 438.2 million) following the signing of new reinsurance agreements with the subsidiary Generali Iard in the Global Corporate & Commercial segment; as well as that accepted by the Hong Kong branch (from 37.4 million to 92.2 million) in the accident and healthcare lines of business and in the Global Corporate & Commercial segment.

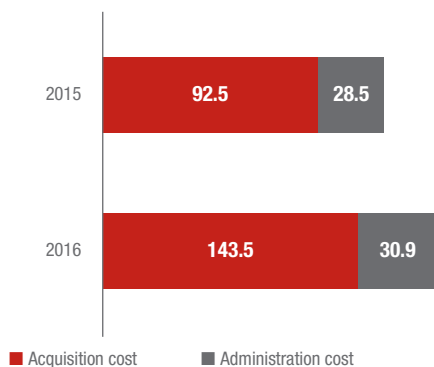
## Claims, maturities and surrenders



Claims, maturities and surrenders amount to 621.1 million, an increase compared with 449.2 million of the previous year. The loss ratio, net of reinsurance, is equal to 70.2% (63.9% in the prior year).

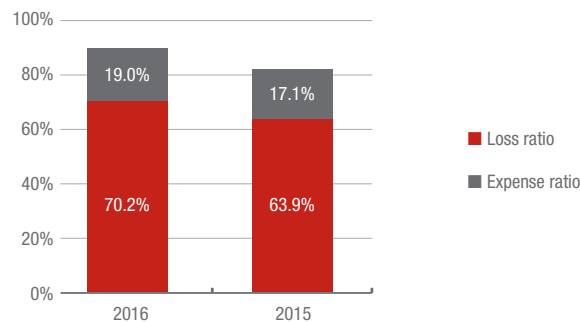
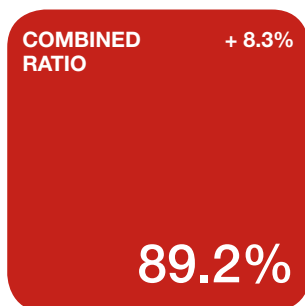
The most significant growth, in absolute terms, in claims, maturities and surrenders concerns the reinsurance accepted by the UK branch (from 159.1 million to 253.7 million) and that accepted directly by the Parent Company (from 151.1 million to 203.8 million). The loss ratio referring to the UK branch stands at 69.1% (81% in the previous year), and that of the Parent Company is 68.7% (45.5% in the prior year).

## Acquisition and administration costs



Acquisition and administration costs amount to 174.3 million compared with 121 million of the previous year. The ratio on net premiums stands at 19% compared to 17.1% in the previous year. In particular, this performance is influenced by growth in the incidence of acquisition costs (from 13.1% to 15.6%); the ratio of administration costs to net premiums stands at 3.4% (4% in the prior year). The growth in the acquisition costs ratio is primarily attributable to higher commission expenses on new reinsurance agreements entered into by the UK branch within the Global Corporate & Commercial segment.

## II combined ratio



The increase in the loss ratio and acquisition and administration costs to net premium ratio generated an increase in the combined ratio, from 81% in the previous year to 89.2%.

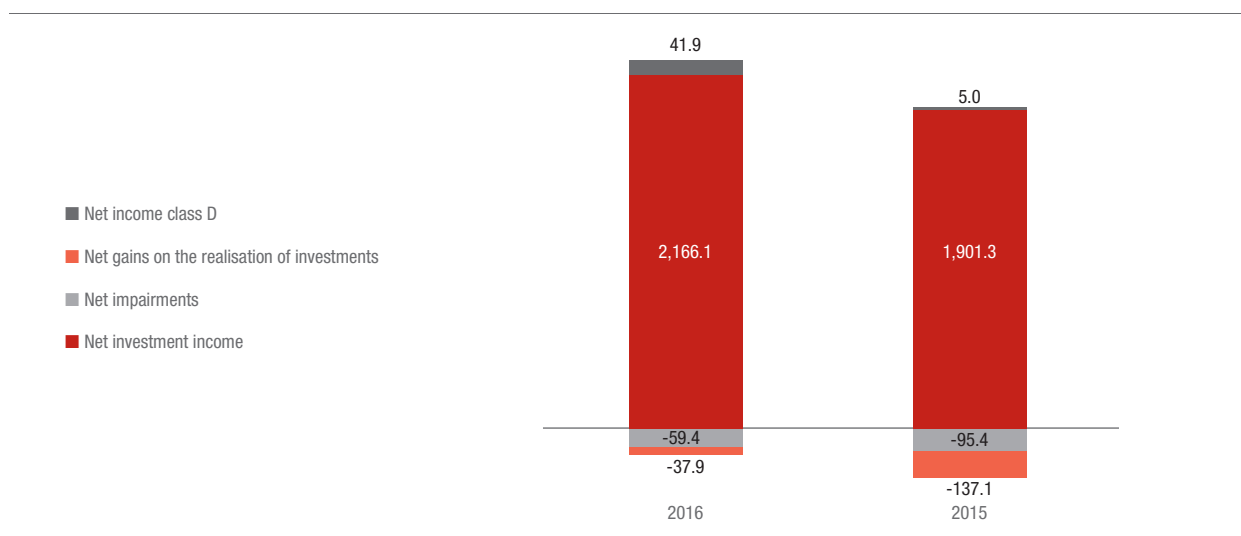
## Financial result

Ordinary financial results include mainly the income from shares and other investments, net of related expenses, as well as net realized and unrealized gains and losses.

The results of the ordinary financial operations amount

to 2,110.7 million for the year and 1,673.8 million in the prior year. Investment return allocated to the technical accounts amounts to 735.9 for the year and 651.7 in the prior year.

The following table and comments show the changes in each item.



The class D net income increases from 5 million in the previous year to 41.9 million. This year benefits mainly from greater interest on reinsurance deposits, which amounts to 26.4 million, compared to 9.8 million in the previous year, and higher net unrealized gains equal to 14.4 million, compared to -1.9 million in the previous year.

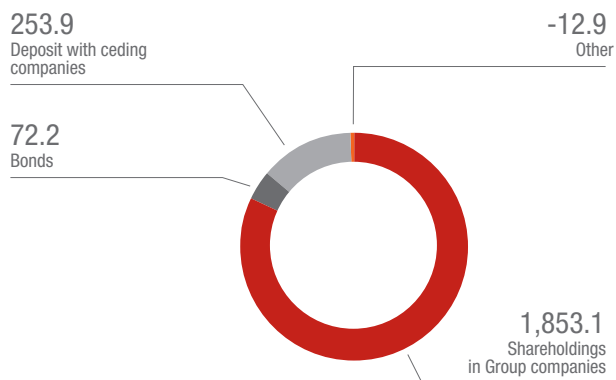
The write-down of investments, net of the gains and losses realized during the year, amounts to 59.4 million compared with 95.4 million in 2015. This balance is mainly influenced by write-downs in the equity portfolio (57.4 million) and in particular write-downs on the Lion River I (26.8 million), Fata Asigurari (8.9 million) and Generali Shared Service Scarl (7.3 million) shareholdings. In the previous year, equity portfolio write-downs totalled 67.3 million (of which 32.6 million relating to Generali Brasil de

Seguros and 17.9 million relating to Banca Popolare di Vicenza) and bond and real estate segment write-downs totalled 28.5 million.

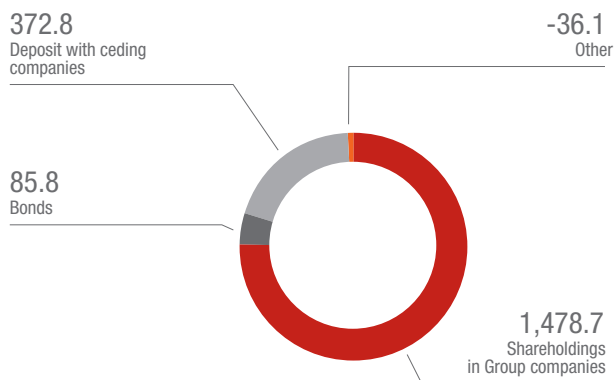
Net realized gains are negative for 37.9 million; in the previous year they were also negative for 137.1 million. In the current year, there were net realized losses deriving from the closure of certain derivative financial instrument positions (53.7 million), partially offset by realized gains from the disposal of mutual fund units (8.8 million) and shares and other investments (4.4 million). The previous year was negatively impacted by the realized loss from the transfer of Telecom Italia shares to UBS, in implementation of the forward sale agreements signed by the company between the end of 2014 and the start of 2015, for 161.4 million.

Details of the net income from investments, totalling 2,166.1 million (1,901.3 million in the previous year), are provided below.

### Net investment income 2016



### Net investment income 2015



The dividends received from the companies of the Group totalled 1,853.1 million, an increase of 374.3 million compared with the previous year (1,478.7 million). The main income from the shareholdings is the dividend received from Generali Italia, totalling 900 million (in line with the previous year). The increase with respect to the previous year is primarily attributable to the dividend of Generali CEE Holding BV equal to 230 million compared to 58.1 million in 2015 and the dividend of Generali France equal to 156.6 million, from which the Company received no dividend in 2015.

Net interest on reinsurance deposits amounts to 253.9 million, decreasing compared with the previous year (372.8 million). The contraction can be attributed primarily to the reinsurance acceptance from the subsidiary Generali Levensverzekering Maatschappij, which last

year benefitted from particularly positive financial profitability (decrease of 75.6 million), and that in run off of the subsidiary Alleanza Assicurazioni S.p.A. (decrease of 48.4 million).

Income from bonds is equal to 72.2 million (85.8 million in the previous year), of which 35.8 million deriving from government bonds (49.6 million in 2015) and 36.4 million deriving from corporate bonds (36.2 in 2015).

Other net income remains negative from -36.1 million to -12.9 million, due mainly to higher interest on loans with Group companies.

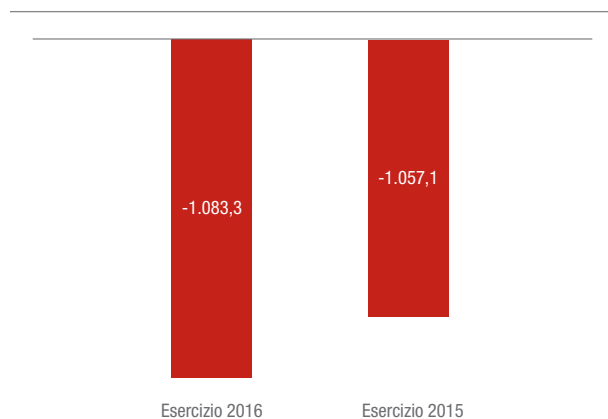
Ordinary return on investments<sup>1</sup>, determined on the basis of the average rate of return, stands at 5.3%.

<sup>1</sup>

The average rate of return on investments is the ratio of income for the period to half the sum of investments at book value at 31/12/2016 and 31/12/2015



## Other ordinary income and charges



Other ordinary income and charges show a negative balance of 1,083.3 million, 26.2 million higher than the 1,057.1 million in the previous year.

The following table presents details of the components of other ordinary income and charges:

(in million euro)	2016	2015
Interest expenses on financial debt	-677.3	-635.3
Allocation to non technical provisions	-6.6	3.0
Holding expenses	-352.1	-346.2
Amortisation of intangible assets	-20.3	-10.6
Other	-26.9	-68.1
<b>Total</b>	<b>-1,083.3</b>	<b>-1,057.1</b>

The main components include interest expense on debt amounting to 677.3 million (635.3 million in 2015) and management and coordination costs of 352.1 million (346.2 million in 2015).

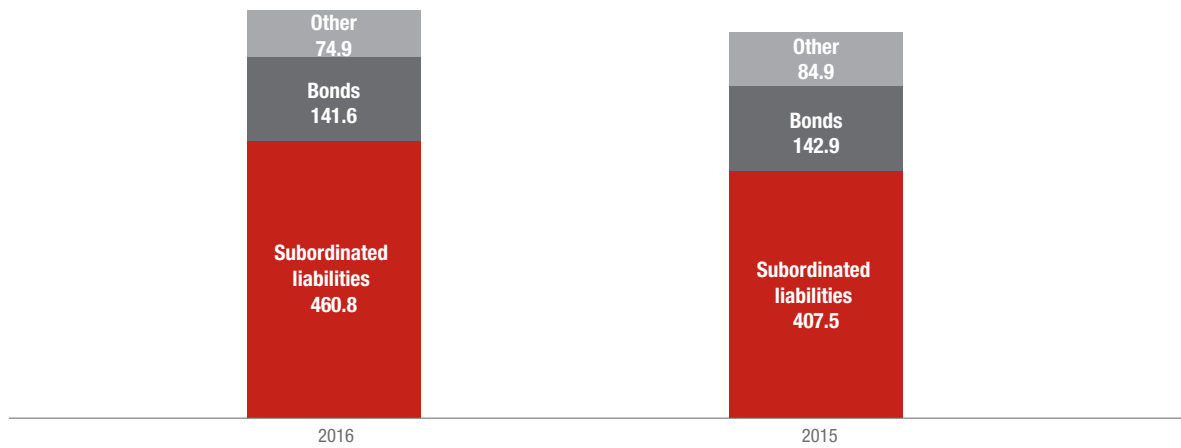
The balance of the allocation to non-technical provisions is -6.6 million. The most significant items which impacted the balance this year are future costs connected with voluntary retirement incentive plans equal to 11 million and withdrawals from tax provisions of 6.5 million.

Charges relating to the amortization of intangible assets amount to 20.3 million, an increase compared with 10.6 million of the previous year. The increase is linked mainly

to accelerated amortization relating to projects and systems inherent in the adoption of the new Solvency II regime.

The residual item has a negative balance of 26.9 million (68.1 million in 2015). The improvement of the item is associated mainly with the positive impact of the performance of exchange rates, that this year has entailed net income of 10.7 million, compared with the net cost of 17.6 million in 2015, therefore recording a positive change of 28.3 million, lower losses on receivables (+3.6 million) and lower interest expenses on financial debt deriving from reinsurance transactions (+4.5 million).

## Interest expenses on financial debt



Interest expenses on financial debt of the Company amount to a total of 677.3 million, an increase from 635.3 million in 2015.

The increase relates to interest on subordinated liabilities of 460.8 million (407.5 million in the previous year). This increase is impacted primarily by the issue of two subordinated liabilities, of 1,250 million in October 2015 and 850 million in June 2016, respectively. The boost in interest on subordinated liabilities is partially offset by lower interest following the repayment of a subordinated liability of 468.1 million in June 2016.

Interest expenses on senior bond issues of 141.6 million were in line with the previous year (142.9 million).

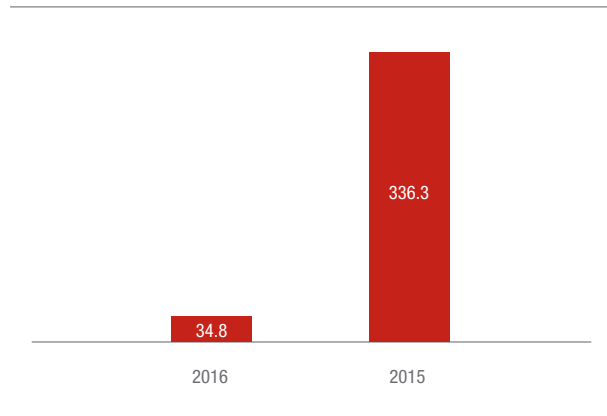
Interests from other loans decreased by 10 million compared to the previous year. The decrease derives mainly

from lower interest expenses on financial debt with respect to the subsidiary Generali Holding Vienna (-9.7 million), consistent with the contraction in debt in December 2015, against the set-off with the receivable that arose from the transfer of the shareholding in Generali Rückversicherung.

## Holding expenses

Costs incurred by the Company for activities related to the management and coordination of the Group Companies amount to 352.1 million, up slightly compared to the prior year (346.2 million).

## Extraordinary operations



The results from extraordinary operations are positive, at 34.8 million (336.3 million in the previous year).

## Income taxes

Income taxes for the year show an overall income of 190.3 million (142 million in the previous year). They rose primarily due to IRES tax income, which increased from 172.6 million in the previous year to 217.7 million.

More specifically, IRES current income amounts to 205 million (211.5 million in the previous year), while the income for IRES deferred taxes totalled 12.8 million (the charge of 38.9 million last year included a negative component of 27.7 million due to the redetermination of the closing balances of pre-paid and deferred IRES taxes for a rate reduction from 27.5% to 24%, starting in 2017, as set forth in Law no. 208/2015).

This year's balance is mainly impacted by realized gains from the liquidation of the shares of Telco AG Srl (37.9 million), the disposal of shareholdings in Generali Insurance AD (8.9 million) and the disposal of Securis I Fund units (7.5 million).

Voluntary retirement incentive costs of 17 million also affected the results for the year.

The previous year was influenced by the positive effects of the transfer to Generali Holding Vienna of the shareholding in Generali Rückversicherung and the non-proportional demerger of Telco S.p.A., which entailed realized gains for respectively 249.5 million and 44 million.

Taxes also include an IRAP tax charge of 3.3 million (2.2 million in the previous year), a charge for taxes due in Italy on the income of certain Group Companies overseas (Controlled Foreign Companies – CFC) of 14.8 million (24 million last year) and lastly a charge for taxes paid abroad amounting to 9.4 million (4.4 million in the previous year).

## Asset and financial management

### Total asset and financial management

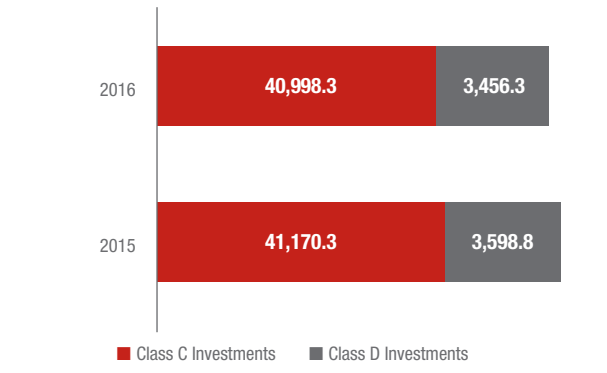
(in million euro)		2016	2015
Intangible assets		33.2	37.3
Investments		40,998.3	41,170.3
Class D investments		3,456.3	3,598.8
Reinsurers' share of technical provisions	Non-life	518.0	536.0
	Life	396.2	356.9
<b>Total</b>		<b>914.2</b>	<b>892.9</b>
Debtors		1,759.8	1,281.1
Other assets		913.1	776.0
Accrued income and deferred charges		209.2	234.4
<b>TOTAL ASSETS</b>		<b>48,284.1</b>	<b>47,990.8</b>
Provisions for other risks and charges		113.3	106.7
Deposits received from reinsurers		307.6	295.0
Creditors and other liabilities		10,746.3	10,626.5
Accrued expenses and deferred income		383.6	387.9
Technical provisions non life		2,609.0	2,520.6
Technical provisions life	class C	8,909.9	8,897.2
	class D	3,454.1	3,595.2
<b>Total</b>		<b>12,364.0</b>	<b>12,492.4</b>
Subordinated liabilities		7,089.9	6,864.5
Shareholders' funds		0	0
Subscribed share capital or equivalent fund		1,559.9	1,556.9
Reserves		12,014.2	12,208.8
Profit for the year (a)		1,096.3	931.5
<b>Total</b>		<b>14,670.4</b>	<b>14,697.2</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>48,284.1</b>	<b>47,990.8</b>

The following paragraphs provide a discussion of the composition and the variations compared to the previous year of the following components of the balance sheet: Investments, Net technical provisions, Debt and Shareholders' funds.

Please note that following the adoption of Directive 2013/34/EC (the "Accounting Directive"), by means of

Legislative Decree 139/2015, IVASS, by Measure no. 53 of 6 December 2016, amended the financial statement layouts by eliminating own shares from the balance sheet assets, which are now recognized in a dedicated reserve in shareholders' fund. The comparative figure for 2015 was modified accordingly: total assets and liabilities are therefore 1.8 million lower than the figure published in last year's financial statements.

## Investments



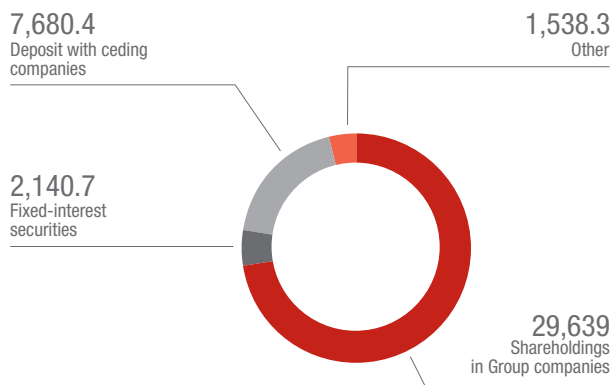
Total investments amounted to 44,454.6 million, compared to 44,769.1 million of the previous year.

Class C investments, i.e. the investments of the Company excluding those benefiting the life-insurance policyholders who bear the risk, show a decrease from 41,170.3 million to 40,998.3 million.

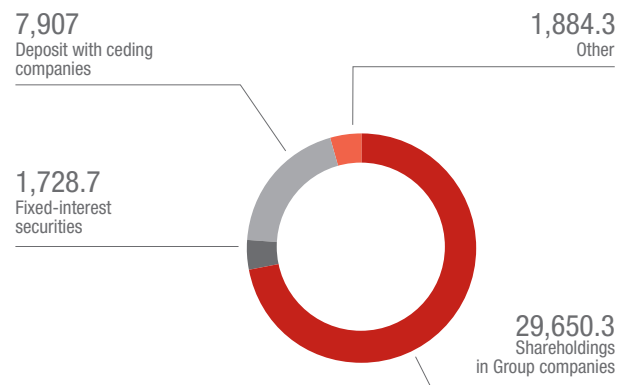
Class D investments, i.e. the investments of the Company benefiting the life-insurance policyholders who bear the risk, show a decrease from 3,598.8 million to 3,456.3 million.

Following are the changes, with comments, from the previous year in the components of the class C and D investments.

### Investments 2016



### Investments 2015



Shareholdings in Group companies decreased from 29,650.3 million to 29,639 million. This change was caused mainly by the liquidation of the shareholding in Telco AG S.r.l. (-56.7 million), the disposal of the shareholding in Generali Insurance A (-34.1 million) and the write-down on the shareholding in Lion River I (-26.9 million). These effects are mostly offset by the increase in the value of the shareholdings in Generali Brasil Seguros SA (+89.6 million), Generali Vietnam Life Insurance Ltd (+22.8 million) and Generali Companhia de Seguros S.A. (+17 million).

Reinsurance deposits decreased from 7,907 million to

7,680.4 million. Within the life line, reinsurance deposits decreased from 7,515.4 million to 7,275.9 million, due primarily to the ongoing contraction of the portfolio in run-off accepted by the subsidiary Alleanza Assicurazioni S.p.A. In the non-life line, reinsurance deposits amount to 404.5 million (391.6 million in the prior year) and refer for the most part to reinsurance agreements entered into by the UK branch with the Group Company Generali Iard, within the Global Corporate & Commercial segment.

The decrease of 346 million in the item "Other" (from 1,884.3 million of the previous year to 1,538.3 million) derives primarily from lower shares of mutual investment

funds for 703.4 million (related almost entirely to the disposal of shares of the Generali Money Market fund), partially offset by the issuance of a loan receivable of 381.1 million to Generali Finance.

Bond investments amount to 2,140.7 million, an increase from the previous year (1,728.7 million). The increase can be attributed to higher investments in government

bonds (222.6 million) and investments in corporate bonds (189.3).

Class D investments declined from 3,598.8 million to 3,456.3 million, primarily as a result of the reduction in reinsurance deposits received from the subsidiary Generali Paneurope. This reduction derives from the increase in surrenders seen this year for that reinsurance agreement.

## Net technical Provisions

(in million euro)	Amount		Change	Incidence %	
	2016	2015		2016	2015
<b>Technical prov. of life business</b>	<b>11,967.7</b>	<b>12,135.4</b>	<b>-1.4</b>	<b>85.1</b>	<b>85.9</b>
Mathematical provision	7,587.7	7,677.1	-1.2	54.0	54.4
Provision for claims outstanding	815.4	746.5	9.2	5.8	5.3
Provisions relating to contracts linked to investments funds and market index and relating to the adm. of pension funds	3,454.1	3,595.2	-3.9	24.6	25.5
Other provisions	110.5	116.6	-5.2	0.8	0.8
<b>Technical prov. of non life business</b>	<b>2,091.0</b>	<b>1,984.6</b>	<b>5.4</b>	<b>14.9</b>	<b>14.1</b>
Provision for unearned premiums	317.3	270.9	17.1	2.3	1.9
Provision for claims outstanding	1,773.5	1,713.6	3.5	12.6	12.1
Other provisions	0.2	0.1	84.0	0.0	0.0
<b>Total life and non life business</b>	<b>14,058.7</b>	<b>14,120.0</b>	<b>-0.4</b>	<b>100.0</b>	<b>100.0</b>

As regards Technical provisions of the Life business, the decrease in mathematical provisions (from 7,677.1 million to 7,587.7 million) is primarily due to:

- the reduction in reserves accepted for reinsurance by the Parent Company (233.8 million), influenced by the natural decrease tied to the portfolio in run-off by the subsidiary Alleanza Assicurazione S.p.A.;
- the reduction in reserves of the UK branch (88.2 million), primarily due to favourable pound/euro exchange rate trends;
- the increase in reserves of the Hong Kong branch (226 million), closely correlated with the development of new business.

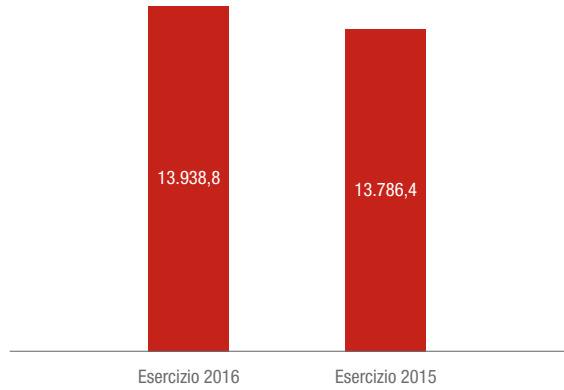
As regards the amounts to be paid, the growth (from 746.5 million to 815.4 million) is primarily affected by the

reinsurance accepted through the Generali Employee Benefits network.

The reduction in technical provisions tied to the management of internal funds (from 3,595.2 million to 3,454.1 million) derives, in particular, from the increase in surrenders inherent in the reinsurance acceptances of the subsidiary Generali Paneurope.

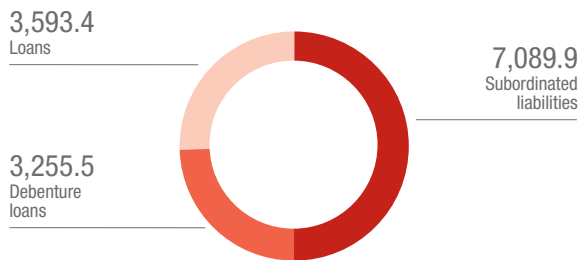
Non-life technical provisions rose from 1,984.6 million to 2,091 million. Growth was impacted by the provision for unearned premiums (from 270.9 million to 317.3 million) as well as the provision for claims outstanding (from 1,713.6 million to 1,773.5 million), consistent with business development and with the loss ratio performance described above.

## Debt management

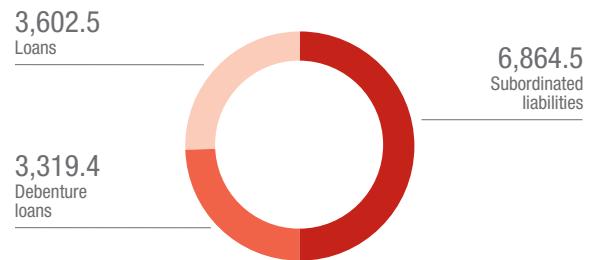


The total debt of the Company increased by 152.4 million, from 13,786.4 to 13,938.8 million.

### Debt 2016



### Debt 2015



As regards subordinated liabilities, the increase of 225.4 million is characterized by:

- a new issue in June 2016, with maturity in 2048 and call date in 2028 for 850 million;
- repayment of a subordinated debt in pounds for 468.1 million;
- a decrease of 156.5 million in equivalent value in euro of the remaining liabilities in pounds.

Loans declined slightly against the repayment of the loan from the subsidiary Caja de Ahorro y Seguro S.A. in the amount of 9.1 million.

Bond issues decreased with the payment of the annual portion of 63.9 million of the senior bond issued to fund the tax recognition of goodwill relating to Alleanza Assicurazioni S.p.A.

## Subordinated liabilities

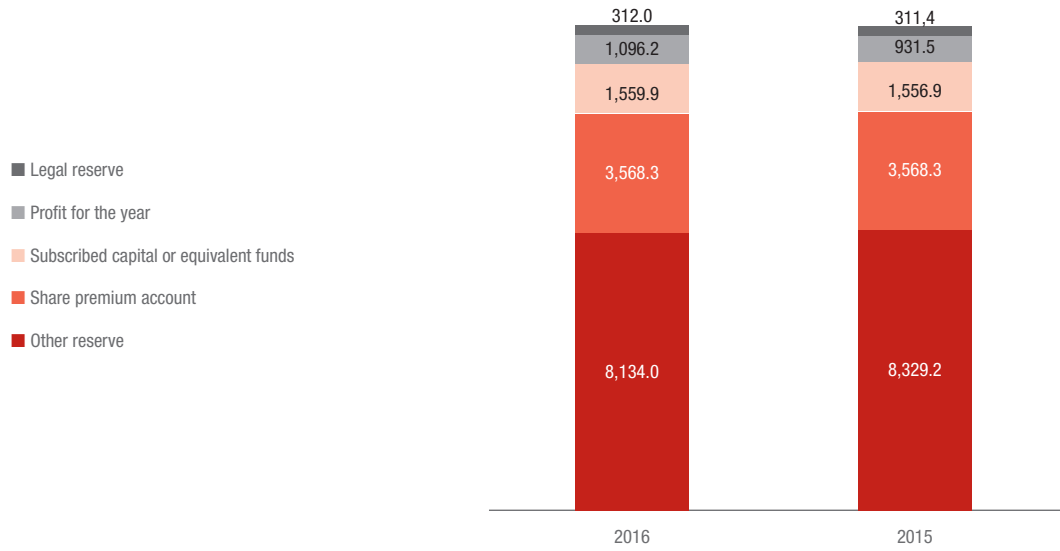
Nominal interest rate	Nominal value	Currency	Book value	Issue date	Call	Expiration date
6.27%	350.0	GBP	474.9	16/06/2006	16/06/2026	PERP
6.42%	495.0	GBP	671.6	08/02/2007	08/02/2022	PERP
7.90%	100.0	EUR	100.0	19/12/2008	19/12/2018	PERP
7.68%	150.0	EUR	150.0	19/11/2008	19/11/2018	PERP
7.24%	350.0	EUR	350.0	04/03/2009	04/03/2019	PERP
8.50%	350.0	EUR	350.0	06/03/2009	06/03/2019	PERP
9.00%	50.0	EUR	50.0	15/07/2009	15/07/2019	PERP
10.13%	750.0	EUR	750.0	10/07/2012	10/07/2022	10/07/2042
7.75%	1,250.0	EUR	1,250.0	12/12/2012	12/12/2022	12/12/2042
4.13%	1,000.0	EUR	1,000.0	04/05/2014	n.d	02/05/2026
5.50%	1,250.0	EUR	1,250.0	27/10/2015	27/10/2027	27/10/2047
5.00%	850.0	EUR	850.0	08/06/2016	08/06/2028	08/06/2048

## Debenture loans

Nominal interest rate	Nominal value	Currency	Book value	Issue value	Expiration date
5.13%	1,750.0	EUR	1,750.0	16/09/2009	16/09/2024
EURIBOR 12M + 220 bps	560.0	EUR	255.5	12/05/2010	14/12/2020
2.87%	1,250.0	EUR	1,250.0	14/01/2014	14/01/2020



## Shareholders' Fund



Shareholders' Fund amounts to 14,670.3 million compared with 14,697.2 million in the previous year.

The subscribed capital rose by 3 million following the assignment of Generali shares in favour of Group management on 21 April 2016, in implementation of the Long Term Incentive Plan 2013. The legal reserve rose by 0.6 million in order to reach the minimum level required by law.

The decrease in other reserves of 195.2 million (from 8,329.2 million to 8,134 million) reflects the withdrawals carried out to pay the dividend last year (192.2 million) and for the above-mentioned share capital increase (3 million).

Negative reserve for own shares held was introduced in implementation of the provisions of Legislative Decree no. 139 of 2015, resulting in the simultaneous adjustment of the comparative data of last year. The above-mentioned amendments indeed eliminated the recognition of own shares in the balance sheet assets, which are now deducted directly from shareholders' fund by means of a dedicated reserve.

In this regard, please note that the portfolio includes 107,256 own shares with a nominal value of 1 euro each.

## Personnel organisation and social and environmental commitment

2,010

employees

To be socially responsible is an integral part of our strategy: being leaders implies looking to long term prospects, listening to the stakeholders and committing to concrete areas of intervention through projects and activities capable of mobilizing resources and know-how, and relationships which a Group like Generali fosters.

Our **employees** are the most valuable resources, our most strategic asset.

As at 31 December 2016, the Company employs a workforce of 2,010 (2,138 units at 31 December 2015), including a total of 890 staff employed in the foreign branches (1,000 at 31 December 2015).

Our policy, named Generali People Strategy, is founded on four priorities:

- promoting engagement and empowerment;
- strengthening the skills of our leaders and talents;
- building a lean organisation and developing new skills;
- promoting a culture focused on the customer.

We believe that it is fundamental **to promote the engagement and empowerment of people** so that they can make sound decisions, demonstrate leadership and meet the customers' needs.

7,334

man-days  
training

**Training** has always been a key priority involving all our employees.

With the objective of favouring the growth of our leaders and talents and investing in the improvement of their skills and expertise, training has been redeveloped based on different programmes which are international in scope and aim to enhance strategic thought and leadership capacities, provide management instruments and accelerate the shift from manager to leader (Global Leadership Programs).

In parallel, the New Managerial System project was also launched, meant to design and provide, starting in 2017, a managerial development programme to all Group managers in accordance with a shared and uniform model for all Group geographies and business units.

At the same time, with a view to boosting and updating managerial, transversal and technical skills, international training programmes have been confirmed and renewed for all company employees, on both technical (Generali Advanced Technical Excellence) and managerial (Managerial and Cross Functional Training) matters, addressed to managers, middle managers and professionals.



Generali Advanced Technical Excellence (GATE) is a long-term programme designed to support the consolidation, updating and innovation of technical capacities and the Group's insurance know-how by sharing best practices and experiences.

In 2016, the Global Graduate Program continued, an initiative that started in 2015 to promote cultural change, to develop Generali's international reputation as a top employer and to guarantee the leadership continuity line with the hiring of 20 young talented university graduates. In addition, to support organizational development processes, a new training initiative for all human resources managers has been created on the topic of Performance Management.

And there were also the usual training and refresher courses for the development of language skills, as well as initiatives to support the specialized knowledge of specific professional families, such as the topics addressed in the Internal Audit Programme.

In terms of compulsory training, courses continued regarding the security measures to be adopted in the processing of personal data (Legislative Decree 196/2003) and the control of aspects related to health and safety in the workplace (Legislative Decree 81/2008). For purposes of continuity, courses also continued with a view to favouring the dissemination and operational application of the "Organisational, management and control model" as required by Legislative Decree 231/2001 and knowledge of topics concerning the prevention of money laundering and terrorist financing, which were extended to broader portions of the company population.

With respect to training oriented towards regulatory updating, employees were required to participate in specific e-learning classes regarding the processing of privileged information (in compliance with the provisions set forth in the Group policy), while particular attention was dedicated to training and awareness-raising, through specific dedicated initiatives, on matters dealt with in the Code of Conduct.

We remunerate our employees based on the National Collective Labour Agreement of the sector and on the Supplementary Company Contract.

In 2016, the average gross salary of administrative personnel amounted to 109,704 euro versus 101,834 euro in 2015. The average cost amounted to 156,881 euro (145,497 euro in 2015).

We also offer additional benefits including supplementary pension plans, death or permanent disability insurance, long term care insurance, discounted insurance coverage extendable also to family members and a company welfare plan. To reconcile work, personal and family commitments, our em-



In the beginning of 2016, a Performance Management training initiative was carried out for all human resources managers at the Group Head Office. This class, based on the results of the first Global Engagement Survey, which revealed the need to implement a solid performance assessment system for all employees, was based on the sharing of the company's performance management system process and instruments enabling the proper assessment and sharing of employee performance.

employees can also benefit from flexible hours, part-time work, unpaid leave of absence and child day-care.

The employees are guaranteed, inter alia, a working environment that is discrimination- and harassment-free, as well as working conditions compliant with the current regulations in terms of health and safety in the workplace, with particular attention given to pregnant women, mothers and disabled employees. We organize meetings with experts and seminars to sensitize the employees in areas such as health and mental welfare in order to avoid work related stress.

As regards the **environment** we have been managing for years, on an on-going basis and adopting a structured methodology, our environmental impact, demonstrating even a stronger commitment after the success of the Paris agreement ratified in 2015 by the Conference of Parties to the Climate Convention (COP21), which officially entered into force in 2016. We intend to take an active role in supporting the transition toward a more sustainable economy and society. We will continue to monitor and reduce our direct impact and to favour any reduction in global warming under 2°C, through our products, services and investments, by dialoguing and cooperating

€ 109,704

gross average  
remuneration

€ 156,881

average cost

with Governments and Associations, consistent with the content of our Group Policy **regarding Environment and Climate.**

To achieve the objectives contained in the Policy, we decided to implement an **Environmental Management System** aimed at the continuous improvement and reduction of risks related to the environment and climate. As regards direct impacts resulting from carrying out our activities, we have been committed for years to reduce our consumption of energy, water and paper, and to make the management of waste more efficient, as well as to improve inter-company mobility. For instance, we often intervene in our real estate assets, according to eco-efficiency criteria, using state of the art equipment and technologies. We give priority to the use of eco-sustainable resources, such as power provided by renewable energy sources, as well as the use of certified paper. All the electric power provided to our offices is certified with the guarantee of the renewable origins of the sources.

We are committed to reduce travelling and to enhance further the tools used for remote communication, by setting up video conference rooms, and the availability of dedicated tools for individual workstations.

Our vehicle policy provides for maximum limits in order to cut carbon dioxide emissions from the company's vehicles and our travel policy prefers the use of public transportation or car-pooling.

In the last few years, we have also invested significantly in waste collection and recycling, since we are aware that nothing should be wasted and everything should be recycled or reused. All our offices have available containers for waste collection, separating paper and cardboard, plastic, glass and aluminium. All our initiatives are focused on minimizing our **greenhouse gas emissions** and reaching our objective of a further **20% reduction by 2020.**



In order to increase the credibility of our reporting and the results obtained, starting in 2011 we have applied for and obtained from RINA (Organismo di Certificazione RINA Services S.p.A.) certification according to ISO 14064-1 about the direct emissions deriving from the combustion of fossil fuels purchased for heating, for the production of electrical and thermal energy, for the supply of the corporate fleet (Scope 1), and about the Indirect emissions deriving from energy consumption (Scope 2). The 2016 data is in the certification phase.

Furthermore, by adopting appropriate measures, we may be able to persuade, within our areas of influence, particularly our customers/consumers, suppliers and companies in which we invest, to adopt eco-sustainable behaviours. We are also aware of the importance of innovation and are committed to invest in research and studies in this area. For this reason we participate in several initiatives and work groups about environmental issues related to climate change. In particular, in 2016, we provided our contribution to the working group promoted by UNEP and the Ministry of the Environment for the production of the Financing the Future report, which identifies possible actions aimed at improving the integration of sustainability factors in decision-making strategies and processes in the Italian financial sector.



These and other social and environmental aspects are discussed in the Group's Sustainability Report 2016

## Litigation

As at 31 December 2016, the Company was a party to 67 legal actions, for the most part as the defendant.

The lawsuits generated by the insurance activities of the Company totalled 29 units.

With reference to tax litigation, the contested amounts in the various proceedings concern indirect taxation, and are, in general, of a non-significant amount.

## Shareholders, share performance and stock options

Concerning the information required by Article 123-bis of the Italian Consolidation Finance Act, please refer to the Corporate Governance and Share Ownership Report of the Company which will be available at the General Shareholders' Meeting.

On the basis of article 36 of Consob resolution no. 16191/07, as subsequently amended, and article 2.6.2, paragraph 12, of Rules for the Markets organized and managed by Borsa Italiana S.p.A., it is hereby certified that in the Generali Group are met the "conditions for the

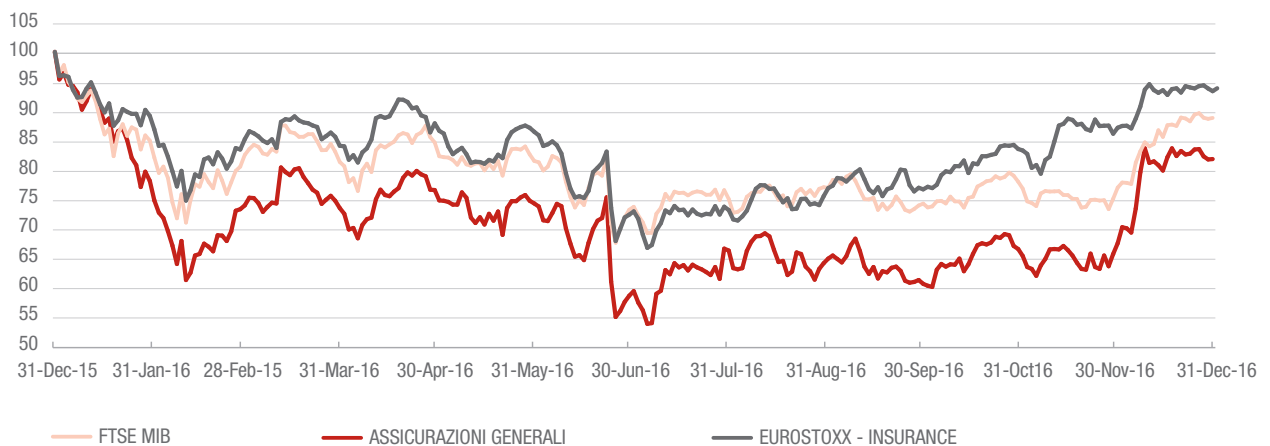
listing of shares of companies with control over companies established and regulated under the law of non-EU countries" and that adequate procedures have already been adopted to ensure full compliance with the foregoing regulation.

## Direction and coordination

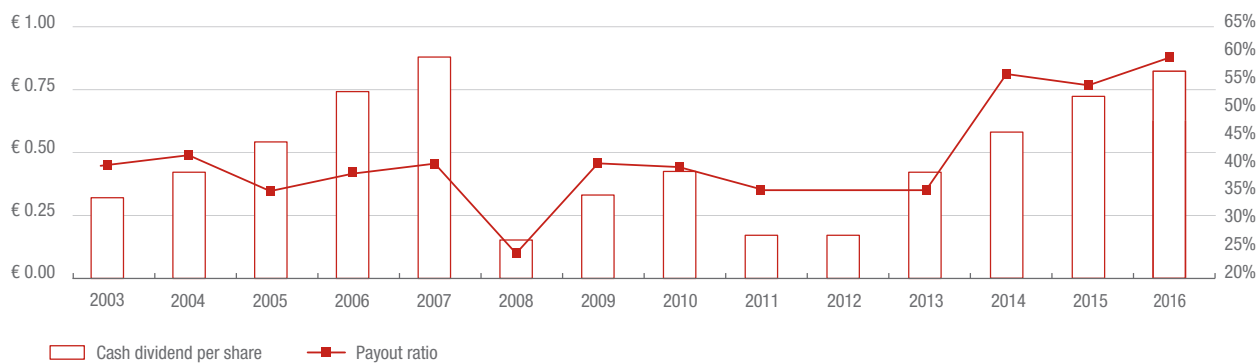
No legal or natural person, directly or indirectly, individually or jointly, holds a number of shares sufficient to give such person a controlling interest in the Company. Under the provisions introduced with the Reform of Company Law, the Company is not subject to the direction and coordination of any Italian or foreign entity or company.

## Stock performance

As at 30 December 2016, the closing price of Generali stock was € 14.12. Since the beginning of 2016, the stock reached its lowest level at € 9.83 on 7 July 2016 and its maximum of € 16.37 on 5 January 2016. The market capitalization at 31 December 2016 was € 20,026 million.



## Dividend per share and payout ratio<sup>2</sup>



## Main indicators per share

	2016	2015
<b>Per share informations</b>		
EPS	1.34	1.30
<i>Operating earning per share</i>	1.64	1.64
DPS	0.80	0.72
<i>Payout ratio</i>	60%	55.2%
<b>Total dividend (in € million)</b>	<b>1,249</b>	<b>1,121</b>
<b>Share price information (in euro)</b>		
Share price	14.12	16.92
Minimum share price	9.82	15.26
Maximum share price	16.37	19.07
Average share price	12.42	17.35
<b>Share volume information</b>		
Weighted average number of ordinary shares outstanding	1,558,512,070	1,556,428,701
Market capitalization (in € million)	22,026	26,342
Average daily number of traded shares	9,962,523	7,603,419
Total shareholders' return (*)	-11.60	2.95

\* (total dividend + var.share price during the reference period)/share price at the beginning of the year

## Stock option

Detailed information as required under current legislation in respect of stock option plans is given in the Report on remuneration.

<sup>2</sup>

The payout ratio for 2012 is not shown in the graph as it is insignificant and not in proportion to the Group's result for the period and it is impacted by the specific dividend payments policy applied by the Group

## Information regarding own shares

As at 31 December 2016, the Company held 107,256 own shares with a nominal value of 1 euro each, the same as the previous year.

## Other information

Assicurazioni Generali said that it had decided to take up the option allowed under art. 70, paragraph 8, and art. 71, paragraph 1-bis of the Issuers Regulation, exempting it from the obligation to publish the prospectuses required in connection with major mergers, splits, capital increases through the transfer of goods in kind, acquisitions and sales.

## Transactions with related parties

As from 2011, the matter of the related-party transactions was ruled by the regulation approved by the Board of Directors within the "Guidelines for transaction with related parties". Said guidelines, available in the Governance section of the Company's website, constitutes the implementation of the regulations adopted by Consob with resolution no. 17221 dated 12 March 2010 subsequently amended by Resolution no. 17389 of 23 June 2010 which, in turn, implements the provisions of art. 2391-bis of the Civil Code.

In addition, the Board of Directors has adopted specific annual guidelines on intra-group transactions according to Regulation ISVAP (now IVASS) 2008 no. 25, dated 27 May (Regulation on supervision of intra-group transactions).

With regard to CONSOB communications 97001574 of 1997, 98015375 of 1998 and 6064293 of 2006 concerning transactions with related parties, the Company states that transactions with Group companies are conducted as part of its normal activity of coordination and are, moreover, subject to specific ISVAP (now IVASS) supervisory controls. No transactions carried out during the year were atypical with respect to normal business operations. The main intra-Group transactions, settled at fair market conditions or at cost, involved reinsurance and co-insurance, administration and management of the securities and property portfolio, claims management and settlement, IT services, loans and guarantees and

loans to employees. The above-mentioned transactions and contractual performances permitted operational functions to be rationalized and the level of services to be improved.

For further details, see the Explanatory Notes.

Significant intra-Group transactions are discussed in the relevant sections of this Report. The balance sheet and annexes 5, 16, 17, 30 and Part C of the Notes on the Accounts provide details on the financial and economic aspects of these transactions.

## Estimate of the reduction of costs arising from the verification of fraudulent motor claims

Article 30 paragraph 2 of the Law 03/24/2012 no.27 introduced the requirement for insurance companies authorized to operate in the motor vehicle liability line of business, to indicate an estimate of the reduction in charges for fraudulent, claims resulting in from independent fraud control and prevention activities. IVASS on 11 March 2014, in a letter, provided stringent and unique calculation rules to the entire market, including the obligation to publish the estimated savings in a report attached to the financial statements. Based on the above and on the calculations made by the Company, no amounts are to be disclosed for 2016.

## Group highlights

### Economic highlights

(in million euro)	2016	2015
Gross written premiums	70,513	74,165
Consolidated operating result	4,830	4,785
Operating return on equity	13.5%	14.0%
Result of the period	2,081	2,030

### Financial highlights

(in million euro)	2016	2015
Total investments	474,069	452,662
Total third parties asset under management	56,324	47,159
Regulatory Solvency II	177%	171%
Economic Solvency II	194%	202%

The Generali Group's consolidated financial statements as at 31 December 2016 were prepared taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606/2002, the Legislative Decree No. 58/1998 and Legislative Decree No. 209/2005, as amended by Legislative Decree No. 32/2007.

Consolidated entities were 428 as at 31 December 2016 compared to 435 as at 31 December 2015. In detail, entities consolidated line by line decreased from 394 to 393 and those valued at equity decrease to 35.

More complete information of the Group's data and significant indices is provided in the Management Report and Consolidated Financial Statements.

### Significant events after 31 december 2016

- On 23 January 2017, the voting rights were acquired on 505 million shares of Intesa Sanpaolo S.p.A., amounting to 3.01% of the share capital, through a securities lending transaction.
- On 25 January 2017, the Board of Statutory Auditors decided to suspend the collaboration relationship with the General Manager and Group CFO Alberto

Minali and, after obtaining the favourable opinion of the Board of Statutory Auditors, appointed Luigi Lubelli as the new Group CFO. All first-level corporate functions that reported to the General Manager now report directly to the Group CEO Philippe Donnet.

- On 17 February 2017, 510 million ordinary shares were acquired, amounting to 3.04% of the share capital, and at the same time the procedure to end the securities lending transaction was launched. To protect from the economic risk connected to the acquisition of those shares, a hedging transaction was carried out using collateralized derivatives.

### Conclusion and outlook for operations

The International Monetary Fund has forecast global growth of 3.4% in 2017, compared to 3.1% in 2016. In particular, the Eurozone, United Kingdom and Chinese economies are expected to slow down, while the US economy should accelerate and Russia and Brazil are expected to exit their recessions. In the Eurozone, GDP growth is expected to decline from 1.7% in 2016 to 1.4% in 2017, primarily as a result of weaker economic performance in Germany and Spain, while inflation in the Eurozone is expected to rise from 0.3% to 1.1%, driven by a modest recovery in some commodities. In this context



of economic weakness, the ECB will maintain an accommodating position, although towards the end of the year speculation will rise on the exit of the Central Bank from its quantitative easing programme. In 2017, US interest rates are expected to rise, driven by the Fed's gradual exit from quantitative easing, and long-term rates in the Eurozone should increase as well, especially towards the end of the year.

Combined with a high degree of uncertainty on the political front, these elements will once again create a challenging environment for investors. Forecasts point to a modest recovery in the Eurozone equity market and less brilliant performance than last year in the United States.

In 2017, within the insurance sector, the main countries of the Eurozone (Italy, Germany, France and Spain) are expected to show a good performance in 2017 in the P&C business, which should recover in Italy as well. The life segment, influenced by low interest rates, will show signs of difficulty once again in 2017, except in Italy, where life premiums are expected to improve compared to 2016.

To be noted is that the catastrophic events occurring all over the world in 2016 did not have a significant impact on the reinsurance industry. The continuing absence of economic impacts from significant catastrophic events has generated a prolonged reduction in reinsurance costs. Within a similar context, the Generali Group has benefited from the favourable market trend, obtaining competitive coverage renewals for the year 2017.

The results for the year of the Parent Company will be mainly influenced by the ability of the subsidiaries to distribute dividends, against limited growth of total costs for management and coordination and financial charges. Moderate growth for the result of the insurance activity is reasonably foreseeable, in particular for life insurance.

Based on the scenarios described above an increase in net profit is expected for the Company compared to 2016.

## Part B – Risk report

### Executive Summary

The purpose of the Risk Report is to provide an overview on the Company's Solvency Position and risk profile, as well as its risk management framework.

From January 1, 2016 Generali Group and the Company have to comply with Solvency II regulation, which requires capital to be held for all quantifiable risks.

Solvency II allows the use of internal models to calculate capital requirements to better reflect the risk profile. To this end, the Company requested to the Supervisory Authority the authorization for the use of its own Partial Internal Model<sup>3</sup> (PIM) to calculate the Solvency Capital Requirement (SCR). In March 2016, the Supervisory Authority granted its approval. The PIM has become the cornerstone of the risk assessment and measurement framework, both at Group and at Company level, and its use is embedded in all risk and capital management related processes.

The Regulatory Solvency Ratio, estimated on the basis of preliminary data, amounts to 239.1%<sup>4</sup>.

The final Solvency Ratio and the impact of long term guarantees used will be disclosed according to the deadlines for the publishing of the Solvency and Financial Condition Report (SFCR).

Since Assicurazioni Generali S.p.A. is the Parent Company of the Generali Group, the participations in subsidiaries represents the main asset class within the Financial Statement. As a result, the main contribution to the risk profile is given by equity risk.

The level of liquidity risk is low, confirming the sound liquidity position and the effective coordination of the liquidity cash flows between the Parent Company and its subsidiaries.

The sound management of all risks is based on a structured risk management system, including clear risk governance, written risk policies and additional tools to strengthen risk management even in contingent severe events.

Within the direction and coordination role of the Group, the Recovery Plan, the Liquidity Risk Management Plan and the Systemic Risk Management Plan, defined following the Financial Stability Board (FSB) and the International Association of Insurance Supervisors (IAIS) standards, have been updated.

Compared to previous year, current Risk Report structure has been updated to better reflect Solvency II framework. In particular:

- Section B, provides for a brief description of the risk management system;
- Section C presents the Company solvency position and key elements of the capital management;
- Section D provides an overview of the risk profile of the Company.

### Risk Management System

#### Risk Governance

Risk governance is a part of the broader internal control and risk management system.

The internal control and risk management system is the set of rules, procedures and structures that ensure the effective operation of the Company and enable it to identify, manage and monitor the main risks to which it is exposed. Key elements of the system are:

- Internal control environment and activities;
- Awareness and monitoring;
- Reporting duties;
- Roles and responsibilities that the Board of Directors (BoD) and its committees, the Senior Management, including the Chief Executive Officer (CEO), also acting as the Director in charge of the internal control and risk management system, and the Chief Financial Officer (CFO), appointed as Manager in charge of the preparation of the Company's financial reports, as well as risk owners and Control Functions must discharge within the internal control and risk management system.

<sup>3</sup>

The Internal Model is defined as Partial because it covers all risks except operational risk and because the approval has been provided for the main Generali Group companies at a first stage, with an extension plan to cover the other entities under implementation.

<sup>4</sup>

On the basis of IVASS Provvedimento n. 53, 2016 the SCR and MCR calculations to be disclosed in the Annual Report can rely on a preliminary estimate.

The internal control and risk management system is founded on the establishment of three lines of defence:

- The Operating Functions (the “risk owners”), which represent the first line of defence and have ultimate responsibility for risks relating to their area of expertise;
- Actuarial, Compliance and Risk Management Functions, which represent the second line of defence;
- Internal Audit, which represents the third line of defence.

Internal Audit together with Actuarial, Compliance and Risk Management Functions represent the “Control Functions”.

The roles and responsibilities of the BoD and related committees, Senior Management, Control Functions and the interactions among Control Functions are described within the Corporate Governance Report. Key roles within the risk management system are outlined below:

- The BoD defines, with the Risk and Control Committee’s support, the guidelines of the internal control and risk management system and assesses its adequacy, effectiveness and functioning, at least once a year. It also defines the organizational set-up, appoints the heads of the Control Functions and defines their mandates, adopts Group risk policies, approves the ORSA results and based on them defines the risk appetite and tolerance limits;
- The Senior Management is then responsible for executing the defined strategy, implements the internal control system and keeps it suitable and effective;
- Control Functions are established at Group level and within the operating entities:
  - The Risk Management Function acts as a guarantor of the correct implementation of the risk management system and its integration into business processes and supports the BoD and the Senior Management in the main business decision-making processes;

management system and its integration into business processes and supports the BoD and the Senior Management in the main business decision-making processes;

- The Compliance Function grants the internal control system’s adequateness to manage compliance risks, thus contributing to maintain Group’s integrity and reputation;
- The Group Actuarial Function coordinates the technical provisions calculation and grants their adequacy of underlying methodologies, models and assumptions, and verifies the quality of the related data;
- The Internal Audit Function verifies business processes and the adequacy and effectiveness of controls in place. Its independence is granted by its direct reporting to BoD.

Heads of Control Functions report functionally to the BoD except the head of Group Internal Audit who reports hierarchically and functionally to the BoD.

Control Functions collaborate according to a pre-defined coordination model, in order to share information and create synergies.

## Risk Management System

The principles defining the risk management system are provided in the Risk Management Policy<sup>5</sup>, which is the cornerstone of all risk-related policies and guidelines. The Risk Management Policy covers all risks the Company is exposed to, on a current and forward-looking basis.

<sup>5</sup> The Group Risk Management Policy covers all Solvency II risk categories and, in order to adequately deal with each specific risk category and the underlying business processes, it is complemented by the following risk policies: Group Investment Governance Policy; Group P&C and Reserving Policy; Group Life and Reserving Policy; Group Operational Risk Management Policy; Group Liquidity Risk Management Policy and other risk-related policies, such as Group Capital Management Policy.

The Risk Management process is defined in the following phases:



## 1. Risk identification

The purpose of the risk identification is to ensure that all material risks to which the Company is exposed are properly identified. To this end, the Risk Management Function interacts with the main Business Functions in order to identify the main risks, assess their importance and ensure that adequate measures are taken to mitigate them according to a sound governance process. Within this process, emerging risks are also considered.

The categorization of identified risks is consistent with the structure foreseen by IVASS Regulation n. 20, March 26, 2008.

## 2. Risk measurement

Identified risks are then measured through their contribution to the capital requirement, complemented by other modelling techniques deemed appropriate and proportionate to better reflect the Company risk profile. Using the same metric for measuring the risks and the capital requirements ensures that each risk is covered by an adequate amount of capital that could absorb the loss incurred if the risk were to materialize.

The capital requirement is calculated by means of the Generali Group's Partial Internal Model (PIM) for financial, credit, life and non-life underwriting risks. Operational risks are measured by means of EIOPA Standard Formula complemented by quantitative and qualitative risk assessments. The PIM provides an accurate representation of the main risks to which the Company is exposed, measuring not only the impact of each risk taken individually but also their combined impact on the Company's Own Funds.

PIM methodology and governance are provided in section Solvency Position.

Risks not included in the capital requirement calculation, such as liquidity risk and other risks are evaluated based

on quantitative and qualitative techniques, models and additional stress testing or scenario analysis.

## 3. Risk management and control

Company risks are managed in line with the risk appetite set by the BoD within the Group Risk Appetite Framework (RAF). Within its coordination and direction role, the Company sets the risk strategy, which is then cascaded to Group companies. The RAF defines the level of acceptable risk in conducting business and thus provides the overall framework for embedding risk management into business processes.

The RAF statement is complemented by qualitative assertions (risk preferences) supporting the decision making processes as well as by risk tolerances providing quantitative boundaries, limiting excessive risk-taking.

The RAF governance provides a framework for embedding risk management into day-to-day and extraordinary business operations and control mechanisms as well as the escalation and reporting to be applied in case of risk tolerance breaches. Tolerance levels are set on the basis of capital and liquidity metrics. Should an indicator approach or breach the defined tolerance levels, escalation mechanisms are activated.

## 4. Risk reporting

The purpose of risk monitoring and reporting is to keep Business Functions, Senior Management, BoD and the Supervisory Authority aware and informed on the development of the risk profile, on the risk trends and on the breaches of risk tolerances.

The Own Risk and Solvency Assessment Report (ORSA Report) is the main risk reporting process and is coordinated by the Risk Management Function. Its purpose is to provide the assessment of risks and of the overall solvency needs on a current and forward-looking basis. The ORSA process ensures an ongoing assessment of

the Solvency Position based on the Strategic Plan and on the Group Capital Management Plan, followed by a regular communication of ORSA results to the Supervisory Authority after BoD approval.

The ORSA process documents and properly assesses the main risks the Company is exposed to, on the basis of its Strategic Plan. It includes an assessment of the risks in scope of the SCR calculation, along with other risks that are not included in SCR calculation.

The ORSA Report is produced on an annual basis, at Company level and at Group level. After discussion and approval by the BoD, assisted by the Risk and Control Committee, both Reports are submitted to the Supervisory Authority.

## Solvency Position

### Solvency II Capital Position

Risk and capital management are closely integrated processes aimed at managing the Company's Solvency Position (or capital position) and risk profile.

The Solvency Position is defined, within Solvency II, as the ratio between Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).

In compliance with IVASS *Provvedimento* n. 53, issued in December 2016, the SCR and Minimum Capital Requirement (MCR) data hereby reported are based on a preliminary estimate.

#### Preliminary SCR Coverage<sup>6</sup>

(€ milion)	SCR Coverage
EOF to cover SCR	39,825.0
SCR	16,705.9
Solvency Ratio	238.4%

EOF to cover SCR are derived starting from Net Equity and revaluing all assets and liabilities at market value. In respect of Net Equity following main adjustments are applied:

- Intangible assets are eliminated;
- Investments (incl. participations and bonds) are revaluated at fair value;
- Technical provisions (TPs) are accounted based on Solvency II rules, as a sum of best estimate of liabilities and risk margin ;
- Other non-technical provisions (i.e. financial and subordinated debt) are revaluated at fair value;
- Finally, net deferred taxes on above evaluations are applied and the amounts of foreseeable dividends and Company's own shares are deducted.

Subordinated debt (with specific features in terms of availability, sufficient duration and absence of incentives to redeem or encumbrances) eligible to cover the SCR amounts to €7.7 bn (more details on financial debt are presented in the Parent Company Balance sheet and Profit and Loss account).

Own Funds (OF) are classified into tiers, representing different levels of quality with respect to loss-absorbing capacity criteria.

OF classified as Tier 2 refer to subordinated debt, while Tier 3 OF refer to deferred taxes.

<sup>6</sup> Preliminary figures, estimated considering a dividend proposed of €0.80 per share.

<sup>7</sup> Solvency II Technical Provision reliability and adequacy are evaluated by the Actuarial Function.

<sup>8</sup> To grant a high quality of capital available, the amounts of Tier 2 and Tier 3 items eligible to cover the SCR are subject to the following limits. The eligible amount of Tier 1 items shall be at least one half of the SCR; in case of admissible subordinated liabilities and preference shares, exceeding 20% of total Tier 1, it is downgraded towards Tier 2. The eligible amount of Tier 3 items shall be less than 15% of the SCR. The sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 50% of the SCR.

### EOF a copertura del SCR

(€ million)	Total	Tier 1	Tier 1 (restricted)	Tier 2	Tier 3
EOF	39,825.0	31,540.8	2,309.6	5,406.5	568.0

The SCR is calculated as the Value at Risk (VaR) of the OF subject to a confidence level of 99.5% over a one-year period (in other words the SCR is calculated to ensure 1 in 200 years events coverage).

In addition to SCR coverage, the Company calculates the Minimum Capital Requirement (MCR). Under Solvency II, the MCR calculation is required to determine

the minimum level of capital, under which the Company would be exposed to an unacceptable level of risk when allowed to continue its operations. The MCR remains within the corridor between 25% and 45% SCR. Moreover, to define MCR coverage, stricter OF eligibility rules are applied<sup>9</sup>. The MCR coverage ratio is presented in the following table.

### Preliminary MCR Coverage

(€ million)	Copertura MCR
EOF to cover MCR	34,685.7
MCR	4,176.5
Solvency Ratio	830.5%

The EOF to cover MCR are presented below:

### Total EOF to meet the MCR

(€ million)	Totale	Tier 1	Tier 1 (restricted)	Tier 2	Tier 3
EOF	34,685.7	31,540.8	2,309.6	835.3	0.0

## Group Partial Internal Model (Group PIM)

The PIM is deemed to be the most appropriate way of assessing the Company SCR in terms of granularity, calibration and correlation among risks.

The Group PIM is structured around a specific Risk Map, which contains all quantifiable risks that Generali has identified as relevant to its business, allowing for the

calculation of the SCR at single risk level and at higher aggregation levels.

### 1. Group PIM Methodology

In implementing the Model, the Group has employed a Monte-Carlo approach with “proxy functions” to determine the full probability distribution (PDF) of the change in the Basic Own Funds over a 1-year horizon.

The Own Funds probability distribution allows to de-

<sup>9</sup>

To cover the MCR, the eligible amount of Tier 1 items shall be at least 80% of the MCR; the same limitation on subordinated liabilities and preference shares is set. The eligible amount of Tier 2 items shall not exceed 20% of the MCR. No Tier 3 items are allowed to cover the MCR.

termine the potential losses at any percentile for risks in scope and, in particular, the SCR corresponding to the 99.5th percentile. Monte-Carlo methods are used in the industry to obtain sound numerical results using the embedded characteristics of repeated random sampling to simulate the more complex real world events. Proxy functions are mathematical functions that mimic the interaction between risk drivers and insurance portfolios to obtain the most reliable results. The aggregation process uses advanced mathematical techniques following market best-practices and the calibration procedure involves quantitative and qualitative aspects.

## 2. Group PIM Governance

Governance and processes regarding the Internal Model are defined in the Internal Model Governance Policy to ensure:

- Models and components are appropriate for their purpose;
- Procedures are in place to design, implement, use and validate new models and model changes;
- The appropriateness of models on an ongoing basis is confirmed.

To rule the activities related to the Internal Model developments necessary to ensure its appropriateness over time, and more in general to support the Internal Model change process, the Internal Model Change Policy has been also defined with the aim to specify roles and responsibilities in the implementation of major and minor changes.

A dedicated committee, the Internal Model Committee, has been established to approve PIM calibrations, to support decision making on PIM developments or model changes and to control the full model lifecycle, assuring proper compliance with the Group Internal Model Governance Policy. This Committee is chaired by the Model Design Authority, which is responsible for ensuring the overall consistency and reliability of the Group PIM.

The Group CRO defines the processes and controls to ensure the ongoing appropriateness of the design and operations of the Group PIM, so that it continues to appropriately reflect the Group risk profile. The Group CRO is also responsible for defining the methodology of each model component, on the basis of the Group Internal Model Committee proposals, as well as for the results production.

The Group CEO, within the Balance Sheet Committee,

is kept informed on key steps and results of the Internal Model Process. The BoD, assisted by the Risk and Control Committee, ensures the ongoing appropriateness of the design and operations, the ongoing compliance of the Group PIM and also that the Internal Model continues to appropriately reflect the risk profile of the Company.

## 3. Group PIM Validation

The Group PIM is subject to regular independent Validation on an ongoing basis, which aims to gain independent assurance of the completeness, robustness and reliability of the processes and results of the Internal Model as well as their compliance with the Solvency II regulatory requirements. In particular, the Validation output is designed to support Senior Management and BoD in understanding the appropriateness of the Internal Model, including areas of weaknesses and limitations, especially with regard to its use.

To ensure an adequate level of independence, the resources performing the Validation activities are not involved in the development and operation of the Internal Model.

Furthermore, the regular Validation procedures also serve as an incentive mechanism to ensure timely and accurate incorporation of modelling refinements.

In order to warrant the appropriateness of the array of elements contained within the Internal Model, the Validation covers both the quantitative and qualitative aspects of the Model, and is therefore not limited to the calculation engine and methodology. Other important items such as Data Quality, documentation and uses of the Model are validated accordingly.

## Risk Profile

### Life Underwriting Risk

The Company is mostly exposed to life underwriting risk deriving from indirect business, as it acts as the main reinsurer of Group companies. The Company's direct business is mainly performed through foreign branches operating in the United Kingdom (UK), Hong Kong and Dubai.

The life portfolio has a prevailing component of traditional savings business. The portfolio also includes some annuity portfolios, with the presence of longevity risk, pure risk

covers, with related mortality risk, and non-traditional business (unit-linked) accepted from Group companies.

Life and health underwriting risks include biometric and operating risks embedded in the life and health insurance policies. Biometric risks derive from the uncertainty in the assumptions regarding mortality, longevity, health, morbidity and disability rates taken into account in the insurance liability valuations. Operating risks derive from the uncertainty regarding the amount of expenses and the adverse exercise of contractual options by policyholders. The lapse of the policy is the most significant contractual option held by the policyholders, together with the possibility to reduce, suspend or partially redeem the insurance coverage.

The approach underlying the life underwriting risk measurement is based on the calculation of the loss resulting from unexpected changes in biometric and/or operating assumptions.

Capital requirements for life underwriting risks are calculated on the basis of the difference between the Solvency II technical provisions before and after the application of the stress. Life underwriting risks are measured by means of the PIM.

Life underwriting risk contribution to the Company risk profile remains limited because of the high level of diversification with other risks.

Life underwriting risk management inherent to direct business, being less significant component of the portfolio, is based on the product pricing process. This process consists of setting product features and assumptions regarding expenses, biometric and policyholders' behaviour assumptions so as to allow the Company to withstand any adverse development in the realization of these assumptions.

To mitigate life underwriting risks, the Company reinsures part of its business to external reinsurers. The reinsurance program is updated on an annual basis and subject to the Life Actuarial Function opinion regarding its adequacy in accordance with the Group Actuarial Function Policy and related guidelines.

## Non-Life Underwriting Risk

Given the Company acts as the main reinsurer of Generali Group companies, the P&C underwriting risks mostly derive from its indirect business. In terms of premium portfolio, the intragroup reinsurance accepted represents the most significant component.

The Company direct business covers retail, middle market and corporate & commercial segments. The Company underwrites mainly through UK branch and Generali Employee Benefits (GEB) network, respectively in corporate & commercial and employee benefit business. Outside Europe, the Company underwrites business through its branches based in New York, Panama, Hong Kong, Dubai and Tokyo.

Non-life underwriting risks arise in relation to the perils covered and the processes used in the conduct of the business model described above. They include the risk of underestimating the frequency and/or severity of the claims in defining pricing and reserves (respectively pricing risk and reserving risk), the risk of losses arising from extreme or exceptional events (catastrophe risk) and the risk of policyholders lapses:

- The pricing and catastrophe risks derive from the possibility that premiums are not sufficient to cover future claims, contracts expenses and extremely volatile events;
- The reserving risk relates to the uncertainty of the claims reserves' run-off around its expected value;
- The lapse risk arises from the uncertainty of the underwriting profits recognised in the premium provisions.

The non-life underwriting risks are measured by means of the Group PIM. For the majority of risks, the assessments are based on in-house developed models and external models which are primarily used to assess the catastrophic events, for which the broad market experience is considered beneficial.

The non-life underwriting risk contribution to the Company's risk profile remains limited, given the high level of diversification of the portfolio and with other risks.



Given the risks reinsured are written in a number of different regions and through the branches, the Company's underwriting profile presents a substantial level of diversification. Moreover, the Company monitors the level of risk concentration, mostly for catastrophe risks and commercial risks, coordinated at central level and representing the key source of concentration.

Reinsurance is the key risk mitigation technique for non-life portfolio. It aims at optimizing the use of risk capital by ceding part of the underwriting risk to selected counterparties simultaneously minimizing the credit risk associated with such operation. The P&C reinsurance strategy of the Company is strongly linked with the P&C reinsurance strategy of the Group and it is developed consistently with the risk appetite and the risk preferences defined in the Risk Appetite Framework, taking into account the reinsurance market cycle. The Company has historically preferred traditional reinsurance as a tool for mitigating P&C catastrophe risk. This has been achieved through a centralized approach where the Company accepts risks from its subsidiaries (allowing for few exceptions, when local regulation prevents it) and places part of these risks towards the market.

The reinsurance program is updated annually and is subject to the Actuarial Function opinion regarding its adequacy in accordance with the Group Actuarial Function Policy and related guidelines.

Due to the increasing weight of European windstorm exposures in the protected portfolio in the past years, part of these exposures have been carved out from the main reinsurance protection and placed in the Insurance-Linked Securities (ILS) market, keeping the dominant Italian exposure in the traditional reinsurance market with a consequent optimization of the overall pricing.

Alternative risk transfer solutions are continuously analyzed and options for the implementation of such tools are present in order to adopt more competitive reinsurance solutions. As an example, in addition to traditional reinsurance, a protection has been recently placed on the capital market to reduce the impact of a high Loss Ratio for what concerns the Group Motor liability portfolio.

## Financial Risk and Credit Risk

Since participations in Group companies are the main asset class within the Company's portfolio, equity risk represents the main contribution to the risk profile of Assicurazioni Generali. Equity risk derives from adverse changes in the market value of the assets or of the liabilities due to changes in the level of equity market.

Moreover, as a result of its insurance activity, the Company invests the collected premiums in a wide variety of financial assets, with the purpose of honoring future promises to policyholders and generating value for its shareholders. Therefore, the Company is exposed to the risk that invested assets do not perform as expected because of falling or volatile market prices and that cash of maturing bonds are reinvested at unfavourable market conditions, typically lower interest rates.

Financial risks are measured by means of the Group PIM.

The Company manages its assets according to the so-called "Prudent Person Principle", and strives to optimize the return of its assets while minimizing the negative impact of short term market fluctuations on its solvency. The "Prudent Person Principle" is the main cornerstone of the investment management process.

To ensure a comprehensive management of the impact of financial and credit risks on assets and liabilities, the Strategic Asset Allocation (SAA) process needs to be liability-driven and strongly interdependent with the underwriting process. For this reason the Company has integrated the Strategic Asset Allocation (SAA) and the Asset Liability Management (ALM) within the same process. The aim of the SAA&ALM process is to define the most efficient combination of asset classes which, according to the "Prudent Person Principle" set out in the Solvency II Directive and related relevant implementation measures, maximizes the investment contribution to value creation, taking into account solvency, actuarial and accounting indicators. The aim is not just to mitigate risks but to define an optimal risk-return profile that satisfies both the return target and the risk strategy over the Business Planning period.

The asset portfolio is invested and rebalanced according to the asset class and duration weights. One of the main risk mitigation techniques used by the Company consists in liability driven management of the assets, which aims at granting a comprehensive management of assets taking into account the Company liabilities structure (e.g. interest rate and currency risk are mitigated when a movement observed on the asset side would correspond to an offsetting movement on the liability side of the balance sheet).

ALM&SAA activities aim at ensuring that the Company holds sufficient and adequate assets in order to reach defined targets and meet liability obligations. To that purpose, analyses of asset-liability relationship under a range of market scenarios and expected/stressed investment conditions are conducted.

Close interaction between the Investment, Finance, Actuarial, Treasury and Risk Management Functions is pursued in order to ensure that the ALM&SAA process remains consistent with the risk strategy, Strategic Planning and Capital Allocation processes.

The annual SAA proposal:

- Defines target exposure and limits for each relevant asset class;
- Embeds the deliberate ALM mismatches permitted and potential mitigation actions that can be enabled on the investment side.

Regarding specific asset classes such as (i) private equity, (ii) alternative fixed income, (iii) hedge funds, (iv) derivatives and structured products, the Company has centralized their management and monitoring. In particular:

- These kind of investments are subject to accurate due diligence in order to assess their quality, the level of risk related to the investment and its consistency with the defined liability-driven SAA;
- The extent and thoroughness of the analysis may vary according to criteria such as the investment structure under evaluation, the volume of investments and the regulatory framework.

The Company uses also derivatives with the aim of mitigating the risk of the asset or/and liability portfolios. The derivatives help the Company to improve the quality, liquidity and profitability of the portfolio, according to the Business Planning targets. Operations in derivatives are subject to a regular monitoring and reporting process, depending on their purpose of hedging/effective mana-

gement. Specific authorizations are to be requested before entry into derivatives transaction.

In addition to financial risk, the Company is exposed to credit risk.

The Company is exposed to credit risks related to invested assets and also arising from other counterparties (i.e. reinsurance). Similarly to financial risk, the Company has to grant that the value of assets does not fall below the value of insurance obligations.

The credit risks include:

- Spread widening risk, defined as the risk of adverse changes in the market value of the assets due to changes in the market value of non-defaulted credit assets. The decrease in the market value of an asset due to spread widening can be linked either to the market's assessment of the creditworthiness of the specific obligor (often implying a decrease in rating) or to a market-wide systemic reduction in the price of credit assets;
- Default risk, defined as the risk of incurring in losses because of the inability of a counterparty to honour its financial obligations. This is approached distinctly for defaults on bond portfolio and for the default of counterparties in cash deposits, risk mitigation contracts, such as reinsurance, and other types of exposures subject to credit risk.

Credit risk of the Company is mainly given by Company cessions to third parties. Further details on the amounts related to reinsurance recoverable are provided in the Parent Company Balance sheet and Profit and Loss account.

For the credit risk of fixed income securities, please refer to the volumes of bonds and receivables in the Parent Company Balance sheet and Profit and Loss account.

Credit risks are measured by means of the Group PIM. The SCR calculated based on Solvency II does not include the allowance for credit risk on sovereign bonds exposure. Nevertheless, the reduced volume of the Company's exposure to these, would not lead to substantial differences, given the balancing impact related to long term guarantees.

The management of credit risk is based on the same "Prudent Person Principle" described above, defined within the Investment Governance Policy

ALM&SAA process already described applies also to the optimization of the asset portfolio allocation with respect to credit risks.

As envisaged in the Group Risk Guidelines (GRG), investments in securities with a high credit rating (investment grade) are preferred and diversification of risk is encouraged.

The credit risk assessment is based on the credit rating assigned to counterparties and financial instruments. To limit the reliance on external rating assessments provided by rating agencies, an internal credit rating assignment framework has been set within the Group Risk Management Policy. Within this framework additional rating assessments can be performed at counterparty and/or financial instrument level. This applies even if an external rating is available. The additional rating assessment has to be renewed at least annually. Moreover, additional assessments shall be performed each time the parties involved in the process possess any information, coming from reliable sources, that may affect the creditworthiness of issuer/issues.

The most important strategy for the mitigation of credit risk used by the Company is, as for financial risks, the application of a liability-driven SAA, which can limit the impact of the market spread volatility. In addition, the Company is actively mitigating counterparty default risk by using a collateralisation strategy that strongly mitigates the losses that the Company might suffer because of the default of one or more of its counterparties.

The Company's investment risk monitoring relies on the:

- Group Risk Guidelines (GRG), which apply to all Group companies. The GRG include general principles, quantitative risk limits (with a strong focus on credit and market concentration), authorization processes and prohibitions. The Risk Management Function monitors the compliance with risk limits;
- Company Investment Policy, being specific for the Parent Company based on IVASS Regulation 24/2016. This Policy provides a set of classifications, principles and limits for investments.

The Risk Management Function informs on quarterly basis the BoD, assisted by the Risk and Control Committee, on the compliance with limits set and derivatives exposure.

## Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. Losses from events such as fraud, litigation, damages to Generali premises, cyber-attack and failure to comply with regulations are therefore covered in the definition. It also includes financial reporting risk but excludes strategic and reputational risks.

Although the ultimate responsibility for managing the risk sits in the first line of defence, the so-called risk owners, the Risk Management Function with its methodologies and processes ensures an early identification of the most severe threats. In doing so, it provides management at all levels with a holistic view of the broad operational risk spectrum that is essential for prioritizing actions and allocating resources in the most critical areas.

The target is achieved by adopting methodologies and tools in line with industry best practices and by establishing a strong dialogue with the first line of defence.

Furthermore, since 2015, the Group has been exchanging operational risk data in an anonymized fashion through the "Operational Risk data eXchange Association (ORX)", a global association of operational risk practitioners with whom the main industry players also participate. The aim is to use the data to improve internal controls and to anticipate emerging trends. In addition, since losses are collected by the first line, this process contributes to creating awareness among the risk owners upon the risks that are actually hitting the company. In this sense, a primary role is played by Group-wide forward-looking assessments that aim to estimate the evolution of the operational risk exposure in a given time horizon, supporting in the anticipation of potential threats, in the efficient allocation of resources and related mitigation initiatives.

Based on the last assessments, the most relevant scenarios at Company level are related to cyber and compliance.

In particular, risks related to non-compliance are addressed by a dedicated and independent Group Compliance Function, that provides guidance to the local teams and monitors the execution of the Group Compliance Program.

To further strengthen the internal control systems and in addition to the usual risk owners' responsibilities for managing their risks, the Company established specialised units within the first line of defence with the scope of dealing with specific threats (e.g. cyber risk, fraud, financial reporting risk) and that act as a key partner for the Risk Management Function.

Another benefit from this cooperation is constituted by a series of risk-mitigating measures triggered across the Group as results of the controls testing, the assessments, and the collection of operational risk events.

An example is the creation of a dedicated unit for the management and coordination of the Group-wide IT Security that steers the evolution of the IT security strategy and operating model, ensuring a timely detection and fixing of the vulnerabilities that occasionally affect the business. This initiative helps the Group to better cope with the growing threat represented by cyber risk.

The contribution of operational risks to the SCR is defined according to EIOPA Standard Formula.

## Other material risks

### Liquidity Risk

Liquidity risk is defined as the uncertainty, emanating from business operations, investment or financing activities, over the ability to meet payment obligations in a full and timely manner, in a current or stressed environment. This could include meeting commitments only through accessing credit markets at unfavorable conditions or through the sale of financial assets, incurring in additional costs due to the illiquidity of (or difficulties in liquidating) the assets.

The liquidity risk profile of the Company is driven by cash flows stemming from its role as ultimate Parent Company of the Group, from its direct insurance business and from its reinsurance activities with the Group companies, which are partly ceded to external reinsurers.

The liquidity flows are related to operating, financing and investing activities.

Operating activities generate cash flows related to insurance business, administrative expenses and tax cash flows.

The liquidity sources of Assicurazioni Generali are composed by dividends received from the subsidiaries and by debt management. This produces also cash outflows through loans' redemptions and interest payments.

Main liquidity commitments are represented by payment of dividends to shareholders and by investment. Investing activities produce also incoming cash flows in the form of interests from loans and credits to the subsidiaries and other inflows from financial instruments.

In addition to the financial flows above mentioned, the Company bears the implicit liquidity risks arising from the issuance of guarantees and commitments in favor of its subsidiaries.

All of the above dimensions are subject to a regular monitoring process, with systematic reporting of two dedicated forward-looking statements:

- The Annual Liquidity Forecast, which is a forecast of cash flows over a time period corresponding to the end of the calendar year, updated on a weekly basis and with a high level of specific detail for individual flows;
- The Three-year Liquidity Budget, which is a report with a three-year rolling time horizon, updated on an annual basis. The Budget is reviewed during the year in order to incorporate the changes occurring in the meantime.

The Company manages its financial resources according to sound and prudent management principles, based on the risk appetite established by the BoD.

The liquidity risk monitoring and management focuses on the overall Group perimeter in order to identify potential liquidity risks at Group companies level.

The Company plays a pivotal role in defining, managing and monitoring liquidity risk at Group level and coordinates the liquidity risk management process to be performed by Group companies, on the basis of the RAF.

Group companies regularly report on possible future liquidity issues, even under stressed scenarios. The Parent Company coordinates and monitors the centralized management of the Group available liquidity, and ensures the control and management of the Group treasury. The centralized cash pooling grants increased flexibility in transferring cash across business unit and reduces the potential risks related to short-term liquidity needs, both at company level and at Group level.

## Reputational, Contagion and Emerging Risk

Although not included in the calculation of SCR, reputational, emerging and contagion risks are also taken into account.

Reputational risk refers to potential losses arising from deterioration or a negative perception of the Company or among its customers, counterparties and Supervisory Authority.

Emerging risks arises from new trends or risks difficult to perceive and quantify, although typically systemic. These risks usually include changes to the internal or external environment, social trends, regulatory developments,

technological achievements, etc. For the identification and assessment of these risks, the Risk Management Function engages within a dedicated network, including specialist from Business Functions (e.g. Insurance, Investment, Actuarial, Corporate Social Responsibility, etc.). To strengthen its understanding and awareness of emerging risks, the Company is also part of the Emerging Risk Initiative. Within this working group emerging risks common to the insurance industry are discussed and specific studies are conducted.

Contagion risk is the risk inherent in the Group structure and refers to potential negative implications that events occurred within one Group company may negatively affect the other Group companies.

## Result for the year and proposed Shareholders' resolutions

Dear Shareholders,

the profit for the year amounts to 1,096,260,539 euro.

The proposed allocation of the profit of the year and dividend distribution keeps into consideration the resolution of the Board of Directors of March 15, 2017. With such a resolution the Board of Directors has approved the assignment of Generali's shares in favor of the "Long Term Incentive Plan 2014" (LTI Plan 2014). For the purpose of assigning the shares to the management of the Group, the expected increase in Shareholders Capital amounts to 1,924,724 euro.

Considering such increase in Shareholders Capital, the profit for the year is allocated for the amount of maximum

384,945 euro to Legal Reserve, in accordance with Art. 2430 of the Italian Civil Code, and for the remaining part, equal to 1,095,875,594 euro, to dividend distribution.

The total proposed dividend for each share amounts to 0.80 euro, for a total maximum pay-out of 1,249,446,610 euro.

The amount of the dividend to the shares currently in the market is 1,247,821,026 euro with an additional amount of 1,539,779 euro relevant to the shares to be issued, after the authorization of IVASS pursuant to art. 5 of ISVAP Regulation No.14 dated 18 February 2008 and according to the above mentioned Board of Directors resolution of March 15, 2017.

The total amount of the dividend will be taken from the distributable profit for the year and, for the remaining part, from the Extraordinary Reserve formed by allocations of previous years retained earnings.

(in euro)	2016
to dividend	1,249,446,610
profit distributable for the year	1,095,875,594
withdrawal from extraordinary reserve	153,571,015

The dividend will be paid, net of applicable withholding taxes, as from 24 May 2017 at the appointed intermediaries by means of the Monte Titoli S.p.A. central deposi-

tory system. The ordinary shares of the Company will be negotiated, without the right to dividend and the allocation of earnings in kind, from 22 May, 2017.

Milan, March 15<sup>th</sup> 2017

**The Board of Directors**

Appendix to the

# Report





## Disclosures pursuant to Consob communication no. 6064293 dated July 28<sup>th</sup> 2006

### Reclassified financial statements and alternative performance indicators for the Report on Operations

In addition to the profit and loss and balance sheet statements required by regulations governing the sector, the Company also provides financial statements showing operating, balance sheet and cash flow performance for the year upon which the comments and comparative indicators used in the Report on Operations are based. The profit and loss account has been reclassified to combine the figures for life business with those for non-life, in addition to combining several other line items, and

provides a breakdown of extraordinary income by its principal components. The net underwriting balance has also been provided and is considered an alternative performance indicator as it is not expressly required in the standard financial statements. This indicator is the total of purely technical items, including operating expense and technical interest expense contractually due to life policyholders, and is considered more representative of the actual technical result for the sector as, unlike the "net technical result" required in the statutory reporting forms, it is not influenced by investment performance.

The structure of the presentation for the profit and loss account, balance sheet and cash flow statement is more simplified than the statutory financial statements as it is based on presentation of financial data grouped into "macro classes", rather than by individual line item and, therefore, allows for a more immediate analysis of the financial data, which is not reclassified.

(in million euro)			2016	
Compulsory profit and loss account			Reclassified profit and loss account	
Item	Sign	Amount	Item	Amount
105	+	905.9	<b>Result before taxation</b>	<b>905.9</b>
106	-	-190.2	Income tax	190.3
107	+	1,096.2	<b>Profit for the year</b>	<b>1,096.2</b>
001	+	1,660.1		
002	-	492.1		
030	+	2,007.5		
031	-	371.9		
<b>Total</b>		<b>2,803.6</b>	Net premiums	2,803.6
003	-	61.7		
004	+	10.6		
018	-	0		
028	-	0.1		
064	-	-211.5		
<b>Total</b>		<b>160.2</b>	Change in technical provisions	160.2
017	-	763.6		
019	-	0		
051	-	1,792.4		
065	-	66.7		
<b>Total</b>		<b>-2,622.8</b>	Claims, maturities and surrenders	-2,622.8
026	-	248.1		
072	-	254.9		
<b>Total</b>		<b>-503.0</b>	Operating costs	-503.0
007	+	1.3		
027	-	10.9		
044	+	23.7		
078	-	8.4		
<b>Total</b>		<b>5.7</b>	Other technical income and changes	5.7
			Technical interests of the life segment	353.9*
			<b>Net underwriting balance</b>	<b>197.6**</b>

(continues)

*(continues)*

(in million euro)				2016	
Compulsory profit and loss account			Riclassified profit and loss account		
Item	Sign	Amount	Item	Amount	
006	+	123.0			
042	+	1,357.4			
043	+	52.1			
076	-	104.1			
077	-	10.2			
079	-	682.4			
Total .....		735.8			
minus tech. int. life .....	-	353.9			
Total .....		382.0	Allocated in vestment returns transferred to technical accounts		382.0
029	+	218.4			
080	+	361.3			
Total .....		579.6	Net technical result		579.6
042	+	1,357.4			
043	+	52.1			
076	-	104.1			
077	-	10.2			
092	+	1,018.2			
097	-	202.7			
Total .....		2,110.7	Financial result		2,110.7
006	-	123.0			
042	-	1,357.4			
043	-	52.1			
076	+	104.1			
077	+	10.2			
079	+	682.4			
Total .....		-735.9	minus a located investment returns trasferred to technical accounts and technical interests		-735.9
099	+	491.6			
100	-	1,574.8			
Total .....		-1,083.3	Other ordinary income and changes		-1,083.3
101	+	871.1	Profit from ordinary operations		871.1
102	+	79.6	Profits and losses on the realisation of other durable investments		54.7
103	-	44.8	Other extraordinary income and changes		-19.9
Total .....		34.8	Total		34.8

(\*) Investment profit contractually acknowledged to the policyholders included in the items 042, 043, 076 and 077.

(\*\*) Alternative indicator of performance.

## **Additional information on the preparation of the financial statements**

The information contained in the reclassified financial statements and the alternative performance indicators presented pursuant to CONSOB recommendation of 28 July 2006 are intended to facilitate an improved understanding of the data and operating performance of the business to users of the financial statements. As such, we considered it appropriate to provide additional elements for evaluation of the Company's underwriting results by detailing the criteria used to calculate the principal technical performance ratios generally used by the Company in preparing the "Highlights" for 2014, which are calculated net of reinsurance.

### **Loss ratio of non-life segment**

This represents the ratio, expressed as a percentage, between claims and earned premiums for the period.

### **Expense ratio**

This represents the ratio, expressed as a percentage, between total operating expenses and written premiums for the period. This ratio can be subdivided into two principal components: the acquisition cost ratio (including commissions) to premiums and administrative expenses to premiums

### ***Combined ratio of non-life segment***

This ratio is the sum of the loss ratio and the total expense ratio. It is of fundamental importance in analyzing the technical performance of the non-life segment as it represents the percentage coverage of technical expenses (both claims and operating expenses) by premium income. The combined ratio is directly correlated to the "Net underwriting balance" as it is not influenced by investment income. The lower the combined ratio is, compared to 100%, the higher the "net underwriting balance" from the insurance business will be.

## Performance indexes

Compulsory profit and loss account				
Item	Description	Amounts non-life bus	Amounts life busin	Total amounts
<b>LOSS RATIO</b>				
<b>Numerator</b>				
017	Claims incurred, net of recoveries and reinsurance	763.6		
019	Premium refunds and profit sharing, net of reinsurance	0		
Total		763.6		
<b>Denominator</b>				
005	Earned premiums, net of reinsurance	1,116.8		
018	Change in other technical provisions, net of reinsurance	0		
028	Change in the equalisation provision	-0.1		
Total		1,116.7		
<b>Index</b>		<b>68.4%</b>		
<b>EXPENSE RATIO</b>				
<b>Numerator</b>				
026 / 072	Operating expense	248.1	254.9	503.0
<b>Denominator</b>				
001 / 030	Gross premiums written	1,660.1	2,007.5	3,667.6
002 / 031	(-) Outward reinsurance premiums	492.1	371.9	864.0
Total		1,168.0	1,635.6	2,803.6
<b>Index</b>		<b>21.2%</b>	<b>15.6%</b>	<b>17.9%</b>
<b>COMBINED RATIO</b>				
For the non-life business is the sum of the loss ratio and of the index of costs on premiums		<b>89.6%</b>		

## The average rate of return on investments

The average rate of return on investments is the ratio of income from investments to the half the sum of investments of the current year and of those of the previous one.



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and Profit and Loss account**

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## Parent Company

# Financial

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**Parent Company**

# **Balance Sheet**

**and Profit and loss Account**



Company

**Assicurazioni Generali S.p.A.**

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Subscribed capital euro	<b>1,559,883,538</b>	Paid up euro	<b>1,559,883,538</b>
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## FINANCIAL STATEMENTS

### Balance Sheet

Year **2016**

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(Amounts in Euro)

**BALANCE SHEET  
ASSETS**

A. SUBSCRIBED CAPITAL UNPAID				1	0
of which called-up capital		2	0		
B. INTANGIBLE ASSETS					
1. Acquisition commissions to be amortised					
a) life business	3	0			
b) non-life business	4	0	5	0	
2. Other acquisition costs		6	0		
3. Formation and development expenses		7	0		
4. Goodwill		8	0		
5. Other intangible assets		9	33,196,847	10	33,196,847
C. INVESTMENTS					
I - Land and Buildings					
1. Property used for own activities		11	8,796,059		
2. Property used by third parties		12	105,783,816		
3. Other properties		13	0		
4. Other realty rights		14	0		
5. Assets in progress and payments on account		15	1,696,197	16	116,276,072
II - Investments in affiliated companies and other shareholdings					
1. Interests in					
a) parent companies	17	0			
b) affiliated companies	18	29,383,549,583			
c) affiliates of parent companies	19	0			
d) associated companies	20	234,883,629			
e) other	21	20,561,561	22	29,638,994,773	
2. Debt securities issued by					
a) parent companies	23	0			
b) affiliated companies	24	634,063			
c) affiliates of parent companies	25	0			
d) associated companies	26	0			
e) other	27	0	28	634,063	
3. Loans to					
a) parent companies	29	0			
b) affiliated companies	30	752,000,000			
c) affiliates of parent companies	31	0			
d) associated companies	32	0			
e) other	33	0	34	752,000,000	35
			carried forward		30,391,628,836
					33,196,847

Previous Year

					181	0
		182	0			
183	0					
184	0	185	0			
		186	0			
		187	0			
		188	0			
		189	37,320,227		190	37,320,227
		191	8,721,078			
		192	110,175,560			
		193	0			
		194	0			
		195	1,731,741	196	120,628,379	
197	0					
198	29,366,925,072					
199	0					
200	244,672,148					
201	38,747,728	202	29,650,344,948			
203	0					
204	1,500,168					
205	0					
206	0					
207	0	208	1,500,168			
209	0					
210	370,900,000					
211	0					
212	0					
213	0	214	370,900,000	215	30,022,745,116	
			carried forward			37,320,227

BALANCE SHEET  
ASSETS

			brought forward		33,196,847
C. INVESTMENTS (follows)					
III - Other financial investments					
1. Equities					
a) quoted shares	36	9,020,737			
b) unquoted shares	37	12,595,378			
c) other interests	38	5,308,254	39	26,924,369	
2. Shares in common investment funds			40	504,824,158	
3. Debt securities and other fixed-income securities					
a) quoted	41	2,075,957,613			
b) unquoted	42	40,048,395			
c) convertible bonds	43	24,066,744	44	2,140,072,752	
4. Loans					
a) mortgage loans	45	0			
b) loans on policies	46	789,485			
c) other loans	47	3,278,775	48	4,068,260	
5. Participation in investment pools			49	0	
6. Deposits with credit institutions			50	126,571,420	
7. Other			51	7,548,726	
IV - Deposits with ceding companies			52	7,680,393,149	54 40,998,307,742
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS					
I - Investments relating to contracts linked to investments funds and market index			55	3,456,300,016	
II - Investments relating to the administration of pension funds			56	0	57 3,456,300,016
REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS					
I - NON-LIFE INSURANCE BUSINESS					
1. Provision for unearned			58	94,515,251	
2. Provision for claims			59	423,510,605	
3. Provision for profit sharing and premium refunds			60	0	
4. Other technical provisions			61	0	62 518,025,856
II - LIFE INSURANCE BUSINESS					
1. Mathematical provision			63	34,280,924	
2. Unearned premium provision for supplementary			64	14,345,495	
3. Provision for claims outstanding			65	326,390,562	
4. Provision for profit sharing and premium refunds			66	21,178,860	
5. Other provisions			67	0	
6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds			68	0	69 396,195,841 70 914,221,697
				carried forward	45,402,026,302

Previous Year

		brought forward			37,320,227
216	15,108,781				
217	22,863,258				
218	5,308,254	219	43,280,293		
		220	1,208,251,139		
221	1,619,214,246				
222	83,326,150				
223	24,713,852	224	1,727,254,248		
225	0				
226	852,625				
227	2,698,071	228	3,550,696		
		229	0		
		230	129,797,716		
		231	7,813,097	232	3,119,947,189
				233	7,906,951,587
				234	41,170,272,271
				235	3,598,802,865
				236	0
				237	3,598,802,865
		238	81,373,774		
		239	454,591,667		
		240	0		
		241	0	242	535,965,441
		243	27,105,849		
		244	11,732,101		
		245	301,290,217		
		246	16,817,515		
		247	0		
		248	0	249	356,945,682
		carried forward		250	892,911,123
					45,699,306,486

BALANCE SHEET  
ASSETS

		brought forward				45,402,026,302
<b>E. DEBTORS</b>						
<b>I - Debtors arising out of direct insurance operations</b>						
1. Policyholders						
	a) for premiums - current year	71	109,075,152			
	b) for premiums - previous years	72	9,426,147	73	118,501,299	
	2. Insurance intermediaries			74	4,661,466	
	3. Current accounts with insurance companies			75	1,919,049	
	4. Policyholders and third parties for recoveries			76	6,134,842	77 131,216,656
<b>II - Debtors arising out of reinsurance operations</b>						
	1. Reinsurance companies			78	481,283,819	
	2. Reinsurance intermediaries			79	6,433,082	80 487,716,901
<b>III - Other debtors</b>						
				81	1,140,847,274	82 1,759,780,831
<b>F. OTHER ASSETS</b>						
<b>I - Tangible assets and stocks</b>						
	1. Furniture, office equipment, internal transport vehicles			83	3,143,950	
	2. Vehicles listed in public registers			84	1,408,396	
	3. Equipment and appliances			85	0	
	4. Stocks and other goods			86	471,691	87 5,024,037
<b>II - Cash at bank and in hand</b>						
	1. Bank and postal deposits			88	654,976,074	
	2. Cheques and cash in hand			89	88,950	90 655,065,024
<b>IV - Other</b>						
	1. Deferred reinsurance items			92	9,548,847	
	2. Miscellaneous assets			93	243,500,246	94 253,049,093 95 913,138,154
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>						
	1. Interests					96 36,790,712
	2. Rents					97 658,019
	3. Other prepayments and accrued income					98 171,789,059 99 209,237,790
<b>TOTAL ASSETS</b>						100 <b>48,284,183,077</b>



Previous Year

		brought forward			45,699,306,486
251	89,093,271				
252	8,325,441	253	97,418,712		
		254	10,573,879		
		255	2,306,080		
		256	10,661,856	257	120,960,527
		258	402,579,323		
		259	5,072,932	260	407,652,255
				261	752,509,451
				262	1,281,122,233
		263	1,700,086		
		264	61,856		
		265	0		
		266	348,332	267	2,110,274
		268	549,827,559		
		269	77,342	270	549,904,901
		272	12,460,822		
		273	211,508,268	274	223,969,090
				275	775,984,265
				276	29,224,794
				277	655,758
				278	204,494,206
				279	234,374,758
				280	<b>47,990,787,742</b>

**BALANCE SHEET**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

<b>A. SHAREHOLDERS' FUNDS</b>				
I	- Subscribed capital or equivalent funds	101	1,559,883,538	
II	- Share premium account	102	3,568,250,216	
III	- Revaluation reserve	103	2,010,834,652	
IV	- Legal reserve	104	311,976,708	
V	- Statutory reserve	105	0	
VI	- Reserve for parent company shares	400	0	
VII	- Other reserve	107	6,126,219,679	
VIII	- Profit or loss brought forward	108	0	
IX	- Profit or loss for the financial year	109	1,096,260,539	
X	- Negative reserve for own shares held	401	3,040,355	110 14,670,384,977
<b>B. SUBORDINATED LIABILITIES</b>				111 7,089,925,023
<b>C. TECHNICAL PROVISIONS</b>				
<b>I - NON-LIFE INSURANCE BUSINESS</b>				
1.	Provision for unearned premiums	112	411,783,738	
2.	Provision for claims outstanding	113	2,197,022,180	
3.	Provision for profit sharing and premium refunds	114	0	
4.	Other provisions	115	0	
5.	Equalisation provision	116	198,029	117 2,609,003,947
<b>II - LIFE INSURANCE BUSINESS</b>				
1.	Mathematical provision	118	7,622,002,404	
2.	Unearned premium provision for supplementary coverage	119	28,469,320	
3.	Provision for claims outstanding	120	1,141,830,705	
4.	Provision for profit sharing and premium refunds	121	99,293,677	
5.	Other provisions	122	18,304,576	123 8,909,900,682 124 11,518,904,629
<b>D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>				
I	- Provisions relating to contracts linked to investments funds and market index	125	3,454,111,172	
II	- Provisions relating to the administration of pension funds	126	0	127 3,454,111,172
	carried forward			36,733,325,801

Previous Year

		281	1,556,873,283			
		282	3,568,250,216			
		283	2,010,834,652			
		284	311,374,657			
		285	0			
		286	0			
		287	6,321,401,948			
		288	0			
		289	931,468,960			
		501	3,040,355	290	14,697,163,361	
				291	6,864,544,468	
	292	352,307,667				
	293	2,168,230,872				
	294	0				
	295	0				
	296	107,611	297	2,520,646,150		
	298	7,704,211,481				
	299	29,430,681				
	300	1,047,813,197				
	301	94,240,735				
	302	21,466,927	303	8,897,163,021	304	11,417,809,171
			305	3,595,159,572		
			306	0	307	3,595,159,572
	carried forward				36,574,676,572	

**BALANCE SHEET**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

		brought forward			36,733,325,801
<b>E.</b>	<b>PROVISIONS FOR OTHER RISKS AND CHARGES</b>				
1.	Provision for pensions and similar obligations		128	0	
2.	Provisions for taxation		129	84,962,279	
3.	Other provisions		130	28,335,717	131 113,297,996
<b>F.</b>	<b>DEPOSITS RECEIVED FROM REINSURERS</b>				132 307,642,223
<b>G.</b>	<b>CREDITORS</b>				
<b>I</b>	<b>- Creditors arising out of direct insurance operations</b>				
1.	Insurance intermediaries	133	8,193,874		
2.	Current accounts with insurance companies	134	3,451,377		
3.	Premium deposits and premiums due to policyholders	135	7,709,042		
4.	Guarantee funds in favour of policyholders	136	0	137	19,354,293
<b>II</b>	<b>- Creditors arising out of reinsurance operations</b>				
1.	Reinsurance companies	138	192,253,076		
2.	Reinsurance intermediaries	139	37,598,573	140	229,851,649
<b>III</b>	<b>- Debenture loans</b>			141	3,255,539,146
<b>IV</b>	<b>- Amounts owed to credit institutions</b>			142	838,961,655
<b>V</b>	<b>- Loans guaranteed by mortgages</b>			143	0
<b>VI</b>	<b>- Other financial liabilities</b>			144	3,593,359,166
<b>VII</b>	<b>- Provisions for severance pay</b>			145	5,228,750
<b>VIII</b>	<b>- Other creditors</b>				
1.	Premium taxes	146	3,868,844		
2.	Other tax liabilities	147	36,611,906		
3.	Social security	148	4,692,939		
4.	Sundry creditors	149	2,223,967,198	150	2,269,140,887
<b>IX</b>	<b>- Other liabilities</b>				
1.	Deferred reinsurance items	151	6,162,346		
2.	Commissions for premiums in course of collection	152	14,141,319		
3.	Miscellaneous liabilities	153	514,609,330	154	534,912,995
			carried forward		155 10,746,348,541
					47,900,614,561

Previous Year

brought forward			36,574,676,572
		308	0
		309	91,460,771
		310	15,232,512
		311	106,693,283
		312	295,046,205
313	4,627,640		
314	3,311,236		
315	6,752,929		
316	0	317	14,691,805
318	157,370,701		
319	13,350,833	320	170,721,534
		321	3,319,423,932
		322	998,270,205
		323	0
		324	3,602,478,778
		325	5,614,602
326	1,387,581		
327	19,030,119		
328	4,292,357		
329	2,099,732,382	330	2,124,442,439
331	10,098,627		
332	12,811,900		
333	367,933,188	334	390,843,715
	carried forward	335	10,626,487,010
			47,602,903,070

BALANCE SHEET  
LIABILITIES AND SHAREHOLDERS' FUNDS

	brought forward			47,900,614,561
H. ACCRUALS AND DEFERRED INCOME				
1. Interests	156	275,358,285		
2. Rents	157	1,958,017		
3. Other accruals and deferred income	158	106,252,214	159	383,568,516
<b>TOTAL LIABILITIES AND SHAREHOLDERS'</b>			160	<b>48,284,183,077</b>

Previous Year

brought forward			47,602,903,070
336	275,801,197		
337	1,953,242		
338	110,130,233	339	387,884,672
		340	<b>47,990,787,742</b>





Company

**Assicurazioni Generali S.p.A.**

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Subscribed capital euro	<b>1,559,883,538</b>	Paid up euro	<b>1,559,883,538</b>
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## FINANCIAL STATEMENTS

### Profit and Loss Account

Year **2016**

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(Amounts in Euro)

## PROFIT AND LOSS ACCOUNT

Current Year

I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS			
1.	EARNED PREMIUMS, NET OF REINSURANCE:		
	a) Gross premiums written	<sup>1</sup> 1,660,093,461	
	b) (-) Outward reinsurance premiums	<sup>2</sup> 492,109,373	
	c) Change in the gross provision for unearned premiums	<sup>3</sup> 61,746,693	
	d) Change in the provision for unearned premiums, reinsurers' share	<sup>4</sup> 10,581,874	<sup>5</sup> 1,116,819,269
2.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III. 6)		<sup>6</sup> 123,006,432
3.	OTHER TECHNICAL INCOME, NET OF REINSURANCE		<sup>7</sup> 1,279,620
4.	CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE		
	a) Claims paid		
	aa) Gross amount	<sup>8</sup> 897,466,109	
	bb) (-) Reinsurers' share	<sup>9</sup> 194,412,641	<sup>10</sup> 703,053,468
	b) Recoveries net of reinsurance		
	aa) Gross amount	<sup>11</sup> 3,492,844	
	bb) (-) Reinsurers' share	<sup>12</sup> 1,186,040	<sup>13</sup> 2,306,804
	c) Change in the provision for claims outstanding		
	aa) Gross amount	<sup>14</sup> 32,329,356	
	bb) (-) Reinsurers' share	<sup>15</sup> -30,501,829	<sup>16</sup> 62,831,185
5.	CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE		<sup>17</sup> 763,577,849
6.	PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE		<sup>18</sup> 0
7.	OPERATING EXPENSES		<sup>19</sup> 28,460
	a) Acquisition commissions	<sup>20</sup> 225,667,409	
	b) Other acquisition costs	<sup>21</sup> 26,676,703	
	c) Change in commissions and other acquisition costs to be amortised	<sup>22</sup> 0	
	d) Collecting commissions	<sup>23</sup> 599,521	
	e) Other administrative expenses	<sup>24</sup> 52,551,709	
	f) (-) Reinsurance commissions and profit sharing	<sup>25</sup> 57,422,653	<sup>26</sup> 248,072,689
8.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE		<sup>27</sup> 10,896,148
9.	CHANGE IN THE EQUALISATION PROVISION		<sup>28</sup> 90,418
10.	<b>BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS</b>		<sup>29</sup> <b>218,439,757</b>

Previous Year

		111	1,393,693,670	
		112	457,244,980	
		113	19,416,648	
		114	2,416,465	115
				919,448,507
				116
				61,191,949
				117
				608,948
	118	763,692,053		
	119	208,133,240	120	555,558,813
	121	15,930,385		
	122	6,532,191	123	9,398,194
	124	52,395,611		
	125	17,697,121	126	34,698,490
				127
				580,859,109
				128
				0
				129
				107,965
		130	167,651,399	
		131	27,454,224	
		132	0	
		133	40,270	
		134	42,576,396	
		135	50,705,472	136
				187,016,817
				137
				14,231,128
				138
				39,819
				139
				<b>198,994,566</b>

## PROFIT AND LOSS ACCOUNT

Current Year

<b>II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS</b>			
<b>1. PREMIUMS WRITTEN, NET OF REINSURANCE</b>			
a) Gross premiums written		<sup>30</sup> 2,007,507,065	
b) (-) Outward reinsurance premiums		<sup>31</sup> 371,896,319	<sup>32</sup> 1,635,610,746
<b>2. INVESTMENT INCOME:</b>			
a) From participating interests		<sup>33</sup> 959,805,546	
	(of which, income from Group companies	<sup>34</sup> 956,621,389 )	
b) From other investments			
aa) income from land and buildings	<sup>35</sup> 0		
bb) from other investments	<sup>36</sup> 377,511,985	<sup>37</sup> 377,511,985	
	(of which, income from Group companies	<sup>38</sup> 255,916,629 )	
c) Value re-adjustments on investment		<sup>39</sup> 8,833,865	
d) Gains on the realisation of investments		<sup>40</sup> 11,290,197	
	(of which, income from Group companies	<sup>41</sup> 0 )	<sup>42</sup> 1,357,441,593
<b>3. INCOME AND UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>			
			<sup>43</sup> 52,097,322
<b>4. OTHER TECHNICAL INCOME, NET OF REINSURANCE</b>			
			<sup>44</sup> 23,650,803
<b>5. CLAIMS INCURRED, NET OF REINSURANCE</b>			
a) Claims paid			
aa) gross amount	<sup>45</sup> 1,990,944,445		
bb) (-) reinsurers' share	<sup>46</sup> 264,643,701	<sup>47</sup> 1,726,300,744	
b) Change in the provision for claims outstanding			
aa) gross amount	<sup>48</sup> 86,170,897		
bb) (-) reinsurers' share	<sup>49</sup> 20,052,328	<sup>50</sup> 66,118,569	<sup>51</sup> 1,792,419,313
<b>6. CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE</b>			
a) Provisions for policy liabilities			
aa) gross amount	<sup>52</sup> -67,287,413		
bb) (-) reinsurers' share	<sup>53</sup> 3,936,870	<sup>54</sup> -71,224,283	
b) Change in the provision for claims outstanding			
aa) gross amount	<sup>55</sup> -287,435		
bb) (-) reinsurers' share	<sup>56</sup> 2,860,654	<sup>57</sup> -3,148,089	
c) Other provisions			
aa) gross amount	<sup>58</sup> -530,219		
bb) (-) reinsurers' share	<sup>59</sup> 0	<sup>60</sup> -530,219	
d) Provisions for policies where the investment risk is borne by the shareholders and relating to the administration of pension funds			
aa) gross amount	<sup>61</sup> -136,597,303		
bb) (-) reinsurers' share	<sup>62</sup> 0	<sup>63</sup> -136,597,303	<sup>64</sup> -211,499,894

Previous Year

		140	1,719,366,307		
		141	365,745,707	142	1,353,620,600
		143	860,684,106		
(of which, income from Group companies		144	860,684,106 )		
	145		0		
	146	147	529,095,269		
(di cui: provenienti da imprese del gruppo		148	367,000,200 )		
	149		116,580		
	150		3,966,391		
(of which, income from Group companies		151	0 )	152	1,393,862,346
				153	22,310,111
				154	26,795,315
	155		1,993,520,277		
	156	157	235,542,250		1,757,978,027
	158		85,525,295		
	159	160	40,436,857	161	1,803,066,465
	162		-434,168,598		
	163	164	-7,680,296		-426,488,302
	165		8,410,041		
	166	167	4,028,538		4,381,503
	168		-802,303		
	169	170	0		-802,303
	171		38,356,572		
	172	173	0	174	-384,552,530

## PROFIT AND LOSS ACCOUNT

Current Year

7.	PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE			65	66,744,136
8.	OPERATING EXPENSES				
	a) Acquisition commissions	66	278,275,329		
	b) Other acquisition costs	67	13,897,329		
	c) Change in commissions and other acquisition costs to be	68	0		
	d) Collecting commissions	69	90		
	e) Other administrative expenses	70	31,982,186		
	f) (-) Reinsurance commissions and profit sharing	71	69,276,080	72	254,878,854
9.	INVESTMENT CHARGES				
	a) Investment administration charges, including interest	73	92,788,980		
	b) Value adjustments on investments	74	10,941,199		
	c) Losses on the realisation of investments	75	326,964	76	104,057,143
10.	EXPENSES AND UNREALISED LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS			77	10,171,022
11.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	8,362,316
12.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4)			79	682,392,630
13.	<b>BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS</b>			80	<b>361,274,944</b>
<b>III. NON TECHNICAL ACCOUNT</b>					
1.	BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10)			81	218,439,757
2.	BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item II. 13)			82	361,274,944
3.	BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item I.13)				
	a) From participating interests	83	897,629,056		
	(of which, income from Group companies	84	896,430,868 )		
	b) From other investments				
	aa) income from land and buildings	85	4,983,264		
	bb) from other investments	86	81,707,207	87	86,690,471
	(of which, income from Group companies	88	24,156,766 )		
	c) Value re-adjustments on investment	89	19,747,139		
	d) Gains on the realisation of investments	90	14,098,807		
	(of which, income from Group companies	91	1,998,648 )	92	1,018,165,473

Previous Year

			175	48,777,178
	176	229,652,464		
	177	13,594,916		
	178	0		
	179	0		
	180	29,621,844		
	181	62,642,293	182	210,226,931
	183	117,146,879		
	184	34,944,530		
	185	454,554	186	152,545,963
			187	17,323,573
			188	4,248,304
			189	655,886,748
			190	<b>289,065,740</b>
			191	198,994,566
			192	289,065,740
	193	619,236,570		
(of which, income from Group companies	194	613,532,650		
	195	4,916,233		
	196	66,668,681	197	71,584,914
(di cui: provenienti da imprese del gruppo	198	3,672,008		
	199	10,247,970		
	200	21,406,462		
(of which, income from Group companies	201	7,181,040	202	722,475,916

## PROFIT AND LOSS ACCOUNT

Current Year

4.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM		93	682,392,630
5.	INVESTMENT CHARGES FOR NON-LIFE BUSINESS			
	a) Investment administration charges, including interest	94	62,708,650	
	b) Value adjustments on investments	95	77,019,753	
	c) Losses on the realisation of investments	96	63,014,916	97
6.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I. 2)		98	123,006,432
7.	OTHER INCOME		99	491,555,833
8.	OTHER CHARGES		100	1,574,802,738
9.	<b>RESULT FROM ORDINARY ACTIVITY</b>		101	<b>871,276,148</b>
10.	EXTRAORDINARY INCOME		102	79,589,920
11.	EXTRAORDINARY CHARGES		103	44,817,401
12.	<b>EXTRAORDINARY PROFIT OR LOSS</b>		104	<b>34,772,519</b>
13.	<b>RESULT BEFORE TAXATION</b>		105	<b>906,048,667</b>
14.	INCOME TAXES		106	-190,211,872
15.	<b>PROFIT (LOSS) FOR THE YEAR</b>		107	<b>1,096,260,539</b>



Previous Year

		203	655,886,748
	204		62,170,526
	205		70,830,571
	206	207	162,007,487
		208	61,191,949
		209	398,464,069
		210	1,455,545,895
		211	<b>453,140,611</b>
		212	373,027,388
		213	36,745,978
		214	<b>336,281,410</b>
		215	<b>789,422,021</b>
		216	-142,046,939
		217	<b>931,468,960</b>



**Notes to the Parent Company**

# **Financial**

**Statements**



## Foreword

The financial statements comprise the Balance Sheet, the Profit and Loss Account and the Notes to the Accounts and relative attachments, in addition to the Board of Directors' Report on the Company about the performance of the Company in its entirety.

The financial statements were drawn up in compliance with Legislative Decree No. 209 dated September 7<sup>th</sup> 2005 (Code of the Private Insurance), in force at the reference date as well as with Legislative Decree No. 173 dated 26 May 1997, as amended by the Legislative Decree No. 139 dated 18 August 2015 and by the Legislative Decree No. 58 dated 24 February 1998 of the Italian Finance Consolidation Act (TUF), amended and integrated. In addition, the provisions of which at the ISVAP (now IVASS) Regulation No. 22 dated 4 April 2008 are applied with the amendments and integrations, and relative ISVAP (now IVASS) Regulations No. 53 dated 6 December 2016, the

other implementing regulations issued by the institute of vigilance and by CONSOB. Furthermore, given the specific nature of the industry and for what is not provided in the above-mentioned disposals, the Civil Code rules have been applied, as well as the indications of national accounting standards issued by the OIC are considered.

In compliance with the provisions set by ISVAP (now IVASS) Regulation No. 22 dated 4 April 2008, the cash flow statement of the Company drawn up in free form, has been enclosed in the financial statements.

The Company's administrative body report and the directors report is enclosed in the financial statements, according to Art. 154-bis of the Italian Finance Consolidation Act (TUF).

The financial statements have been audited by EY S.p.A., the appointed audit firm from 2012-2020.

## Parte A – Summary of significant accounting policies

### Outline of the significant accounting policies

The significant accounting policies that were applied when preparing the financial statements for the year are reported below.

#### Intangible assets

Acquisition commissions on multi-year policies paid in advance and advertisement costs are charged entirely to the profit and loss account in the year in which those costs are incurred.

Goodwill and other multi-year charges are amortised on the basis of their residual useful life over a period not exceeding five years.

Development costs are amortized over their residual period of use.

Other deferred charges are amortized over a maximum period of five years.

#### Land and buildings

Land and buildings are recognized on the basis of purchase or construction cost and additional acquisition costs, net of accumulated depreciation and impairment losses. The costs of improvements and renovations with the aim of increasing the value of the assets and extending the remaining useful life are also capitalised. The cost is also increased on the basis of revaluations made in accordance with legislation introduced by special laws.

The cost of tangible fixed assets whose use is limited in time is depreciated annually based on the useful life of the asset.

Lands are not subject to regular depreciation.

If at closing date, the value of fixed assets is deemed permanently lower than the book value, as determined above, appropriate adjustments are made. Write-downs are maintained in subsequent years until they remain justified.

The value of land and buildings is determined on the basis of an appraisal by an independent expert. Both the appraisal report and the independent expert meet the re-

quirements of ISVAP Regulation (now IVASS) n. 22/2008, and subsequent amendments and integrations.

#### Financial investments

Financial investments are subdivided into current securities which remain permanently held by the Company, and fixed securities, which are used for trading; their classification, which also applies to own shares, is based on the criteria specifically set by the Board of Directors, in line with the requirements of ISVAP (now IVASS) Regulation No. 24 dated 6 June 2016.

With regards to the classification in current securities investments classified in item C.II, and the outline of the most significant positions, see part B Section 2.2 of the Notes to the accounting policies.

The classification of the securities portfolio is defined under Art. 23-quinquies and 23-sexies of the ISVAP regulation (now IVASS) No. 22/2008, as amended by IVASS Provision No. 53 dated 6 December 2016.

Fixed securities are valued at the weighted average cost less adjusted for any write-down considered permanent and in the case of fixed interest securities, net of the adjustments for the positive or negative difference between the acquisition cost and the redemption value accrued in the financial year.

Current securities are carried at the lower of the purchase cost and the realisable value estimated from market trends, which, for listed securities is the price quoted on the last trading day of the financial year and for unlisted securities is the estimated realisable value. The cost of fixed interest securities is adjusted by considering the issuing difference that has matured over the year, equal to the positive or negative difference between the issue price and the redemption value.

The acquisition cost includes ancillary costs, usually consisting of banking and financial intermediation costs, directly attributable consulting fees, or fees and stamp duties (Tobin Tax on Italian securities excluded).

The original cost of durable and fixed securities is partially or fully restored whenever the reasons for the write-downs cease to exist.

If, in situations of an exceptional nature, it is necessary to make a transfer of securities from one category to an-

other, the value of the securities transferred is the amount resulting from the application of the assessment criteria of the portfolio of origin.

For participations in subsidiaries and associated companies, higher book values than those resulting from the corresponding share of the shareholders' equity is referable to the actual value of the company. With reference to the securities portfolio, the comparison between the current values at year-end and the book values, shows a net gain of 2,150,656 thousand. This amount consists of net unrealized gain of 1,982,250 thousand on durable securities and an un-realized gain of 167,806 thousand on non-durable securities.

## Derivatives

The use of derivatives is consistent with the principles of sound and prudent management of the Company, as provided for in the investment policy adopted by the Board of Directors with respect to ISVAP Regulation (now IVASS) n. 24 dated 6 June 2016.

The evaluation criteria, in accordance with the provisions of Art. 23-septies of ISVAP regulation (now IVASS) n. 22/2008, as amended by IVASS Provision No. 53 dated 6 December 2016, it differs depending on the purpose for which is set up with the financial transaction.

Hedging transactions are those carried out in order to protect the Company from financial risks related to the value of individual assets or liabilities, groups of assets, liabilities or future operations and cash flows. For example hedging transactions protect the Company from the volatility of interest rates, exchange rates and market prices. Derivative financial instruments aimed at risk reduction are valued according to the "matching principle". In particular gains and losses on the valuation of these derivatives are charged to the profit and loss statement in line with the corresponding gain or loss of the underlying asset or liability.

In the cases where transactions are not classifiable as hedging transactions, only the fair value losses of the derivative are recorded in the income statement.

The value of derivatives is determined by referring to their respective market value quotations, and, if these are not available, on the basis of a prudent valuation of the probable realisable value using calculation methodologies adopted by the market.

## Loans

Loans are recorded at nominal value which, given their characteristics, corresponds to their estimated realizable value.

## Deposits with ceding companies

The item includes deposits with ceding undertakings in relation to reinsurance risks, and are recorded at nominal value.

## Investment commitments relating to investment funds and market indexes and investments deriving from the management of pension funds

Such investments are considered at current value. The current value of the assets, established by contractual conditions, is as follows:

- a) for investments traded on regulated liquid and active markets, by the value at the last trading day of the year;
- b) for investments in non-regulated markets, by the estimated realization value at the year-end;
- c) for other financial investments, other assets and liabilities and cash at hand, by the respective nominal value.

## Receivables

Receivables from policyholders include premiums accrued but not yet collected. Commissions payable to intermediaries for premiums in the course of collection are recorded in other liabilities in the balance sheet.

Receivables from brokers include the amounts to be paid to agents, brokers and other insurance intermediaries.

Current accounts with insurance companies include receivables from co-insurance relationships and relationships with insurance companies for services.

Policyholders and third parties for recoveries include receivables for liability excesses and right of offset following the payment of insurance benefits.

Receivables arising out of reinsurance operations include current receivables from insurance and reinsurance com-

panies related to both accepted and ceded business. The account also includes receivables from reinsurance intermediaries.

Other receivables are recognised at their nominal value which, given their characteristics, corresponds to their estimated realizable value.

### Tangible assets and stocks

All assets have been recorded at acquisition cost net of specific depreciation.

Newly purchased electronic equipment has been amortised over their remaining useful life.

Current purchases of furniture, office equipment and goods listed in public registers have been entirely amortised over the financial year, in view of the fact that are constantly replaced.

### Cash at bank and in hand

The account includes demand deposits and deposits that provide for withdrawals subject to a time limit of less than 15 days, bank cheques and drafts, cash and stamps, recorded at nominal value.

### Other Assets

The account Includes assets not included in the previous items. The account includes the sum of the differences due to rounding of balance sheet items as well as the valuation offset from unrealised gains on hedging options and swaps.

The item also includes the suspense account for balances between the life and non-life segment.

### Subordinated liabilities

Liabilities in this category are recorded at their nominal value.

### Technical items

The Company has classified its Italian and foreign port-

folio based on the rules set by the Legislative Decree No. 209/2005 Art. 1, paragraph 1, letters pp) and qq), as modified by Legislative Decree No. 56/2008.

The Italian direct business portfolio includes contracts entered into by the Company (as an Italian insurance company), comprising contracts stipulated by subsidiary branches in EU member countries; the Italian indirect business portfolio includes contracts wherever stipulated by the Company if the ceding company is Italian, or is established in Italy having its registered office in another state.

In the Notes to the Accounts, reference to the Italian portfolio is to be interpreted in this sense.

Technical items relating to inward and outward insurance are accounted for in the year of actual competence, in accordance with ceding company agreements and on the basis of timely communication.

For non-Group companies and only in cases where information received from ceding companies is not sufficient to precisely determine the economic result for the year at the reporting date, technical income items regarding inward and outward reinsurance are accounted for in the subsequent financial year.

In the current financial year, such technical items are included in reinsurance asset and liability offset accounts as a counter entry to the ceding companies current accounts. Further information is provided in Part B, paragraphs 6.3 and 13.7.

### Non-life provisions

The technical provisions for non-life business are made according to the provisions of Art. 23 - ter and 23 - quater of Regulation No. 22 dated 4 April 2008, as amended by IVASS Provision No. 53 dated 6 December 2016 (hereinafter Regulation No. 22 dated 4 April 2008), in Annexes 15, 15 bis and 16 of the same Regulation.

The Italian direct business portfolio includes the provision for unearned premiums, the provisions for outstanding claims, the equalisation provisions.

The provision for unearned premiums includes:

- a) the provision for premium instalments calculated, for all lines of business, using the analytical method “*pro rata temporis*” with reference to Credit contracts



signed or renewed before or on 31 December 1991, the calculation criteria set by attachment 1 of the specific above-mentioned Regulation No. 15-bis have been applied;

- b) additional provisions to the provision for premium instalments, regarding the peculiarities of certain risks (hail and other natural disasters as earthquakes, seaquakes, volcanic eruptions and related phenomena, risks deriving from the use of nuclear energy, risks included in the suretyship lines of business) are determined in line with the provisions of paragraph 1 Sec. III of the specific above-mentioned Regulation.

The provision for outstanding claims is determined by a prudent assessment of claims made on the basis of objective and prospective considerations of all predictable charges. The provision is considered adequate to cover the payment of damages and the settlement costs of claims related to accidents that have occurred during the year even if not yet reported.

The methodology consists in the analytical evaluation of the ultimate cost of each claim in all lines of business and in the verification of the results achieved through the application of statistical and actuarial methodology. The exception is damage to property in the civil liability motor sector managed by the Company, reported in the last ninety days of the financial year, which are valued according to the "average cost" of homogenous groups of claims.

Claims incurred but not yet reported are estimated prudently on the basis of previous experience regarding both the frequency and average cost of late claims by line of business.

The equalisation provisions, are established with the objective of equalising the rate fluctuations of future claims or in order to cover particular risks such as credit risk, natural disasters or risks deriving from the use of nuclear energy. The provisions are determined in accordance with the attachment 1 of the above-mentioned Regulation No.15.

The calculation principles, the valuations made and the declaration that technical provisions are sufficient to guarantee the obligations undertaken by the Company for the civil liability motor and marine sectors, are presented, for the Italian portfolio, in the report of the appointed Actuary, pursuant to paragraph 3 of Art. 23-ter of Regulation No. 22 dated 4 April 2008.

For indirect business accepted through offices located in EU Member States, the technical provisions are determined, with relation to the commitments made, on the basis of the information provided by the ceding companies, appropriately integrated on the basis of independent evaluation to meet the commitments arising from contracts acquired pursuant to Annex 16 of Regulation No. 22 dated 4 April 2008.

The provision for unearned premium includes the provision for premium instalments, calculated analytically on a "pro rata temporis" basis, and the provision for unexpired risks, which is calculated using the empirical method. The provision for premium instalments is integrated by additional provisions covering risks arising from natural disasters as earthquakes, seaquakes, volcanic eruptions and related phenomena.

The provision for outstanding claims is determined on the basis of the information given by the ceding companies. The methods of determination and the results of the analysis of the technical provisions of the reinsurance business are the subject of a technical report of the Actuarial Function, as provided by Par. 4 of Art. 23-quarter of the Regulation No. 22 dated 4 April 2008.

The provisions for outstanding claims relative to cessations and retrocessions are set up in accordance to the reinsurance contractual agreement, the provisions for unearned premiums are calculated consistently to the methods adopted for gross business.

For the portfolio underwritten in non-EU branches, the technical provisions are made in accordance with Art. 43 of Legislative Decree No. 209/2005, under the laws of the countries where branches operate.

## Life provisions

The technical provisions of the life segment, related to the Italian direct business, are determined according to the provisions set by Art. 23-bis and 23-quarter of ISVAP (now IVASS) Regulations No. 22 dated 4 April 2008, as amended by the IVASS Provision No. 53 dated 6 December 2016 (hereinafter Regulation No. 22 dated 4 April 2008). The provisions are set up, gross of reinsurance, in respect of the application rules identified in Annexes 14 and 16 of Regulation No. 22 dated 4 April 2008; they are analytically calculated on a contract by contract basis and on the basis of the prudent actuarial assumptions appropriate with each type of signed contract, with the aim to

guarantee the commitments accepted by the Company. For the Italian direct business portfolio, the provisions include:

- a) the mathematical provision, which includes unearned premiums, the provision for health and professional additional premiums;
- b) the reserve of the complementary insurance, calculated using the methods provided by Paragraph 18 of Annex 14 to Regulation No. 22 dated 4 April 2008, mentioned above;
- c) the provision for sums to be paid, is adequate to cover the payment of capitals, annuities, redemptions, claims incurred but not yet paid at the end of the year;
- d) the provision for future expenses;
- e) the provisions for profit sharing, representing the amounts to be accrued to the policyholders or to the beneficiaries of the contracts, such as technical profit sharing, which are not considered in the mathematical provision.

The Company, in the calculation of the mathematical reserves, follows the provisions set out in paragraphs 13 and 14 of Annex 14 to Regulation No. 22 dated 4 April 2008, and operates a cautious assessment on the basis of best estimate and a reasonable margin for adverse deviation of the factors considered. In particular, consistent with paragraph 19 of Annex 14 to Regulation No. 22 dated 4 April 2008 mentioned above, the Company makes use of the same technical bases that have been adopted for the calculation of the premium, for almost all of the technical provisions whose corresponding assets are valued according to the purchase price. In any case, the amount of the mathematical reserves cannot be lower than that calculated one with reference to the minimum conditions or guaranteed surrender value, if required.

With specific reference to the technical provisions of the unit linked and index linked contracts, the following provisions have been made where applicable:

- mathematical provisions for “unit-linked” contracts are calculated according to the principles set by paragraph 39 of Annex 14 to Regulation No. 22 dated 4 April 2008 and represented, with the maximum approximation, by the value of the units of Undertakings for Collective Investments (UCI, OICR) or by the value of assets included in the Company’s internal funds at year’s end;
- mathematical provisions for “index-linked” contracts were calculated according to the principles set by paragraph 40 of Annex 14 to Regulation No. 22 dated 4 April 2008 and represented, with the maximum approximation, by the quota representing

the reference value at year end; the provisions take into account all risk factors that might affect the level of security and marketability of the assets intended for their coverage.

Considering the presence of additional guarantees on “unit-linked” contracts, pursuant paragraph 4 of Art. 41 of the Legislative Decree No. 209/2005, additional technical provisions have been established, in accordance with actuarial principles and rules provided by paragraph 41 of Annex 14 to Regulation No. 22 dated 4 April 2008.

The calculation principles, the valuations made and the declaration that technical provisions are sufficient to guarantee the obligations undertaken by the Company, are presented, for the Italian portfolio, in the report of the appointed Actuary, pursuant to paragraph 3 of Art. 23 - bis 14 of the Regulation No. 22 dated 4 April 2008.

Technical provisions for the indirect portfolio, accepted by branches in EU countries, are accounted for on the basis of the information provided by the ceding companies, integrated, where necessary, on the basis of objective assessments with the underlying commitments pursuant to Annex 16 of the Regulation No. 22 dated 4 April 2008.

The methods of determination and the results of the analysis of the technical provisions of the indirect business are the subject of a technical report of the Actuarial Function, as provided by paragraph 4 of Art. 23-quarter of the Regulation No. 22 dated 4 April 2008.

The provisions for cessions and retrocessions are set up in accordance to the underlying reinsurance contract agreement and are calculated consistently with the methods adopted for gross business, pursuant to Art. 36 paragraph 6 of the Legislative Decree No. 209/2005 and pursuant to Annex 16 of the Regulation No. 22 dated 4 April 2008.

## Provisions for risks and charges

Provisions for risks and charges include provisions to cover losses or debts of a predetermined nature, of a certain or probable existence, for which, however, at year-end either the amount or date of occurrence are indeterminate.

## Deposits received from reinsurers

The account includes payables towards reinsurers for deposits issued under reinsurance agreements. They are recorded at their nominal value.

## Payables and other liabilities

### Payables, debenture loans and other liabilities

Payables in this category are recorded at their nominal value.

Other liabilities include payables not included in other items, such as, premiums received but temporarily suspended due to mismatching. The account includes the sum of the differences due to rounding of balance sheet items as well as the valuation offset from unrealised losses on hedging options and swaps. The item also includes the suspense account for balances between the life and non-life segment.

### Provisions for severance pay

The severance indemnity is determined pursuant Art. 2120 of the Civil Code, as well as Law dated 27 December 2006, No. 296 and the labour agreements in force at the balance sheet date; the liability is considered appropriate and corresponds to the total of the single indemnities due to employees at that date.

## Accrued expenses and deferred income

Accrued expenses and deferred income are recorded to ensure compliance with the principle of accrual of costs and revenue, in transactions involving a period of consecutive financial years. The discounts or premiums relating to financial liabilities are amortized over the residual duration of the liabilities.

## Profit and loss items

### Gross premiums written

Gross premiums written are accounted for in accordance with the ISVAP (now IVASS) Regulation n. 22/2008

amended and supplemented, gross of reinsurance premiums ceded. In particular, premiums are accounted together with the accessory premiums at the expiry date of each premium. The cancellations of a technical nature of premiums written during the year are directly deducted from premiums, whilst cancellations resulting from assessments by the Company on premiums receivable and annulments related to premiums written in previous years cannot be deducted, but are recognized within other insurance expenses.

### Allocation of investment return

The transfer of the quota of investment return to the technical account for non-life business and to the non-technical account for life business is made on the basis of the principles set by Art. 22 and 23 of ISVAP (now IVASS) Regulation n. 22/2008 amended and supplemented.

### Other profit and loss items

Costs and income are accounted in the year on an accrual basis. In particular, for items relating to insurance operations, the principle applied was that of "the regulations applicable to the profit and loss account" pursuant to Legislative Decree No. 173/1997 and in compliance with ISVAP (now IVASS) ruling No. 22/2008, modified and completed.

## Taxes

Current taxes are determined based on the current tax law; the company has opted, as a consolidating company, for the Group taxation regime, pursuant to Title II, Chapter II, Section II of the Income Tax Code TUIR (Arts. 117-129).

Deferred tax assets and liabilities express taxation related to costs and incomes that contribute to taxable income in a tax period other than that in which they are charged to the profit and loss account; they are determined based on the rates that are expected to be in force the year in which such income components will constitute taxable income; activities for deferred taxes are recognized, in accordance with the principle of prudence, when there is a reasonable certainty of their future recovery.

### Allocation of costs and revenues common to both the life and non-life segments

The Company is authorised to operate insurance and reinsurance business both in the Life and Non-life segments.

Pursuant Art. 7 of ISVAP (now IVASS) Regulation dated 11 March 2008, No. 17, which implements Art. 11 paragraph 3 and 348 of Legislative Decree dated 7 September 2005, No. 209, general expenses are charged to the relevant segment, when they are directly attributable to that segment, based on the information relative to the cost centre, reflecting the organization of the Company.

“Common” costs and revenues that are not immediately attributable to Non-life or Life segment, are recognised based on their cost centre, and then correctly and timely allocated in their reference segment pursuant to Art. 8 and Art. 9 of the above-mentioned Regulation.

Criteria for the allocation of general expenses and any revenues “common” to both segments (Non-life and Life) are based on specific parameters, structured with the

aim to obtain a consistent attribution with the operations carried out for each segment, as specified by the Resolution of the Board of Directors.

### Conversion of entries in foreign currency

The Company deals systematically in foreign currency and therefore uses multi-currency accounting, in compliance with the disposals set out in Art. 89, paragraph 2 of Legislative Decree No. 209/2005. All the items in the balance sheet and the profit and loss account are converted into euro at the exchange rates at the year-end closing date. The difference emerging from the conversion is recorded in the profit and loss account.

A list of the exchange rates, supplied by Bloomberg, adopted for the conversion of currencies into euro, applied to currencies of particular significance of the Company, along with percentage changes with respect to the previous financial year is provided below.

	Exchange in euro		Change (%)
	2016	2015	
American Dollar	1,05475	1,0863	2.9%
Brazilian Real	3,4329	4,29765	20.1%
British Pound	0,8536	0,73705	-15.8%
Argentine Peso	16,69145	14,06215	-18.7%
Japanese Yen	123,0208	130,67645	5.9%

## Parte B – Information on the Balance Sheet and the Profit and Loss account

The breakdown of the balance sheet between the life and non-life lines of business is presented in attachments 1 and 2 to the Notes to the Accounts.

The breakdown of non-life and life results is as follows (*attachment 3*).

(in thousand euro)	Non Life	Life	Totale
<b>Technical result</b>	<b>218,440</b>	<b>361,275</b>	<b>579,715</b>
(+) Investment income	1,018,165	0	1,018,165
(-) Investment charges	202,743	0	202,743
(+) Quotas of investments profit transferred from the life technical account	0	682,393	682,393
(-) Quotas of investments profit transferred to the non-life technical account	123,006	0	123,006
<b>Income taxes for the year</b>	<b>910,856</b>	<b>1,043,668</b>	<b>1,954,524</b>
(+) Other income	266,020	225,535	491,555
(-) Other charges	1,057,874	516,928	1,574,802
(+) Extraordinary income	40,155	39,434	79,589
(-) Extraordinary charges	39,850	4,967	44,817
<b>Result before taxation</b>	<b>119,307</b>	<b>786,742</b>	<b>906,049</b>
(-) Income taxes for the year	-173,753	-16,459	-190,212
<b>Result for the year</b>	<b>293,060</b>	<b>803,201</b>	<b>1,096,261</b>

## Balance sheet

### Summary

(in thousand euro)	2016	2015	Change
<b>Technical result</b>			
Intangible assets	33,197	37,320	-4,123
Investments			
Land and buildings	116,276	120,628	-4,352
Investments in Group companies and other shareholdings	30,391,629	30,022,745	368,884
Other financial investments	2,810,009	3,119,947	-309,938
Deposits with ceding companies	7,680,393	7,906,952	-226,559
<b>Total</b>	<b>40,998,307</b>	<b>41,170,272</b>	<b>-171,965</b>

(forward)

*(forward)*

<i>(in thousand euro)</i>	2016	2015	Change
Class D investments	3,456,300	3,598,803	-142,503
Reinsurers' share of technical provisions			
Non-life	518,026	535,965	-17,939
Life	396,196	356,946	39,250
<b>Total</b>	<b>914,222</b>	<b>892,911</b>	<b>21,311</b>
Debtors	1,759,781	1,281,122	478,659
Other assets			
Cash at hand	655,065	549,905	105,160
Other	258,073	226,079	31,994
<b>Total</b>	<b>913,138</b>	<b>775,984</b>	<b>137,154</b>
Accrued income and deferred charges	209,238	234,375	-25,137
<b>TOTAL ASSETS</b>	<b>48,284,183</b>	<b>47,990,787</b>	<b>293,396</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
Shareholders' funds			
Subscribed share capital or equivalent fund	1,559,883	1,556,873	3,010
Reserves	12,014,241	12,208,821	-194,580
Profit for the year	1,096,261	931,469	164,792
<b>Total</b>	<b>14,670,385</b>	<b>14,697,163</b>	<b>-26,778</b>
Subordinated liabilities	7,089,925	6,864,544	225,381
Technical provisions			
Non-life	2,609,004	2,520,646	88,358
Life	8,909,901	8,897,163	12,738
<b>Total</b>	<b>11,518,905</b>	<b>11,417,809</b>	<b>101,096</b>
Technical provisions for investment and pension funds	3,454,111	3,595,160	-141,049
Provisions for other risks and charges	113,298	106,693	6,605
Deposits received from reinsurers	307,642	295,046	12,596
Creditors and other liabilities	10,746,348	10,626,487	119,861
Accrued expenses and deferred income	383,569	387,885	-4,316
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>48,284,183</b>	<b>47,990,787</b>	<b>293,396</b>

## Balance sheet – Asset

### Section 1 – Intangible assets – *Item B*

The account refers to the multi-year charges.

#### 1.1 Changes to intangible assets over the year – (attachment 4)

(in thousand euro)		2016
Gross initial amount		201,037
Increase for the year for:	acquisitions or increases	16,136
	reversal value	0
	revaluation	0
	other changes	10
	Total	16,146
Decreases for the year for:	sales or decreases	0
	long-term devaluations	0
	other changes	0
	Total	0
<b>Gross final amount (a)</b>		<b>217,183</b>
Depreciations		
Gross initial amount		163,717
Increases for the year for:	amortisation quotas	20,262
	other changes	7
	Total	20,269
Decreases for the year for:	reductions from sales	0
	other changes	0
	Total	0
<b>Gross final amount (b)</b>		<b>183,986</b>
<b>Book value (a - b)</b>		<b>33,197</b>

Increases refer to the new activations made during the year for software costs related to Group projects in the Risk Management and Group Reporting areas.

## Section 2 – Investments – *Item C*

The current value indicated in the Notes to the Accounts as the reference value for assets in classes C.II and C.III is as follows:

- for investments in regulated markets, the value is that of the last trading day of the year;
- for investments in non-regulated markets, the value is that deriving from a prudent estimation of their probable realisable value at year end, with the exception of unlisted participations in subsidiaries and companies in which a significant interest is held, for which

the current reference value is equal to the value of the shareholders' fund calculated in accordance with the international accounting standards IAS/IFRS.

### 2.1 Land and buildings – *Item C.I*

The item includes property used for own use and properties rented for use by third parties. The depreciation rate for buildings is equal to 1%.

The variation of the year for land and buildings is provided in *attachment 4*.

#### 2.1.1 Variations in land and buildings over the year – (*attachment 4*)

(in thousand euro)		2016
Gross initial amount		124,732
Increases for the year for:	acquisitions or increments	223
	reversal value	0
	revaluation	0
	other changes	0
	Total	223
Decreases for the year for:	sales or decrements	230
	long-term devaluations	0
	other changes	3,298
	Total	3,528
<b>Gross final amount (a)</b>		<b>121,427</b>
Depreciations		
Initial amount		4,103
Increases for the year for:	depreciation quota for the year	1,209
	other changes	0
	Total	1,209
Decreases for the year for:	reductions from sales	12
	other changes	149
	Total	161
<b>Depreciated final amount (b)</b>		<b>5,151</b>
<b>Book value (a - b)</b>		<b>116,276</b>



### 2.1.2 Leased property and operations carried out with Group companies and companies in which a significant interest is held

There are no leased assets and there were no financial leasing operations implemented with regards to real estate or other assets.

### 2.1.3 Determination of the market value of land and buildings

Market values of land and buildings have been determined based on the principles set out by Title III, Paragraph I, of ISVAP (now IVASS) Regulation No. 22/2008 amended and integrated. In particular, with reference to

the properties for own use, valuation criteria alternatively used for the assessment of the market value are the following:

- income method
- sales comparison method.

## 2.2 Investments in Group companies and other companies in which a significant interest is held – *Item C.II*

Certain investments in Group companies and other companies in which a significant interest is held for a total amount of 206,548 thousand are considered non-durable since there is no permanent intention to hold these investments. The most significant are:

	Quantity	(thousand euro)
Bonds		
Generali Finance BV	650,000	634
Shares		
Lion River NV	173,092	186,999
Perils AG	25	373

### 2.2.1 Equities – *Item C.II.1*

#### 2.2.1 a) Variation in equities over the year – (*attachment 5*)

(in thousand euro)		2016
Gross initial amount		29,650,345
Increases for the year for:	acquisitions, subscriptions or payments	124,170
	reversal value	6,072
	revaluations	0
	other changes	301,912
	Total	432,154
Decreases for the year for:	sales or redemptions	94,611
	devaluations	58,003
	other changes	290,890
	Total	443,504
<b>Book value</b>		<b>29,638,995</b>

The increases mainly include:

- participation to the capital increase of Generali Brasil Seguros for 76,394 thousand;
- participation to the capital increase of Generali Vietnam Life Insurance Ltd. Liability Co. for 21,681 thousand;

- the value recovery of shares Lion River (class C and D) for a total of 6,072 thousand.

The decreases mainly include:

- the transfer of the participation in Generali Insurance AD to Generali CEE Holding for 34,141 thousand;

- the final settlement of Telco AG S.r.l. for 56,723 thousand;
- the value adjustment of Lion River shares for 32,940 thousand;
- the devaluation of the participation in Fata Assigurari for 8,874 thousand;
- the devaluation of the participation in Generali Shared Services S.c.a.r.l. for 7,316 thousand.

In addition, the other changes in increase and decrease include the movement of 254,288 thousand linked to the merge of Flandria Participations Financières S.A. in Participatie Maatschappij Graafschap Holland N.V..

#### 2.2.1 b) Information on companies in which a significant interest is held

Provided in *attachment 6* of the Notes to the Accounts.

#### 2.2.1 c) Detailed movement schedule

Provided in *attachment 7* of the Notes to the Accounts.

### 2.2.2 Changes in bonds issued by companies over the year - *Item C.II.2 (attachment 5)*

(in thousand euro)		2016
Gross initial amount		1.500
Increases for the year for:	acquisitions, subscriptions, payments	0
	reversal value	5
	other changes	0
	Total	5
Decreases for the year for:	sales or redemptions	752
	devaluations	0
	other changes	119
	Total	871
<b>Book value</b>		<b>634</b>
Section C.II.2 includes	listed bonds	634
	non listed bonds	0
	book value	634
	of which convertible bonds	0

Decreases of the year refer to the early repayment of a debenture loan issued by Generali Finance for 751.8 thousand. The value of the bond was reduced during

the year for 118.9 thousand, due to the unfavorable exchange rate of the pound sterling.

### 2.2.3 Changes in loans to companies over the year - *Item C.II.3*

(in thousand euro)		2016
Gross initial amount		370,900
Increases for the year for:	acquisitions, subscriptions, payments	381,100
	reversal value	0
	appreciations	0
	other changes	0
	Total	381,100
Decreases for the year for:	sales or redemptions	0
	devaluations	0
	other changes	0
	Total	0
<b>Book value</b>		<b>752,000</b>

The increase is mainly related to the loan granted to Generali Finance B.V. for an amount equal to 381,100 thousand.

#### 2.2.4 a) Detailed outline of the most significant bonds issued by companies - *Item C.II.2*

The most significant bonds issued by Group companies amounted to 634 thousand and are related to issues by Generali Finance B.V.

#### 2.2.4 b) Detailed outline of the most significant loans to companies - *Item C.II.3*

The total amount of 752,000 thousand includes the loan granted to Generali Beteiligungs for 370,900 thousand and to Generali Finance for 381,100.

### 2.3 Other financial investments - *Item C.III*

There are no shareholdings that exceed one tenth of the capital or one tenth of the voting rights that can be exer-

cised during the Ordinary General Meeting, classified in this category in the financial statements.

2.3.1 Breakdown on the basis of the durable or non-durable utilisation of the assets included in the equities items – *Item C.III.1*, units in common investment funds – *Item C.III.2*, bonds and other fixed-interest securities – *Item C.III.3*, participation in investment pools – *Item C.III.5* other financial investments – *Item C.III.7 (attachment 8)*

Apart from the investments in Group companies and other companies in which a significant interest is held, durable investments are those that remain permanently held by the Company, namely:

- shares, listed and non-listed, that are considered related to the insurance operations;
- other debt securities, listed and non-listed, which are designed for medium/long-term commitments.

All other assets included in these items are considered non-durable.

(in thousand euro)	Durable		Non-durable		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
Non life						
<b>1) Equities of companies</b>						
a) listed shares	3,678	3,785	5,343	7,608	9,021	11,393
b) unlisted shares	6,412	6,607	1,247	1,651	7,659	8,258
c) units	577	11,556	0	0	577	11,556
<b>Total</b>	<b>10,667</b>	<b>21,948</b>	<b>6,590</b>	<b>9,259</b>	<b>17,257</b>	<b>31,207</b>
<b>2) Units in common investment funds</b>	<b>0</b>	<b>0</b>	<b>468,070</b>	<b>469,855</b>	<b>468,070</b>	<b>469,855</b>
<b>3) Bonds and other fixed-interest securities</b>						
a1) listed government bonds	27,968	30,736	529,834	532,871	557,802	563,607
a2) other listed securities	0	0	153,599	157,686	153,599	157,686
b1) unlisted government bonds	9,525	9,915	5,912	6,081	15,437	15,996
b2) other unlisted securities	4,114	4,231	1,566	1,758	5,680	5,989
c) convertible bonds	23,685	23,685	0	0	23,685	23,685
<b>Total</b>	<b>65,292</b>	<b>68,567</b>	<b>690,911</b>	<b>698,396</b>	<b>756,203</b>	<b>766,963</b>
<b>5) Participation in investment pools</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7) Other investments</b>	<b>0</b>	<b>0</b>	<b>7,549</b>	<b>7,554</b>	<b>7,549</b>	<b>7,554</b>
Life						
<b>1) Equities of companies</b>						
a) listed shares	0	0	0	0	0	0
b) unlisted shares	1,157	41,181	3,780	3,800	4,937	44,981
c) units	4,731	6,002	0	0	4,731	6,002
<b>Total</b>	<b>5,888</b>	<b>47,183</b>	<b>3,780</b>	<b>3,800</b>	<b>9,668</b>	<b>50,983</b>
<b>2) Units in common investment funds</b>	<b>0</b>	<b>0</b>	<b>36,754</b>	<b>36,754</b>	<b>36,754</b>	<b>36,754</b>
<b>3) Bonds and other fixed-interest securities</b>						
a1) listed government bonds	183,186	218,616	395,817	427,926	579,003	646,542
a2) other listed securities	262,470	275,226	523,083	571,916	785,553	847,142
b1) unlisted government bonds	10,827	17,544	0	0	10,827	17,544
b2) other unlisted securities	1,835	1,895	6,269	6,422	8,104	8,317
c) convertible bonds	0	0	382	405	382	405
<b>Total</b>	<b>458,318</b>	<b>513,281</b>	<b>925,551</b>	<b>1,006,669</b>	<b>1,383,869</b>	<b>1,519,950</b>
<b>5) Participation in investment pools</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7) Other investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>						
1) C.III.1 Equities of companies	16,555	69,131	10,370	13,059	26,925	82,190
2) C.III.2 Units in common investment funds	0	0	504,824	506,609	504,824	506,609
3) C.III.3 Bonds and other fixed-interest securities	523,610	581,848	1,616,462	1,705,065	2,140,072	2,286,913
4) C.III.5 Participation in investment pools	0	0	0	0	0	0
5) C.III.7 Other investments	0	0	7,549	7,554	7,549	7,554

With reference to bonds and other fixed interest securities in item C.III.3, the most significant items at book value are:

(in thousand euro)	2016
Securities issued by the Italian government	602,257
Securities issued by the American government	127,316
Securities issued by the Panama government	128,581
Securities issued by the U.K. government	66,338

The other items individually considered refer to sums under 50,000 thousand.

The issue and trading differences inherent to the bonds and other fixed interest securities in items C.II.2 and C.III.3 are as follows:

(in thousand euro)	Positive	Negative	Balance
Issuing differences	1,699	285	1,414
Trading differences	127	1,421	-1,294
<b>Total</b>	<b>1,826</b>	<b>1,706</b>	<b>120</b>

### 2.3.2 Variations over the year to durable assets included in the items as in point 2.3.1 (attachment 9)

(in thousand euro)		Equities	Units in com. invest. Funds	Bonds	Participation	Other
		C.III.1	C.III.2	C.III.3	C.III.5	C.III.7
Initial amount		27,488	4,603	335,875	0	0
Increases for:	acquisitions	0	0	159,181	0	0
	reversal value	0	0	0	0	0
	transfers from the non-durable portfolio	0	0	53,126	0	0
	other changes	1,085	138	3,428	0	0
	<b>Total</b>	<b>1,085</b>	<b>138</b>	<b>215,735</b>	<b>0</b>	<b>0</b>
Decreases for:	sales	7,343	4,741	446	0	0
	devaluations	4,638	0	0	0	0
	transfers to the non-durable portfolio	0	0	13,333	0	0
	other changes	38	0	14,220	0	0
	<b>Total</b>	<b>12,019</b>	<b>4,741</b>	<b>27,999</b>	<b>0</b>	<b>0</b>
<b>Book Value</b>		<b>16,554</b>	<b>0</b>	<b>523,611</b>	<b>0</b>	<b>0</b>

The main changes of the shares not owned by the Group in the durable segment, are mainly due to the transfer of the shareholding in Argentario S.p.A. for 7,330 thousand, to the write-down of Banca Popolare di Vicenza for 3,432 thousands and Veneto Banca for 953 thousand.

The value of the common investment funds registered in the durable segment, were set to zero during the year

due to the redemption of units of the Fund Securis CL A held in the durable segment.

In the bond portfolio, increases are mainly due to net purchases for 158,734 thousand of corporate equities. During the year, the Company has provided to the reclassification from the non-durable to the durable portfolio and vice versa for a net countervalue of 39,793 thousand.

### 2.3.3 Changes in loans over the year – *Item C.III.4* and in deposits with credit institutions – *Item C.III.6* (*attachment 10*)

(in thousand euro)		Loans	Deposits with credit
		C.III.4	institutions – C.III.6
Initial amount		3,551	129,798
Increases for:	payments	668	602,408
	reversal value	0	0
	other changes	105	0
	Total	773	602,408
Decreases for:	redemptions	162	605,635
	devaluations	72	0
	other changes	22	0
	Total	256	605,635
<b>Book value</b>		<b>4,068</b>	<b>126,571</b>

#### 2.3.4 a) Detailed outline of significant guaranteed loans – *Item C.III.4.a*.

No guaranteed loans are posted in the financial statements.

#### 2.3.4 b) Detailed outline of significant other loans – *Item C.III.4.c*.

The item refers to other loans for a total amount of 3,279 thousand, of which 2,031 thousand relative to loans granted from the Panama branch and 1,248 thousand granted from the Hong Kong branch.

### 2.3.5 Breakdown of the duration of deposits with credit institutions – *Item C.III.6*

(in thousand euro)	2016
Less than 3 months	61,588
More than 3 months	64,983
<b>Total</b>	<b>126,571</b>

### 2.3.6 Breakdown of other financial investments by type – *Item C.III.7*

The item includes options on indexes for a counter value of 7,549 thousand.

## 2.4 Deposits with ceding companies – *Item C.IV*

Deposits with ceding companies amount to 7,680,393 thousand (7,906,952 thousand at 31 December 2015). Information regarding transactions with Group companies is provided in *attachment 16*, deposits with subsidiaries include deposits with:

- Alleanza Assicurazioni S.p.A. for 4,149,890 thousand;
- Generali Levensverzekering Maatschappij N.V. for 1,294,409 thousand;
- Generali Deutschland Holding AG for 684,907 thousand.

### 2.4.1 Impairment on deposits with ceding companies over the year

There are no impairments on deposits with ceding companies over the year.

## Section 3 – Investments for the benefit of life- assurance policyholders who bear the investment risk and relating to the administration of pension funds – *Item D*

### 3.1 Overview of operations related to contracts linked to investment funds and market indexes – *Item D.I (attachment 11)*

(in thousand euro)	Current value		Acquisition costs	
	2016	2015	2016	2015
<b>Land and buildings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investments in Group comp. and comp. in which a significant interest is held				
Equities	0	0	0	0
Bonds	0	0	0	0
Loans	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Units in common investment funds</b>	<b>126,671</b>	<b>90,477</b>	<b>123,626</b>	<b>91,655</b>
Equities	203	196	187	191
Bonds and other fixed-interest securities	51,397	51,618	39,732	50,051
Deposits with credit institutions	0	0	0	0
Other investments	0	0	0	0
<b>Total</b>	<b>51,600</b>	<b>51,814</b>	<b>39,919</b>	<b>50,242</b>
<b>Other assets</b>	<b>617</b>	<b>538</b>	<b>617</b>	<b>539</b>
<b>Cash at hand</b>	<b>2,033</b>	<b>2,291</b>	<b>2,033</b>	<b>2,291</b>
<b>Other liabilities</b>	<b>-1,114</b>	<b>-1,174</b>	<b>-1,114</b>	<b>-1,174</b>
<b>Deposits with ceding companies</b>	<b>3,276,493</b>	<b>3,454,857</b>	<b>3,276,493</b>	<b>3,454,857</b>
<b>Total</b>	<b>3,456,300</b>	<b>3,598,803</b>	<b>3,441,574</b>	<b>3,598,410</b>

The investments relative to the various types of managed products are described in detail in *attachments 11*. Within deposits with ceding companies 2,850,940 thousand are attributable to the reinsurance deposit relating to Generali PanEurope and for the remaining part of the portfolio redefinition accepted by some Group companies, by virtue of which part of the mathematical reserves have been recognized in the technical provisions where the investment risk is borne by policyholders, with consequent treatment, from the asset side, of the relative deposits with ceding companies.

### 3.2 Overview of operations relative to contracts linked to pension funds – *Item D.II (attachment 12)*

No investments relative to contracts linked to pension funds have been recorded.

### 3.3 Transfers of investments from class C to class D and *vice versa*

No transfers were made during the year.

## Section 4 - Reinsurers' share of technical provisions - *Item D bis*

### 4.1 a) Breakdown of Other technical provisions – non-life business - *Item D bis I.4*

No other non-life business technical provisions were written in the financial statements to be charged to reinsurers.

### 4.1 b) Breakdown of Other technical provisions – Life business - *Item D bis II.5*

No other life business technical provisions were written in the financial statements to be charged to reinsurers.

## Section 5 - Receivables - *Item E*

Item E includes, among other things, receivables arising out of reinsurance operations. These amounted to 487,717 thousand and refer mainly to receivables from insurance and reinsurance companies (481,284 thousand). This amount is relative to the non-life business for 158,777 thousand and to the life business for 322,507 thousand. Overall, the debtors counterparts are mainly other Group Companies.

### 5.1 Write downs carried out over the year

Write down of receivables from policyholders for premiums was carried out over the year. It was charged to the technical accounts and amounted to 340 thousand.

The following table provides a detailed description of the write down per line of business

(in thousand euro)	2016
Accident	3
Health	0
Fire	66
Property other than fire	55
Motor TPL	0
General Liability	202
Other LOB	14
<b>Total</b>	<b>340</b>

### 5.2 Details of other receivables – *Item E.III*

(in thousand euro)	2016
Credits due from Group Companies	489,342
Credits for pre-paid taxes	221,824
Sums due from Financial Administration	213,578
Credits for securities and coupons sold or purchased to be adjusted	66,420
Credits for entries to be adjusted with credit institutions	45,058
Credits due from subsidiaries for fiscal consolidation	44,576
Others credits	60,049
<b>Total</b>	<b>1,140,847</b>

Credits due from Group Companies refer almost exclusively to relations of Direct Cash Pooling. The most significant amount relates to the counterparty Generali Italia for an amount of 251,864 thousand.

Among receivables towards the Tax Authorities, receivables for advance tax on insurance equal to 58,291 thousand is particularly significant, IRES receivable equal to 48,932 thousand, receivables for the advance payment



of income tax by various foreign subsidiaries for 45,560 thousand and the IRAP receivable equal to 25,912 thousand.

Receivables for pre-paid taxes refer to items that from a fiscal point of view are recognized in years other than that in which they are accounted for in the profit and loss account net of the provision for deferred taxes.

## Section 6 - Other assets - Item F

### 6.1 Variations to durable assets in class F.I over the year

(in thousand euro)	2015	Increases	Decreases	2016
Furniture, office equipment, internal transport vehicles	1,700	5,500	4,056	3,144
Movables listed in public registers	62	1,477	131	1,408
Equipments and appliances	0	135	135	0
Inventories	348	124	0	472
<b>Total</b>	<b>2,110</b>	<b>7,236</b>	<b>4,322</b>	<b>5,024</b>

### 6.3 Deferred reinsurance items - Item F.IV.1

Deferred reinsurance items, amounting to 9,548 thousand, include the negative income values of a technical

nature that are to be entered in the profit and loss accounts in the following year.

Details of the items are illustrated in the following table.

(in thousand euro)	Non-Life	Life	Total
Premiums	0	0	0
Claims	5,232	3,246	8,478
Commissions	570	237	807
Profit portfolio on provisions and other technical items	263	0	263
<b>Total</b>	<b>6,065</b>	<b>3,483</b>	<b>9,548</b>

### 6.4 Details of miscellaneous assets - Item F.IV.2

Miscellaneous assets, amounting to 243,500 thousand, mainly refer to the linkage account which recorded a credit of life sector towards non-life sector.

## Section 7 - Prepayments and accrued income - Item G

### 7.1 Details of prepayments and accrued income

(in thousand euro)	Accrued income	Deferred charges	Total
Interests	36,791	0	36,791
Rents	485	173	658
Other accrued income and deferred charges	51,911	119,878	171,789
<b>Total</b>	<b>89,187</b>	<b>120,051</b>	<b>209,238</b>

## 7.2 Breakdown of other accrued income and deferred charges – Item G.3

(in thousand euro)	Accrued income	Deferred charges	Total
Deferred charges for disagio on bond issues	0	62,289	62,289
Deferred charges for disagio on loans	0	0	0
Accrued income and deferred charged on derivatives	47,186	52,475	99,661
Other	4,725	5,114	9,839
<b>Total</b>	<b>51,911</b>	<b>119,878</b>	<b>171,789</b>

### 7.3 Breakdown of multi-year accruals and deferrals and those with a duration of over five years

The deferred charges with a residual duration of over one year are:

- disagio on bond issues, subordinated liabilities and loans for 53,286 thousands;
- derivatives hedging the variations in exchange rate, relative to the loans issued in previous years, for 3,369 thousand;
- derivatives hedging the variations in interest rate, relative to the loans issued in previous years, for 39,709 thousand.

Furthermore, the deferred charges that have a residual duration of over five years are:

- disagio on bond issues, subordinated liabilities and loans for 22,546 thousands;
- derivatives hedging the variations in exchange rate, relative to the loans issued in previous years, for 1,059 thousand;
- derivatives hedging the variations in interest rate, relative to the loans issued in previous years, for 6,022 thousand.

### Subordinated assets

Subordinated assets classified under items C.II.2 and C.III.3, are indicated based on their level of subordination, in accordance with international practice.

Issuing entity	Nominal value in thousand euro	Currency of denomination	Type of interest rate	Due date	Early paym. Clause	Subordination level
Allianz Finance II BV	2,000	EUR	fixed	perpetual	yes	Tier II
Allianz SE	3,792	USD	fixed	perpetual	yes	Tier II
Aquarius Plus Investments Plc	311	EUR	fixed	02/10/43	yes	Tier II
Aviva Plc	200	EUR	fixed	22/05/38	yes	Tier II
Axa SA	4,000	EUR	fixed	16/04/40	yes	Tier II
Axa SA	7,521	GBP	fixed	15/12/20	no	Tier II
Axa SA	1,896	USD	fixed	15/12/30	no	Tier II
Bank of America Corp	664	USD	fixed	29/01/37	yes	Other clauses
Barclays Bank Plc	5,858	GBP	fixed	perpetual	yes	Tier II
Belfius Financing	6,033	GBP	variable	09/02/17	yes	Tier II
Bnp Paribas	379	USD	fixed	perpetual	yes	Tier I
Citigroup Inc	1,500	EUR	variable	30/11/17	yes	Tier II
Citigroup Inc	3,515	GBP	fixed	12/12/18	no	Tier II
Clerical Medical Finance Plc	4,686	GBP	fixed	perpetual	yes	Tier II

Issuing entity	Nominal value in thousand euro	Currency of denomination	Type of interest rate	Due date	Early paym. Clause	Subordination level
CNP Assurances	1,000	EUR	fixed	14/09/40	yes	Tier II
Cooperatieve Rabobank U.A	995	USD	fixed	01/12/43	no	Other clauses
Credit Suisse Group Finance (Us) Inc	1,757	GBP	fixed	05/10/20	no	Tier II
Delta Lloyd NV	1,500	EUR	fixed	perpetual	yes	Tier II
Eddystone Finance Plc	879	GBP	variable	19/04/21	yes	Other clauses
EDF SA	3,500	EUR	fixed	perpetual	yes	Tier II
EDF SA	7,147	GBP	fixed	perpetual	yes	Tier II
Enel S.p.A.	1,172	GBP	fixed	10/09/75	yes	Tier II
Enel S.p.A.	237	USD	fixed	24/09/73	yes	Tier II
Engie SA	600	EUR	fixed	perpetual	yes	Tier II
Ge Capital Trust II	1,000	EUR	fixed	15/09/67	yes	Tier II
Generali Electric	500	EUR	fixed	15/09/67	yes	Tier II
Generali Electric	2,929	GBP	fixed	15/09/67	yes	Tier II
Generali Finance BV	650	EUR	fixed	perpetual	yes	Other clauses
Goldman Sachs Group Inc	4,100	GBP	fixed	12/10/21	yes	Tier II
Goldman Sachs Group Inc	2,929	GBP	fixed	14/05/17	yes	Tier II
Haven Funding (32) Plc	3,515	GBP	fixed	30/11/32	yes	Other clauses
Hsbc Bank Plc	1,172	GBP	fixed	07/07/23	no	Tier II
Hsbc Bank Plc	5,858	GBP	fixed	24/03/46	no	Tier II
Hsbc Holdings Plc	534	EUR	fixed	10/01/24	yes	Tier II
Hsbc Holdings Plc	4,686	GBP	fixed	20/12/27	no	Tier II
Hsbc Holdings Plc	474	USD	fixed	01/06/38	no	Tier II
Ing Bank NV	50	EUR	fixed	29/05/23	yes	Tier II
Lloyds Bank Plc	1,172	GBP	fixed	06/04/23	no	Tier II
Lloyds Banking Group Plc	382	GBP	fixed	perpetual	yes	Tier I
Muenchener Rueckversicherungs AG	1,500	EUR	fixed	26/05/41	yes	Tier II
Muenchener Rueckversicherungs AG	1,757	GBP	fixed	26/05/42	yes	Tier II
National Westminster Bank Plc	3,515	GBP	fixed	perpetual	yes	Tier II
Nordea Bank Ab	907	EUR	fixed	26/03/20	no	Tier II
Postevita S.p.A.	1,479	EUR	fixed	30/05/19	no	Tier II
Prudential Plc	1,757	GBP	fixed	19/12/31	no	Tier II
Royal Bank of Scotland Plc	1,054	GBP	fixed	perpetual	yes	Tier II
Santander UK Plc	2,929	GBP	fixed	perpetual	yes	Tier I
Santander UK Plc	5,354	GBP	fixed	04/01/17	yes	Tier II
Societe Generale SA	284	USD	fixed	17/01/24	no	Tier II
Standard Chartered Plc	2,362	EUR	fixed	21/10/25	yes	Tier II
Standard Chartered Plc	758	USD	fixed	09/01/43	no	Other clauses
Tennet Holdings BV	50	EUR	fixed	perpetual	yes	Tier II
Wells Fargo & Co	9,313	GBP	fixed	29/11/35	no	Tier II
Wells Fargo & Co	1,707	USD	fixed	02/11/43	no	Other clauses

## Balance Sheet – Liabilities

### Section 8 – Shareholders' funds - *Item A*

#### 8.1 Changes to shareholders' funds over the year

(in thousand euro)	2015	Increases	Decreases	2016
Subscribed share capital	1,556,873	3,010	0	1,559,883
Share premiums reserve	3,568,250	0	0	3,568,250
Revaluation reserves	2,010,835	0	0	2,010,835
Legal reserve	311,375	602	0	311,977
Reserve for parent company shares	0	0	0	0
Other reserves	6,321,401	0	195,182	6,126,219
Negative reserve for own shares held	3,040	0	0	3,040
Income carried forward	0	0	0	0
Profit for the previous year	931,469	0	931,469	0
Profit for the year	0	1,096,261	0	1,096,261
<b>Total</b>	<b>14,697,163</b>	<b>1,099,873</b>	<b>1,126,651</b>	<b>14,670,385</b>

#### 8.2 Share capital – *Item A.I*

The share capital at 31 December 2016 was 1,559,883 thousand, divided into ordinary shares with a nominal value of 1 euro each.

The item shows an increase of 3,010 thousand consequent to the capital increase carried out for the allocation of shares to the management of the Group, as required by the long-term incentive plan “Long Term Incentive Plan 2013”.

#### 8.3 a) Share premiums reserve – *Item A.II*

The reserve remains unchanged compared to the previous year.

#### 8.3 b) Details of the revaluation reserves – *Item A.III*

The total of the revaluation reserves, amounting to 2,010,835 thousand include:

- revaluation Reserve pursuant to Law 413/1991 for 802,314 thousand;

- revaluation Fund for fixed assets pursuant to Law 168/1982 for 153,474 thousand;
- revaluation Fund pursuant to Law 904/1977 for 20,123 thousand;
- revaluation Reserve pursuant to Law 266 dated 23 December 2005 for 793,054 thousand;
- revaluation Reserve pursuant to Law Decree 185/2008 converted with the Law No. 2 dated 28 January 2009 for 92,676 thousand;
- revaluation Reserve pursuant to Law 576/75 for 30,425 thousand;
- revaluation Reserve pursuant to Law 72/83 for 118,769 thousand.

#### 8.3 c) Legal reserve – *Item A.IV*

The increment of the reserve equal to 602 thousand is due to the capital increase.

#### 8.4 a) Reserves for own shares and those of the Parent Company – *Item A.VI* and detail of the other reserves – *Item A.VII* and the negative reserve for own shares – *Item A.X*

The negative reserve for own shares, constituted as provided by the amended Regulation No. 22/2008 amounted to 3,040 thousand. Pursuant to the new OIC 28, own shares are recorded at a value corresponding to their cost of purchase and possible effects are applied

retroactively. The retroactive application of the new accounting policy implies, as provided by the OIC 29, for comparative purposes only, the redetermination of the effects that would have occurred in the comparative financial statements as if it always had been applied the new accounting standard. The actual changes occurring for the establishment of this reserve is highlighted from the following table 8.4 c) which summarizes the changes in shareholders' funds over the last three financial years.

#### 8.4 b) Details of the other reserves – *Item A.VII*

(in thousand euro)	2015	Increases	Decreases	2016
Merger residual reserve	4,147,612	0	0	4,147,612
Extraordinary reserve	2,173,789	0	195,182	1,978,607
<b>Total</b>	<b>6,321,401</b>	<b>0</b>	<b>195,182</b>	<b>6,126,219</b>

The change in decrease of 195,182 thousand is due to the 2015 dividend distribution for 192,172 thousand as approved by the Shareholders' Meeting on 21 April 2016, and for 3,010 thousand to the capital increase.

The extraordinary reserve consists of tax suspension for 170,928 thousand corresponding to the sum of the realignment of the real estate fiscal values during the 2006 financial year as required by Law No. 266/2005, net of substitute taxation.

The merger residual reserves at the end of the period included:

- for 3,998,607 thousand from the revenue reserves deriving from the merger of Alleanza Assicurazioni S.p.A.;
- for 149,005 thousand from the capital reserves deriving from the merger of Alleanza Assicurazioni S.p.A..

### 8.4 c) Outline of changes to shareholders' funds over the last three years

(in thousand euro)

	Share Capital	Share premiums reserve	Reserve for own shares	Negative reserve for own shares held	Revaluation reserve L. 266 23/12/2005	Revaluation reserve L.D. 185/2008
<b>Initial amount of the 2014 financial year</b>	<b>1,556,873</b>	<b>3,568,250</b>	<b>2,996</b>		<b>793,055</b>	<b>92,676</b>
Constitution of the new negative reserve for own shares held				-1,815		
Own shares reclassification for new legislation			-2,996	-1,225		
Distribution of previous year result						
to dividends (0.45 euro per share)						
Withdrawal from extraordinary reserve						
Result for the 2014 financial year						
<b>Final amount of the 2014 financial year and initial amount of the 2015 financial year</b>	<b>1,556,873</b>	<b>3,568,250</b>	<b>0</b>	<b>-3,040</b>	<b>793,055</b>	<b>92,676</b>
Distribution of previous year result						
to dividends (0.60 euro per share)						
Withdrawal from extraordinary reserve						
Result for the 2015 financial year						
<b>Final amount of the 2015 financial year and initial amount of the 2016 financial year</b>	<b>1,556,873</b>	<b>3,568,250</b>	<b>0</b>	<b>-3,040</b>	<b>793,055</b>	<b>92,676</b>
Capital increase	3,010					
Distribution of previous year result						
legal reserve adjustment						
to dividends (0.72 euro per share)						
Withdrawal from extraordinary reserve						
Result for the 2016 financial year						
<b>Final amount of the 2016 financial year</b>	<b>1,559,883</b>	<b>3,568,250</b>	<b>0</b>	<b>-3,040</b>	<b>793,055</b>	<b>92,676</b>

Revaluation reserve L. 413 30/12/1991	Revaluation reserve L. 576/75	Revaluation reserve L. 72/83	Revaluation reserve L. 904 16/12/1977	Provision for revaluation of long-term assets	Merger residual reserve	Extraordinary reserve	Legal reserve	Profit for the year	Total
802,313	30,425	118,769	20,123	153,474	4,147,612	2,497,042	311,375	569,364	14,664,349
									-1,815
						4,221			0
								-569,364	-569,364
						-131,181			-131,181
								737,767	737,767
802,313	30,425	118,769	20,123	153,474	4,147,612	2,370,082	311,375	737,767	14,699,756
								-737,767	-737,767
						-196,293			-196,293
								931,469	931,469
802,313	30,425	118,769	20,123	153,474	4,147,612	2,173,789	311,375	931,469	14,697,163
						-3,010			0
							602	-602	0
								-930,867	-930,867
						-192,172			-192,172
								1,096,261	1,096,261
802,313	30,425	118,769	20,123	153,474	4,147,612	1,978,607	311,977	1,096,261	14,670,385

#### 8.4 d) Breakdown, opportunities for use and actual use of shareholders' funds over the last three years

Natura / descrizione	Amount	Possibility of utilisation <sup>(1)</sup>	Available quota	Summary of utilisations carried out during the previous three years	
				Losses cov.	Other <sup>(6)</sup>
Capital	1,559,883				
Capital reserves					
Share premiums reserve	3,568,250	A,B,C	3,568,250 <sup>2)</sup>		
Merger residual reserve	149,005	A,B,C	149,005		
Revaluation reserve pursuant to Law 413 - 30.12.1991	802,313	A,B,C	802,313 <sup>3)</sup>		
Revaluation reserve pursuant to Law 904 - 16.12.1977	20,123	A,B,C	20,123 <sup>3)</sup>		
Revaluation reserve pursuant to Law 266 - 23.12.2005	793,055	A,B,C	793,055 <sup>3)</sup>		
Revaluation reserve pursuant to Law 2 - 28.1.2009 (DL 185/2008)	92,676	A,B,C	92,676		
Revaluation reserve pursuant to Law 576/75	30,425	A,B,C	30,425 <sup>3)</sup>		
Revaluation reserve pursuant to Law 72/83	118,769	A,B,C	118,769 <sup>3)</sup>		
Reserve for revaluation of long-term assets	153,474	A,B,C	153,474		
Negative reserve for own shares held	-3,040		-3,040 <sup>6)</sup>		
Revenue reserves					
Legal reserve	311,977	B			
Merger residual reserve	3,998,607	A,B,C	3,998,607		
Extraordinary reserve	1,978,607	A,B,C	1,978,607 <sup>4)</sup>		519,646
<b>Total</b>	<b>13,574,124</b>		<b>11,702,264</b>		
Of which:					
Non distributable quota			0		
Distributable residual quota			11,702,264		

1) Key: A = for capital increase, B = for hedging, C = for distribution to shareholders.

2) In compliance with art. 2431 of the Italian Civil Code, the entire amount of this reserve can only be distributed if the legal reserve has reached the limit set out in art. 2430 of the Civil Code (20% of the share capital).

3) Taxable in case of distribution.

4) The amount of 170.928 thousand euro is taxable in case of distribution.

5) The reserves were aimed to the distribution of dividends.

6) It is a negative reserve for own shares held. This reserve has been recorded as a deduction of shareholders' funds, in compliance with the modified Regulation 22/2008. The negative reserve for own shares is unavailable.



## Section 9 - Subordinated liabilities - *Item B*

Subordinated liabilities amount to 7,089,925 thousand and consist of:

- bond issue denominated in pound sterling, worth 410,028 thousand Euro, with the following characteristics:
  - expiry date is equal to the duration of the company;
  - early repayment option for the Company from the 16 June 2026;
  - fixed rate until 16 June 2026, first date of the early repayment option;
  - variable interest after 16 June 2026;
  - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
  - suitable to cover the solvency requirements of Solvency II;
- a hybrid bond issue denominated in pound sterling, worth 579,897 thousand Euro, with the following characteristics:
  - expiry date equal to the duration of the company;
  - early repayment option for the Company from the 8 February 2022;
  - fixed rate until 8 February 2022, first date of the early repayment option;
  - variable interest after 8 February 2022;
  - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
  - suitable to cover the solvency requirements of Solvency II;
- hybrid bond issues private placement, for a total of 1,000,000 thousand Euro, with the following characteristics in common:
  - expiry date equal to the duration of the company;
  - early repayment option for the Company starting from the tenth year of issue;
  - fixed rate until the first date of the early repayment option;
  - variable interest after the first date of the early repayment option;
  - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
  - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 750,000 thousand Euro with the following characteristics:
  - due on 10 July 2042;
  - early repayment option for the Company from 10 July 2022;
  - fixed rate until 10 July 2022, first date of the early repayment option;
  - variable interest after 10 July 2022, until due date;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 1,250,000 thousand Euro with the following characteristics:
  - due on 12 December 2042;
  - early repayment option for the Company from 12 December 2022;
  - fixed rate until 12 December 2022, first date of the early repayment option;
  - variable interest after 12 December 2022, until due date;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 1,000,000 thousand Euro with the following characteristics:
  - due on 4 May 2026;
  - fixed rate until due date;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 1,250,000 thousand Euro with the following characteristics:
  - due on 27 October 2047;
  - early repayment option for the Company from 27 October 2027;
  - fixed rate until 27 October 2027, first date of the early repayment option;
  - variable interest after 27 October 2027, until due date;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 850,000 thousand Euro with the following characteristics:

- due on 8 June 2048;
  - early repayment option for the Company from 8 June 2028;
  - fixed rate until 8 June 2028, first date of the early repayment option;
- variable interest after 8 June 2028, until due date;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II.

## Section 10 - technical provisions – *Item C.I for the non-life business and C.II for the life business*

### 10.1 Changes over the year to the provision for unearned premiums – *Item C.I.1* – and to the provision for outstanding claims – *Item C.I.2 non-life business (attachment 13)*

(in thousand euro)	2016	2015	Change
Provision for unearned premiums			
Provision for premium instalments	406,226	348,705	57,521
Provision for unexpired risks	5,558	3,603	1,955
<b>Book value</b>	<b>411,784</b>	<b>352,308</b>	<b>59,476</b>
Provisions for outstanding claims			
Provision for refunds and direct expenses	1,487,984	1,414,997	72,987
Provision for claim settlement costs	46,914	46,331	583
IBNR provision	662,124	706,903	-44,779
<b>Book value</b>	<b>2,197,022</b>	<b>2,168,231</b>	<b>28,791</b>

## Provision for unearned premiums

The following table illustrates the provision for unearned premiums by line of business.

(in thousand euro)	Direct business		Indirect Business		Total
	Premium instalment	Premiums in course of coll.	Premium instalment	Premiums in course of coll.	
Accident	19,789	0	17,840	247	37,876
Health	8,858	0	28,124	5,312	42,294
Motor material damage	17,713	0	1,700	0	19,413
Hull transport (trains)	106	0	0	0	106
Hull aviation	139	0	5,884	0	6,023
Hull marine	855	0	2,991	0	3,846
Cargo	3,564	0	2,656	0	6,220
Fire	37,104	0	61,166	0	98,270
Property other than fire	28,782	0	56,469	0	85,251
TPL Motor	3,226	0	172	0	3,398
TPL Aviation	814	0	7,631	0	8,445
TPL Marine	744	0	11	0	755
General liability	27,687	0	25,738	0	53,425
Credit	1	0	29	0	30
Suretyship	3,174	0	13,050	0	16,224
Pecuniary losses	4,386	0	25,726	0	30,112
Legal protection	1	0	0	0	1
Assistance	95	0	0	0	95
<b>Total</b>	<b>157,038</b>	<b>0</b>	<b>249,187</b>	<b>5,559</b>	<b>411,784</b>

The methodologies used for the evaluation of the provision for unearned premiums are indicated in the part A – Summary of significant accounting policies of the Notes to the Accounts.

### *Provision for premium instalment and additional reserves*

The additional reserves are calculated by applying the provisions of paragraphs 4 and 5 of Annex 15 of ISVAP regulation (now IVASS) No.22 / 2008 amended and supplemented.

In detail:

- Suretyship risks: integrations are allocated by applying different rates to premiums issued over the past five years, separately for the various classes of risk;
- Natural disaster risks: the premium reserve for each business is integrated with an additional allocation in an amount equal to the sum of 35% of premiums of the year and 70% of premiums of previous years. The obligation to make this allocation ceases when the integration has reached an amount equal to 100 times the total premiums for the year. The additional reserve is used upon occurrence of the ensured events, when the cost of claims for the financial year exceeds gross premiums recognized in the year. During the year has been allocated to this reserve an amount of 2,381 thousand in direct insurance and 5,542 thousand in indirect business.

### Provision for unexpired risks

During the year the reserve for unexpired risks for direct business has not been established, as shown in the below table:

(in thousand euro)	% Loss ratio expected	Amount of Claims expected	Provision for premium inst.+ inst.to be due	Excess/lack of the provision
Accident	71%	963	1,356	393
Health	75%	10,473	13,964	3,491
Motor material damage	78%	4,079	5,229	1,150
Hull transport (trains)	0%	0	106	106
Hull aviation	57%	228	400	172
Hull Marine	92%	1,479	1,608	129
Cargo	68%	2,095	3,081	986
Fire	74%	11,401	15,407	4,006
Property other than fire	40%	5,683	14,208	8,525
TPL Motor	52%	9	17	8
TPL Aviation	28%	148	529	381
TPL Marine	0%	0	0	0
General liability	49%	21,070	42,999	21,929
Credit	0%	0	1	1
Suretyship	0%	0	2,645	2,645
Pecuniary losses	13%	583	4,484	3,901
Legal protection	0%	0	1	1
Assistance	0%	0	95	95
<b>Total</b>	<b>55%</b>	<b>58,211</b>	<b>106,130</b>	<b>47,919</b>

During the year the provision for unexpired risks has been set up for the indirect business for an amount of 5,558 thousand.

### *Provisions for outstanding claims*

The methodologies adopted for the valuation of the provision for outstanding claims are indicated in part A – Summary of significant accounting policies of the Notes to the Accounts.

The actuarial statistical methods adopted in the analytical valuation of the provisions for outstanding claims in the main lines of business can be classified into the following types:

1. Chain Ladder on paid amount (or “chain“ method). In its traditional version, this method is based on the analysis of the accumulated payments, assuming that the progression of payments remains constant over time. The provisions for outstanding claims for each generation therefore depend exclusively on payments accumulated at the time of valuation and on this rule. There are also diverse variations in the calculation of model parameters, known as Link Ratio methods.
2. Link Ratio on “incurred”. This method is the same as the traditional Chain Ladder method, but analyses and projects the development of the “incurred” rather than the “paid”. “Incurred” for a given generation of claims at a specific year, correspond to payments accumulated over the year and the reserve at end of year.
3. Bornhütter-Ferguson method. This method is substantially based on the Link Ratio method (on “paid” or “incurred”), but also uses a series of loss ratios per generation, which is used as an “advance hypothesis” of the last generation cost, so that the estimated reserve is a weighted average between this “advance hypothesis” and the estimate obtained using the link ratio method. Amongst the input data, it is necessary to specify a series of factors (premiums or risk exposure) to be associated with each generation of claims.

### *IBNR provision*

The IBNR provision for claims that have incurred but not yet been reported at year-end is determined on the basis of the experience acquired during previous years with regards to the frequency and average cost of late claims reported and the average cost of claims reported during the year. Claims exceeding a given threshold are excluded when determining average cost in order to exclude events of an exceptional nature.

The compatibility of the estimated values is also verified with elements derived from late claims received at the moment in which the provision is valued.

### *Provision for profit sharing and premium refunds*

There are no contracts with the characteristics indicated in the paragraph 45 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented

## **10.2 Other non-life technical provisions – *Item C.1.4* – by provision type and line of business**

There are no contracts with the characteristics indicated in the paragraph 42 and 43 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented.

### 10.3 Compulsory and non-compulsory equalisation provisions – *Item C.I.5*

(in thousand euro)	2016
Equalisation provision:	
Accident	1
Fire	190
Pecuniary losses	7
<b>Total</b>	<b>198</b>
<b>Compensation provision for the credit sector</b>	<b>0</b>
<b>Total equalisation provision</b>	<b>198</b>

The equalisation provisions is determined according to the paragraph from 37 to 41 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and sup-

plemented. There are no non-compulsory equalisation provisions in the financial statements.

### 10.4 Changes during the year to the mathematical provisions – *Item C.II.1* – and the provision for profit-sharing and premium refunds – *Item C.II.4 (attachment 14)*

(in thousand euro)	2016	2015	Change
Mathematical provision for pure premiums	6,933,683	7,211,229	-277,546
Premiums brought forward	189,382	79,388	109,994
Provision for death risks	0	0	0
Additional provisions	498,937	413,594	85,343
<b>Book value</b>	<b>7,622,002</b>	<b>7,704,211</b>	<b>-82,209</b>
<b>Provision for profit sharing and premium refunds</b>	<b>99,294</b>	<b>94,241</b>	<b>5,053</b>

The decrease in mathematical reserves is due, in particular, to the natural contraction linked to the portfolio in run-off with the subsidiary Alleanza Assicurazioni S.p.A and, to a lesser extent, to the decrease in the London branch reserves mainly due to the favorable performance of the pound sterling/euro exchange rate. The increase in integration reserves is attributable for 88,708 thousand to inward relating to treaty with General Levensverzekering Maatschappij N.V..

### 10.5 Other life technical provisions – *Item C.II.5* – by provision type and line of business

Other life technical provisions, amounted to 18,305 thousand, were entirely made of the provision for future costs set by paragraph 17 of the Annex 14 of the Regulation No. 22 dated 4 April 2008 as amended by the IVASS Provision No. 53 dated 6 December 2016. It refers for 15,509 thousand to Line of business I, for 1,702 thousand to Line of business III, for 1,090 thousand to Line of business IV and for 4 thousand to Line of business V.

## Section 11 – technical provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds – *Item D*

### 11.1 Overview of provisions relative to contracts linked to investment funds or market indexes – *Item D.I*

(in thousand euro)	2016
Managed Funds	4,741
Indirect business	3,276,493
Unit vision choice	123,177
AG European Equity Fund	271
Lifetime income bond	49,429
<b>Book value</b>	<b>3,454,111</b>

The amount of indirect business worth 3,276,493 is mainly attributable for 2,850,939 thousand to the reinsurance treaty subscribed during the year with General PanEurope, and for the residual part, to the redefinition of the portfolio accepted by some of the Group companies by virtue of as part of the mathematical reserves have been recognized in technical provisions where the investment risk is borne by policyholders.

### 11.2 Outline of provisions deriving from the administration of pension funds – *Item D.II*

No provisions deriving from the administration of pension funds are accounted for in the financial statements.

## Section 12 – Provisions for other risks and charges – *Item E*

### 12.1 Changes to the provisions for other risks and charges over the year (*attachment 15*)

(in thousand euro)	Funds for retirement and similar obligations	Tax Fund	Other provisions
Initial amount	0	91,461	15,233
Sums set aside for the year	0	3,244	26,110
Other increases	0	0	0
Withdrawals	0	9,743	13,007
Other decreases	0	0	0
<b>Book value</b>	<b>0</b>	<b>84,962</b>	<b>28,336</b>

The “tax fund” includes the amount of 58,438 thousand to cover the tax for the transfers of real property that will be due in the next financial years in Germany, following the repurchase operation of the minority participations in the subsidiary Generali Deutschland Holding AG. During the year the fund was utilized for an amount of 8,963 thousand.

Such fund also includes provisions for tax risks.

### 12.2 Details of other provisions (*Item E.3*)

Allocations of the year mainly consist of estimated future charges relating to early retirement of employees and existing disputes.

Uses of other provisions relate for 10,500 thousand to the withdrawals consequent to payments to outgoing staff, prudently set aside in previous years.

## Section 13 – Payables – *Item G*

### 13.1 Bond issues - *Item G.III*

Not convertible bond issues, amounting to 3,255,539 thousand, comprise “Senior September 2024” bond issues for 1,750,000 thousand, “Senior 2014-2020” bond issue for 1,250,000 thousand and the bond issue “Senior 2020” for 255,539 thousand.

### 13.2 Details of liabilities to banks and other financial institutions – *Item G.IV*

Liabilities to banks and other financial institutions, amount to 838,962 thousand, refer mainly to loans granted from Deutsche Bank and BNP Paribas for 836,323 thousand relative to the Group indirect pooling.

### 13.3 Details of guaranteed loans – *Item G.V*

Guaranteed loans are not accounted for in the financial statements.

### 13.4 Breakdown of other loans and other financial liabilities – *Item G.VI*

The most significant components of the account, amounting to 3,593,359 thousand, refer to loans granted from:

<i>(in thousand euro)</i>	<b>2016</b>
Participatie Maatschappij Graafschap Holland N.V.	2,958,778
Generali Holding Vienna	484,501
Generali Investments SpA	55,000
Transocean Holding Corporation	40,000
UMS Immobiliare Genova S.p.A.	27,000
Generali Versicherung Ag	18,080
Redoze Holding	10,000
<b>Book value</b>	<b>3,593,359</b>

### 13.5 Changes to Provisions for severance pay over the year – *Item G.VII – (attachment 15)*

<i>(in thousand euro)</i>	<b>2016</b>
Initial amount	5,615
Sums set aside for the year	15
Other increases	948
Withdrawals	669
Other decreases	680
<b>Book value</b>	<b>5,229</b>

The changes in increase are due to the revaluations, the uses refer to payments and advance payments, the other changes in decrease are relative to the transfer to the pension fund.



### 13.6 Details of other creditors – Item G.VIII.4

(in thousand euro)	2016
Sums due to Cash pooling	1,851,853
Other sums due to Group companies	41,728
Sums due to suppliers and professionals	127,819
Sums due to credit institutions for entries to be adjusted	66,254
Sums due to subsidiaries companies for fiscal consolidation	52,443
Sundry creditors for staff	29,365
Others	54,505
<b>Total</b>	<b>2,223,967</b>

The other sums due to Group companies refer almost exclusively to cash pooling. The most significant amounts relate to counterparties Generali Beteiligungs-GmbH

for an amount equal to 450,862 thousand, Graafschap Holland N.V. for 391,150 thousand and Generali CEE Holding B.V. for 287,122 thousand.

### 13.7 Deferred reinsurance items – Item G.IX.1

Deferred reinsurance items, amounting to 6,162 thousand, include the positive technical values that are to be entered in the profit and loss accounts in the following

year.

The items are illustrated in detail in the following table.

(in thousand euro)	Non-Life	Life	Total
Premiums	2,265	3,897	6,162
Claims	0	0	0
Commissions	0	0	0
Profit portfolio on provisions and other technical items	0	0	0
<b>Total</b>	<b>2,265</b>	<b>3,897</b>	<b>6,162</b>

### 13.8 Details of miscellaneous liabilities – Item G.IX.3

(in thousand euro)	2016
Linkage account between Life and Non-Life	183,786
Operations on derivatives	282,373
Other liabilities	48,450
<b>Total</b>	<b>514,609</b>

The item “Operations on Derivatives” refers mainly to the valuation difference from hedging transactions covering risks deriving from exchange rates and interest rates on medium/long-term subordinated liabilities denominated in pound sterling, based on the “principle of coherent valuation” with the underlying position.

Miscellaneous liabilities mainly refer to the reinstatement premiums related to the outward reinsurance.

## Section 14 – Accrued expenses and deferred income – *Item H*

### 14.1 Details of accrued expenses and deferred income

(in thousand euro)	Accrued income	Deferred charges	Total
Interests	275,357	2	275,359
Rents	418	1,540	1,958
Other accrued expenses and deferred income	71,407	34,845	106,252
<b>Total</b>	<b>347,182</b>	<b>36,387</b>	<b>383,569</b>

### 14.2 Breakdown of other accrued expenses and deferred income – *Item H.3*

(in thousand euro)	Accrued income	Deferred charges	Total
Accrued expenses and deferred income on derivatives	65,123	34,845	99,968
Others	6,284	0	6,284
<b>Total</b>	<b>71,407</b>	<b>34,845</b>	<b>106,252</b>

### 14.3 Breakdown of accruals and deferred income and those with a duration of over five years

Deferred income that has a residual duration of over one year relates to:

- derivatives hedging the change in exchange rates relative to loans issued in previous years, for 2,667 thousand;
- derivatives hedging the change in interest rates relative to loans issued in previous years, for 28,796 thousand.

Furthermore, deferred income that has a residual duration of over five years relates to:

- derivatives hedging the change in exchange rates relative to loans issued in previous years, for 851 thousand;
- derivatives hedging the change in interest rates relative to loans issued in previous years, for 19,127 thousand.

## Section 15 – Assets and liabilities relating to Group companies and other companies in which a significant interest is held

### 15.1 Details of the assets and liabilities relating to Group companies and other companies in which a significant interest is held – (attachment 16)

(in thousand euro)	Parent companies	Subsidiaries	Filiates	Associates	Others	Total
<b>Assets</b>						
Equities	0	29,383,550	0	234,884	20,561	29,638,995
Bonds	0	634	0	0	0	634
Loans	0	752,000	0	0	0	752,000
Deposits with ceding companies	0	7,066,905	0	479	0	7,067,384
Investments relating to contracts linked to investment funds and market indexes	0	3,267,390	0	0	0	3,267,390
Investments relating to the administration of pension funds	0	0	0	0	0	0
Credits arising from direct insurance operations	0	389	0	0	0	389
Credits arising from reinsurance operations	0	288,288	0	1,893	0	290,181
Sundry credits	0	555,761	0	1	0	555,762
Bank and postal deposits	0	4,289	0	0	0	4,289
Other assets	0	49,034	0	0	0	49,034
<b>Total</b>	<b>0</b>	<b>41,398,240</b>	<b>0</b>	<b>237,257</b>	<b>20,561</b>	<b>41,656,058</b>
of which subordinated assets	0	0	0	0	0	0
<b>Liabilities</b>						
Subordinated liabilities	0	0	0	0	0	0
Deposits from reinsurers	0	9,710	0	0	0	9,710
Creditors arising from direct insurance operations	0	4,085	0	0	0	4,085
Creditors arising from reinsurance operations	0	103,488	0	18	0	103,506
Amounts due to banks and financial institutions	0	0	0	0	0	0
Other loans and financial debts	0	3,593,359	0	0	0	3,593,359
Other creditors	0	1,663,477	0	0	0	1,663,477
Sundry liabilities	0	13	0	0	0	13
<b>Total</b>	<b>0</b>	<b>5,374,132</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>5,374,150</b>

## Section 16 – Receivables and Payables

### 16.1 Duration of receivables and payables

With regards to receivables in items C and E of assets, 2,850 thousand may be collected after the next financial year and 8,400 thousand after five years.

With regards to payables in items F and G of liabilities, the following bond issue has a residual duration of over 5 years:

- “Senior September 2024” amounting to 1,750,000 thousand.

The following loans have a residual duration of over one year:

- Graafschap Holland N.V. equal to 2,958,778 thousand;
- Generali Investments equal to 55,000 thousand;
- Transocean Holding equal to 40,000 thousand;
- UMS Immobiliare equal to 27,000 thousand;
- Redoze Holding N.V. equal to 10,000 thousand.

Furthermore, the following bond issue has a residual duration of over one year:

- “Senior 2020” for 191,654 thousand;
- “Senior 2014-2020” for 1,250,000 thousand.

## Section 16 bis – individual pension funds

There are no individual pension funds in this item.

## Section 17 – Guarantees, commitments and other memorandum accounts

### 17.1 Details of guarantees issued/received and commitments – *Items I, II, III and IV (attachment 17)*

(in thousand euro)	2016	2015
I. Guarantees issued		
a) Guarantees and endorsements issued in the interest of parent companies, subsidiaries and affiliates	269.500	269.500
b) Guarantees and endorsements issued in the interest of associates and companies in which a significant interest is held	0	0
c) Guarantees and endorsements issued in the interest of third parties	0	0
d) Other personal guarantees issued in the interest of parent companies, subsidiaries and affiliates	2.369.000	3.588.982
e) Other personal guarantees issued in the interest of associates and companies in which a significant interest is held	0	0
f) Other personal guarantees issued in the interest of third parties	0	0
g) Real securities for bonds of parent companies, associates and affiliates	0	0
h) Real securities for bonds of associates and other companies in which a significant interest is held	0	0
i) Real securities for bonds of third parties	0	0
l) Guarantees issued for bonds of the Company	47.578	42.871
m) Assets deposited for direct reinsurance operations	0	0
<b>Total</b>	<b>2.686.078</b>	<b>3.901.353</b>
II. Guarantees received		
a) from Group Companies, associates and other companies in which a significant interest is held	0	0
b) from third parties	376.396	354.741
<b>Total</b>	<b>376.396</b>	<b>354.741</b>
III. Guarantees received in the interest of the Company		
a) from Group companies, associates and other companies in which a significant interest is held	0	0
b) from third parties	97.958	89.188
<b>Total</b>	<b>97.958</b>	<b>89.188</b>
IV. Commitments		0
a) Commitments for purchases which must be resold	0	0
b) Commitments for sales which must be repurchased	0	0
c) Other commitments	3.156.189	3.140.013
<b>Total</b>	<b>3.156.189</b>	<b>3.140.013</b>
III. Assets relating to pension funds managed in the name and on behalf of third parties	0	0
III. Securities deposited with third parties	6.882.753	6.518.841
<b>Total</b>	<b>6.882.753</b>	<b>6.518.841</b>

The Company has granted sureties and guarantees, primarily in the interest of subsidiaries, in the context of operations of a non-systematic nature and that did not involve a risk of insolvency inside the insurance group.

The other outstanding positions, provided from third parties in the interest of the Company, consist mainly of sureties provided to CONSAP, to government authorities and foreign insurance regulators as required for Company operations in non-European Union countries.

## 17.2 Evolution of guarantees issued

The guarantees in point I.d) have mainly been issued in favor of the subsidiary Generali Finance B.V. for 2,369,000 thousand.

## 17.3 Details of the assets and liabilities relating to pension funds managed in the name and on behalf of third parties – *Item VI*

There are no assets and liabilities attributable to pension funds managed in the name and on behalf of third parties classified in this item.

## 17.4 Details of securities deposited with third parties – *Item VII*

The securities owned by the Company, deposited in cus-

tody in various brokers, are recorded in the memorandum accounts at the nominal value of 6,882,753 thousand.

## 17.5 Breakdown of commitments – *Item IV* – and other memorandum accounts – *Item VIII*

Among the commitments, the most significant positions represent the notional reference value of open transactions in purchase and sale of derivatives, as outlined in table at point 17.6. In the other memorandum accounts, the positions are relative to index options, with related notional amount equal to 792,538 thousand euro and warrants, with related notional amount equal to 5 thousand euro.

## 17.6 Commitments regarding derivative transactions (*attachment 18*)

(in thousand euro)		2016				2015			
		Purchase		Sale		Purchase		Sale	
		Price	Fair value	Price	Fair value	Price	Fair value	Price	Fair value
<i>Futures:</i>	on shares	0	0	0	0	0	0	0	0
	on bonds	0	0	0	0	0	0	1,357	9
	on currencies	0	0	0	0	0	0	0	0
	on rates	0	0	0	0	0	0	0	0
	other	0	0	0	0	0	0	0	0
<i>Opzioni:</i>	on shares	0	0	0	0	0	0	0	0
	on bonds	0	0	0	0	0	0	0	0
	on currencies	0	0	0	0	0	0	0	0
	on rates	0	0	0	0	0	0	0	0
	other	0	0	0	0	0	0	0	0
<i>Swaps:</i>	on currencies	1,299,213	-440,185	469,812	-815	1,786,082	-308,955	656,390	-10,072
	on rates	0	0	605,539	-34,890	0	0	669,424	-56,119
	other	0	0	255,000	0	0	0	0	0
Other operations		0	0	0	0	0	0	0	0
<b>Total</b>		<b>1,299,213</b>	<b>-440,185</b>	<b>1,330,351</b>	<b>-35,705</b>	<b>1,786,082</b>	<b>-308,955</b>	<b>1,327,171</b>	<b>-66,182</b>

Derivatives transactions are consistent with the guidelines set by the specific resolution of the Board of Directors and in compliance with the rulings set by IVASS Regulation No. 24 dated 6 June 2016 and exclude transactions of a purely speculative nature.

Additional information about the criteria of evaluation, as well as changes in value recognized directly in the income statement, is shown in Part A - Foreword.

### Transactions

The most important transactions, with reference to notional values, took place in the Over the Counter (OTC) markets, offering adequate guarantees of settlement of the positions assumed. The contracts negotiated in these markets were drawn up with counterparties having investment grade rating, enabling the carrying out of professional operations, subject to prudential vigilance with the purpose of stability, pursuant the current regulations.

### Outstanding contracts at the end of the year

The overall value of outstanding contracts at year end, in terms of the nominal value of the reference capital (notional reference value), was 3,422,107 thousand.

The following is a breakdown of all contracts that were outstanding at year end, divided by purpose and contract type.

(in thousand euro)	Hedging		Efficient management		Total	
	Number	Value	Number	Value	Number	Value
Cross Currency Swap	20	1,649,740	4	119,285	24	1,769,025
Interest Rate Swap	1	255,539	2	350,000	3	605,539
Other Swap	0	0	3	255,000	3	255,000
Warrant / Rights	0	0	3	5	3	5
Options purchased on shares	0	0	0	0	0	0
Options purchased on indexes	0	0	10	792,538	10	792,538
Options sold on shares	0	0	0	0	0	0
Swaptions	0	0	0	0	0	0
Futures on indexes	0	0	0	0	0	0
Futures on bonds	0	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>1,905,279</b>	<b>22</b>	<b>1,516,828</b>	<b>43</b>	<b>3,422,107</b>

### 17.7 Disclosure concerning contingent liabilities not recorded in the balance sheet of which to in Art. 2427, No. 9) of the first paragraph

The Company has not identified contingent liabilities in addition to those already taken into account in the determination of provisions for risks and charges (Section 12).

### 17.8 Disclosure regarding to the amount of the securities held on deposit with a ceding company or third parties which remain property of the company accepting reinsurance

The amount of the securities held on deposit with a ceding company or third parties which remain property of the company accepting reinsurance, is equal to 131,806 thousand.

## Profit and Loss account

### Summary

(in thousand euro)	2016			2015	
	Non-life	Life	Total	Total	Normalized
Gross premiums written	1,660,093	2,007,507	3,667,600	3,113,060	554,540
Ceded reinsurance premiums	-492,109	-371,896	-864,005	-822,991	-41,014
Income and charges from life investments	0	1,253,384	1,253,384	1,241,316	12,068
Allocated investment return transferred to/from the technical account	123,006	-682,393	-559,387	-594,695	35,308
Income and charges from class D	0	41,926	41,926	4,986	36,940
Charges relating to claims	-763,578	-1,792,419	-2,555,997	-2,383,926	-172,071
Change in unearned premiums, mathematical and other provisions	-51,255	211,500	160,245	367,513	-207,268
Profit-sharing and premium refunds	-28	-66,744	-66,772	-48,885	-17,887
Operating expenses	-248,073	-254,879	-502,952	-397,244	-105,708
Other technical income and charges	-9,617	15,288	5,671	8,925	-3,254
<b>Result of technical account</b>	<b>218,439</b>	<b>361,274</b>	<b>579,713</b>	<b>488,059</b>	<b>91,654</b>
Income and charges from non-life investments	815,422	0	815,422	427,467	387,955
Investments profit transferred from/to the non technical account	-123,006	682,393	559,387	594,695	-35,308
Other income	266,020	225,536	491,556	398,464	93,092
Other charges	-1,057,874	-516,928	-1,574,802	-1,455,547	-119,255
<b>Results from ordinary operations</b>	<b>119,001</b>	<b>752,275</b>	<b>871,276</b>	<b>453,138</b>	<b>418,138</b>
Extraordinary income	40,155	39,434	79,589	373,028	-293,439
Extraordinary charges	-39,850	-4,967	-44,817	-36,746	-8,071
<b>Result before taxation</b>	<b>119,306</b>	<b>786,742</b>	<b>906,048</b>	<b>789,420</b>	<b>116,628</b>
Income taxes for the year	173,753	16,459	190,212	142,047	48,165
<b>Result for the year</b>	<b>293,059</b>	<b>803,201</b>	<b>1,096,260</b>	<b>931,467</b>	<b>164,793</b>

### Section 18 – information on the non-life business technical account (i)

#### 18.1 Premiums written

(in thousand euro)	Direct business	Reinsurance business	Total
Non life	401,192	1,258,901	1,660,093
Life	486,321	1,521,186	2,007,507
<b>Total</b>	<b>887,513</b>	<b>2,780,087</b>	<b>3,667,600</b>



## 18.2 Summary of the non-life business technical account – Italian and foreign business – (attachment 19)

(in thousand euro)	Gross premiums written	Gross prem. for the year	Gross cost of claims	Operating costs	(*) Reinsurers' share
<b>Direct insurance:</b>					
Accident and Health	24,626	25,606	18,717	6,233	-1,928
Motor TPL	88	124	171	5	-6
Material damage	8,174	6,671	4,102	95	1,123
Hull marine	20,624	20,188	13,921	4,703	137
Fire and property other than fire	38,646	30,160	29,918	8,233	4,796
General liability	54,499	52,942	32,871	11,826	-3,621
Credit and suretyship	2,941	325	-5	115	248
Pecuniary losses	9,173	7,586	1,231	2,135	-1,911
Legal protection	3	2	-20	2	0
Assistance	63	98	-24	6	-6
<b>Total direct insurance</b>	<b>158,837</b>	<b>143,702</b>	<b>100,882</b>	<b>33,353</b>	<b>-1,168</b>
<b>Reinsurance</b>	<b>192,548</b>	<b>196,652</b>	<b>45,671</b>	<b>15,317</b>	<b>-105,404</b>
<b>Total Italian portfolio</b>	<b>351,385</b>	<b>340,354</b>	<b>146,553</b>	<b>48,670</b>	<b>-106,572</b>
<b>Foreign portfolio</b>	<b>1,308,708</b>	<b>1,257,992</b>	<b>779,749</b>	<b>256,826</b>	<b>-164,079</b>
<b>Grand total</b>	<b>1,660,093</b>	<b>1,598,346</b>	<b>926,302</b>	<b>305,496</b>	<b>-270,651</b>

(\*) The reinsurers' share is the technical balance of cessions and retrocessions.

### 18.3 Statement concerning the transfer of the allocated investment return from the non-technical account and indication of the base applied for the calculation – Item I.2

The net investment return assumed for the determination of the quota to be transferred to the non-life technical account arises from the amounts, registered in the non-technical account, of investment returns and related financial charges.

The percentage to be allocated to the technical account – in compliance with ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented – is calculated by applying to the net investment return, the ratio resulting

between the average of (current and prior year) technical provisions, net of reinsurance and this same average added to the average (current and prior year) of the shareholders' funds plus subordinated liabilities.

In 2016 the ratio was 15.085%, applied to the investment profit of 815,422 thousand, the sum allocated to the technical account was 123,006 thousand (61,192 thousand in 2015).

The division into single portfolios and lines of business of the allocated investment return to the technical account was also carried out on the basis of the above-mentioned ISVAP (now IVASS) ruling.

### 18.4 Other technical income net of reinsurance – Item I.3

(in thousand euro)	2016
Reversal of commissions relating to devalued or cancelled premiums of previous years	282
Other technical income	998
<b>Total of other technical income</b>	<b>1,280</b>

### 18.5 Net provision for outstanding claims development result

The difference between the amount of the provision for outstanding claims recorded at the beginning of the year

and the payment for claims accrued in previous years, as well as the amount of the relevant provision at the end of the year, produced a loss of 16,462 thousand, corresponding to 14.5% on the provision for outstanding claims.

### 18.6 Premium refunds and profit-sharing – Item I.6

(in thousand euro)	2016
Premium refunds	28
Change in profit-sharing	0
<b>Total</b>	<b>28</b>

### 18.7 Reinsurance commissions and profit-sharing – Item I.7.f

(in thousand euro)	2016
Commissions	57,370
Profit-sharing	53
<b>Total</b>	<b>57,423</b>

### 18.8 Other technical charges net of reinsurance – Item I.8

(in thousand euro)	2016
Cancellation of issued premiums of previous years	1,374
Devaluation for uncollectable sums due towards policyholders for premiums	340
Negative components of the C.I.D. (Direct Refund Agreement)	9
Other technical charges	9,173
<b>Total of other technical charges</b>	<b>10,896</b>

### 18.9 Equalisation provisions – Item I.9

(in thousand euro)	2016	2015	Change
Equalisation provision:			
Accident	1	0	1
Fire	190	99	91
Pecuniary losses	7	7	0
<b>Total</b>	<b>198</b>	<b>106</b>	<b>92</b>
Compensation provision for the credit sector	0	2	–2
<b>Total equalisation provisions</b>	<b>198</b>	<b>108</b>	<b>90</b>

## Section 19 – Information on the life business technical account (II)

### 19.1 Summary of the life business: premiums and reinsurers' share – (attachment 20)

(in thousand euro)	Direct business	Reinsurance	Total
<b>Gross premiums:</b>	<b>486,321</b>	<b>1,521,186</b>	<b>2,007,507</b>
a) 1. for individual policies	340,580	420,575	761,155
2. for group policies	145,741	1,100,611	1,246,352
b) 1. regular premiums	216,362	1,521,186	1,737,548
2. single premiums	269,959	0	269,959
c) 1. for non-profit-sharing contracts	436,982	1,484,151	1,921,133
2. for profit-sharing contracts	0	0	0
3. for contracts in which the investment risk is borne by policyholders and for contracts linked to pension funds	49,339	37,035	86,374
<b>Reinsurers' share (*)</b>	<b>1,316</b>	<b>-9,798</b>	<b>-8,482</b>

(\*) The reinsurers' share is the technical balance of cessions and retrocessions.

## 19.2 Details of investment income – Item II.2 (attachment 21 – Life)

(in thousand euro)	2016
from equities:	
Dividends and other income from equities of Group companies and companies in which a significant share is held	956,621
Dividends and other income from equities of other companies	3,185
<b>Total</b>	<b>959,806</b>
<b>Income from land and buildings</b>	<b>0</b>
Income from other investments:	
Income from bonds of Group companies and companies in which a significant share is held	961
Interest on loans to Group companies and companies in which a significant share is held	11,991
Income from units of common investment funds	0
Income from bonds and other fixed-interest securities	58,059
Interest on loans	78
Income from participation in investment pools	0
Interest on deposits with credit institutions	363
Income from various financial investments	49,396
Interest on deposits with ceding companies	256,664
<b>Total</b>	<b>377,512</b>
Reversal value adjustments on investments relating to:	
Land and buildings	0
Equities of Group companies and companies in which a significant share is held	0
Bonds issued by Group companies and companies in which a significant share is held	5
Other equities	0
Other bonds	8,829
Other financial investments	0
<b>Total</b>	<b>8,834</b>
Gains on the realisation of investments:	
Gains from sale of land and buildings	0
Gains from equities of Group companies and companies in which a significant share is held	0
Gains from bonds issued by Group companies and companies in which a significant share is held	0
Gains from other equities	0
Gains from other bonds	2,625
Gains from other financial investments	8,665
<b>Total</b>	<b>11,290</b>
<b>Grand total</b>	<b>1,357,442</b>

### 19.3 Details of income and unrealized gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds – *Item II.3 (attachment 22)*

(in thousand euro)	2016
Income from:	
Land and buildings	0
Investments in Group companies and companies in which a significant share is held	25,696
Income from units of common investment funds	2
Other financial investments	1,890
-of which, income from bonds	
Other assets	15
<b>Total</b>	<b>27,603</b>
Gains from the realisation of investments	
Gains from sale of land and buildings	0
Gains from investments in Group comp. and comp. in which a significant share is held	0
Income from units of common investment funds	638
Gains from other financial investments	737
-of which, from bonds	
Other income	0
<b>Total</b>	<b>1,375</b>
Unrealised gains	23,119
<b>Grand total</b>	<b>52,097</b>

### 19.4 Other technical income net of reinsurance – *Item II.4*

(in thousand euro)	2016
Commissions recoveries	22,523
Recovery of commissions relating to annulment of multi-year contracts	54
Other technical income	1,074
<b>Total of other technical income</b>	<b>23,651</b>

### 19.5 Outstanding payments provision development result

The difference between the amount of the reserve for outstanding claims existing at the beginning of the year

and the amounts paid to the beneficiaries of the contracts during the period for claims incurred in previous years and the amount of the reserves at year-end is not significant.

## 19.6 Premium refunds and profit-sharing – Item II.7

(in thousand euro)	2016
Premium refunds	0
Change in profit-sharing	66,744
<b>Total</b>	<b>66,744</b>

## 19.7 Reinsurance commissions and profit-sharing – Item II.8.f

(in thousand euro)	2016
Commissions	58,235
Reinsurers' profit-sharing	11,041
<b>Total</b>	<b>69,276</b>

## 19.8 Details of investment charges – Item II.9 (attachment 23 – Life)

(in thousand euro)	2016
Investments operating charges and other charges	
Charges relating to equities	6,869
Charges relating to investments in land and buildings	0
Charges relating to bonds	3,474
Charges relating to units of common investment funds	0
Charges relating to shares in investment pools	0
Charges relating to other financial investments	76,503
Interest on deposits with reinsurers	5,943
<b>Total</b>	<b>92,789</b>
Value adjustments on investments relating to:	
Land and buildings	0
Equities in Group companies and companies in which a significant share is held	0
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	4,560
Other bonds	6,381
Other financial investments	0
<b>Total</b>	<b>10,941</b>
Losses on the realisation of investments	
Losses from sale of land and buildings	0
Losses from equities	0
Losses from bonds	157
Losses from other financial investments	170
<b>Total</b>	<b>327</b>
<b>Grand total</b>	<b>104,057</b>

### 19.9 Details of financial charges and unrealised losses on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds – *Item II.10 (attachment 24)*

(in thousand euro)	2016
Charges relating to:	
Land and buildings	0
Investments in Group companies and companies in which a significant share is held	0
Units of common investment funds	0
Other financial investments	-1
Other assets	141
<b>Total</b>	<b>140</b>
Losses on the realisation of investments	
Losses from sale of land and buildings	0
Losses from investments in Group companies and companies in which a significant share is held	0
Losses from units of common investment funds	275
Losses from other financial investments	9
Other charges	1
<b>Total</b>	<b>285</b>
<b>Unrealised losses</b>	<b>9,746</b>
<b>Grand total</b>	<b>10,171</b>

### 19.10 Other technical charges net of reinsurance – *Item II.11*

(in thousand euro)	2016
Cancellation of issued premiums of previous years	1,085
Other technical charges	7,277
<b>Total of other technical charges</b>	<b>8,362</b>

### 19.11 Statement concerning the transfer of the allocated investment return to the non-technical account and indication of the base applied for the calculation – *Item II.12*

The investment return assumed for the determination of the quota to be transferred to the non-technical account arises from the amounts, registered in the technical account, of the investment profits and related financial charges. Profits and unrealised gains as well as charges and unrealised losses deriving from investments relating to item D (held for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds) are excluded. These items, therefore, continue to be accounted for in the technical account.

The quota to be allocated to the non-technical account – in compliance with ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented – is calculated by applying, to the investment return, the ratio resulting between:

- the average of (current and prior year) Shareholders' funds;
- the average of (current and prior year) Shareholders' funds plus the average of (current and prior year) technical provisions, net of reinsurance.

If the investment return that remains allocated to the life technical account is lower than the investment profits contractually acknowledged with the policyholders during the year, the quota to be transferred to the non-technical account must be similarly reduced in the pro-

tion of this lower value, and may even be cancelled if necessary.

For the 2016 financial statements, on the basis of the calculation methods explained in the previous paragraph, the quota to be applied to the total income for the year, equal to 1,253,384 thousand, was 54.444%, and

involved an allocation to the non-technical account of 682,393 thousand (655,887 thousand in 2015).

The division into single portfolios and lines of business of the investment return quota relative to the technical account was calculated on the basis of their origin.

## Section 20 – Development of technical items by line of business

### 20.1 Non-life insurance

#### 20.1.1. Summary of technical accounts by line of business – Italian portfolio – (attachment 25)

(in thousand euro)	Isvap Class 01	Isvap Class 02	Isvap Class 03	Isvap Class 04	Isvap Class 05	Isvap Class 06
	Accident	Health	Motor material damage	Hull transport (trains)	Hull aviation	Hull marine
Gross direct business						
(+) Premiums written	3,074	21,552	8,174	309	3,231	8,154
(–) Change in unearned premium provision	98	–1,078	1,503	–30	–24	121
(–) Charges relating to claims	3,781	14,936	4,102	0	2,132	6,238
(–) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	–2	0	0	–7	–22	0
(–) Operating expenses	36	6,197	95	4	548	2,004
<b>Technical balance of direct business</b>	<b>–843</b>	<b>1,497</b>	<b>2,474</b>	<b>328</b>	<b>553</b>	<b>–209</b>
<b>Result of ceded reinsurance</b>	<b>–139</b>	<b>–1,789</b>	<b>1,123</b>	<b>0</b>	<b>–416</b>	<b>–143</b>
<b>Net result of reinsurance</b>	<b>11,045</b>	<b>–985</b>	<b>258</b>	<b>–88</b>	<b>158</b>	<b>2,327</b>
(–) Change in equalisation provision	0	0	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	3,765	1,827	906	19	270	992
<b>Technical result</b>	<b>13,828</b>	<b>550</b>	<b>4,761</b>	<b>259</b>	<b>565</b>	<b>2,967</b>



(in thousand euro)	Isvap Class 07	Isvap Class 08	Isvap Class 09	Isvap Class 10	Isvap Class 11	Isvap Class 12
	Cargo	Fire	Property other than fire	Motor TPL	Aviation TPL	Marine TPL
Gross direct business						
(+) Premiums written	5,505	18,024	20,622	88	3,425	0
(-) Change in unearned premium provision	419	4,338	4,148	-36	-50	0
(-) Charges relating to claims	5,138	18,820	11,098	171	350	63
(-) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	0	316	-10	-10	-3	0
(-) Operating expenses	1,349	4,140	4,093	5	795	3
<b>Technical balance of direct business</b>	<b>-1,401</b>	<b>-8,958</b>	<b>1,273</b>	<b>-62</b>	<b>2,327</b>	<b>-66</b>
<b>Result of ceded reinsurance</b>	<b>799</b>	<b>-778</b>	<b>5,574</b>	<b>-6</b>	<b>-100</b>	<b>-3</b>
<b>Net result of reinsurance</b>	<b>-437</b>	<b>-2,318</b>	<b>3,998</b>	<b>-14,068</b>	<b>52</b>	<b>5</b>
(-) Change in equalisation provision	0	92	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	1,050	3,867	1,998	2,186	255	92
<b>Technical result</b>	<b>11</b>	<b>-8,279</b>	<b>12,843</b>	<b>-11,950</b>	<b>2,534</b>	<b>28</b>

(in thousand euro)	Isvap Class 13	Isvap Class 14	Isvap Class 15	Isvap Class 16	Isvap Class 17	Isvap Class 18
	General liability	Credit	Suretyship	Pecuniary losses	Legal protection	Assistance
Gross direct business						
(+) Premiums written	54,499	0	2,941	9,173	3	63
(-) Change in unearned premium provision	1,557	-1	2,617	1,587	1	-35
(-) Charges relating to claims	32,871	-5	0	1,231	-20	-24
(-) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	-268	-1	0	-9	0	0
(-) Operating expenses	11,826	11	104	2,135	2	6
<b>Technical balance of direct business</b>	<b>7,977</b>	<b>-6</b>	<b>220</b>	<b>4,211</b>	<b>20</b>	<b>116</b>
<b>Result of ceded reinsurance</b>	<b>-3,621</b>	<b>0</b>	<b>248</b>	<b>-1,911</b>	<b>0</b>	<b>-6</b>
<b>Net result of reinsurance</b>	<b>23,203</b>	<b>734</b>	<b>2,129</b>	<b>4,139</b>	<b>109</b>	<b>0</b>
(-) Change in equalisation provision	0	-2	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	12,843	20	284	241	35	6
<b>Technical result</b>	<b>40,402</b>	<b>750</b>	<b>2,881</b>	<b>6,680</b>	<b>164</b>	<b>116</b>

Whenever possible, costs were charged to each specific line of business from the outset; common expenses are shared proportionally according to parameters (gross

premiums, number of policies managed, commissions and claims paid) suitable for the different types of costs.

## 20.1.2. Summary of non-life business technical accounts – Italian portfolio – (attachment 26)

(in thousand euro)	Direct insurance		Reinsurance		Risks retained
	Direct risks	Ceded risks	Direct risks	Retroc. risks	
(+) Premiums written	158,837	31,367	192,548	94,258	225,760
(–) Change in unearned premium provision	15,135	1,563	–4,104	–6,125	15,593
(–) Charges relating to claims	100,882	23,073	45,671	–11,227	134,707
(–) Change in other technical provisions	0	0	0	0	0
(+) Balance of other technical items	–16	21	0	3,428	–3,465
(–) Operating expenses	33,353	5,584	15,317	9,634	33,452
<b>Technical balance</b>	<b>9,451</b>	<b>1,168</b>	<b>135,664</b>	<b>105,404</b>	<b>38,543</b>
(–) Change in equalisation provisions					90
(+) Positive share of investments allocated from the non-technical account	19,552		11,104		30,656
<b>Technical result</b>	<b>29,003</b>	<b>1,168</b>	<b>146,768</b>	<b>105,404</b>	<b>69,109</b>

## 20.2 Life insurance

## 20.2.1. Summary of technical accounts by line of business – Italian portfolio – (attachment 27)

(in thousand euro)	Isvap Class I	Isvap Class III	Isvap Class IV	Isvap Class V	Isvap Class VI
	Life	Investment funds	Health	Capitalisation	Pension funds
Gross direct business					
(+) Premiums written	80,764	50	24,052	414	0
(–) Charges relating to claims	115,461	6,067	–15,882	4,735	0
(–) Change in mathematical and other provisions	–9,157	8,098	35,361	471	0
(+) Balance of other technical items	0	1	–1,803	0	0
(–) Operating expenses	5,272	99	3,421	2	0
(+) Investment profit net of the quota allocated to the non-technical account	74,058	12,669	2,304	7,960	0
<b>Technical balance</b>	<b>43,246</b>	<b>–1,544</b>	<b>1,653</b>	<b>3,166</b>	<b>0</b>
<b>Result of ceded reinsurance</b>	<b>4,263</b>	<b>–7</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net result of reinsurance</b>	<b>213,229</b>	<b>–65</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Technical result</b>	<b>260,738</b>	<b>–1,616</b>	<b>1,653</b>	<b>3,166</b>	<b>0</b>

For the attribution of the expenses to the lines of business please refer to point 20.1.1.

## 20.2.2. Summary of life technical accounts – Italian portfolio – (attachment 28)

(in thousand euro)	Direct insurance		Reinsurance		Risks retained
	Direct risks	Ceded risks	Direct risks	Retroc. risks	
(+) Premiums written	105,280	26,886	281,188	1,314	358,268
(-) Charges relating to claims	110,381	27,458	778,473	0	861,396
(-) Change in mathematical and other provisions	34,773	511	-433,191	0	-398,929
(+) Balance of other technical items	-1,802	0	-103	0	-1,905
(-) Operating expenses	8,794	3,173	22,811	858	27,574
(+) Investment profit net of the quota allocated to the non-technical account	96,991	0	300,628	0	397,619
<b>Technical result</b>	<b>46,521</b>	<b>-4,256</b>	<b>213,620</b>	<b>456</b>	<b>263,941</b>

## 20.3 Non - life and life insurance

### 20.3.1. Summary of non-life and life technical accounts – foreign portfolio – (attachment 29)

(in thousand euro)	Non life	Life
Gross direct business		
(+) Premiums written	242,353	381,041
(-) Change in non-life unearned premium provision	12,856	0
(-) Charges relating to claims	109,409	68,999
(-) Change in mathematical and other provisions in life branches		264,970
(-) Change in other technical provisions in non-life branches	0	0
(+) Balance of other technical items	658	19,435
(-) Operating expenses	64,760	64,413
(+) Investment profit of the life branch net of the quota allocated to the non-technical account		24,947
<b>Technical balance of direct business</b>	<b>55,986</b>	<b>27,041</b>
<b>Result of ceded reinsurance</b>	<b>-47,562</b>	<b>-2,941</b>
<b>Net result of reinsurance</b>	<b>48,552</b>	<b>73,233</b>
(-) Change in equalisation provisions for non-life branches	0	
(+) Quota of profits transferred from the non-technical account of the non-life branches	92,351	
<b>Technical result</b>	<b>149,327</b>	<b>97,333</b>

## Section 21 – information on the non – technical account (III)

### 21.1 Details of investment income – Item III.3 (attachment 21 – non-life)

(in thousand euro)	2016
from equities:	
Dividends and other income from equities of Group companies and companies in which a significant share is held	896,431
Dividends and other income from equities of other companies	1,198
<b>Total</b>	<b>897,629</b>
<b>Income from land and buildings</b>	<b>4,983</b>
Income from other investments:	
Income from bonds of Group companies and companies in which a significant share is held	0
Interest on loans to Group companies and companies in which a significant share is held	21,177
Income from units of common investment funds	1,376
Income from bonds and other fixed-interest securities	18,237
Interest on loans	16
Income from participation in investment pools	0
Interest on deposits with credit institutions	555
Income from various financial investments	37,081
Interest on deposits with ceding companies	3,265
<b>Total</b>	<b>81,707</b>
Reversal value adjustments on investments relating to:	
Land and buildings	0
Equities of Group companies and companies in which a significant share is held	6,072
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	43
Other bonds	1,438
Other financial investments	12,194
<b>Total</b>	<b>19,747</b>
Gains on the realisation of investments:	
Gains from sale of land and buildings	0
Gains from equities of Group companies and companies in which a significant share is held	1,999
Gains from bonds issued by Group companies and companies in which a significant share is held	0
Gains from other equities	3,267
Gains from other bonds	34
Gains from other financial investments	8,799
<b>Total</b>	<b>14,099</b>
<b>Grand total</b>	<b>1,018,165</b>

## 21.2 Details of investment charges – Item III.5 (attachment 23 – Non-life)

(in thousand euro)	2016
Investments operating charges and other charges	
Charges relating to equities	2,470
Charges relating to investments in land and buildings	2,275
Charges relating to bonds	1,629
Charges relating to units of common investment funds	0
Charges relating to shares in investment pools	0
Charges relating to other financial investments	56,227
Interest on deposits with reinsurers	108
<b>Total</b>	<b>62,709</b>
Value adjustments on investments relating to:	
Land and buildings	1,209
Equities in Group companies and companies in which a significant share is held	58,003
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	606
Other bonds	9,200
Other financial investments	8,002
<b>Total</b>	<b>77,020</b>
Losses on the realisation of investments	
Losses from sale of land and buildings	0
Losses from equities	844
Losses from bonds	0
Losses from other financial investments	62,171
<b>Total</b>	<b>63,015</b>
<b>Grand total</b>	<b>202,744</b>

## 21.3 Details of other income – Item III.7

(in thousand euro)	2016
Profit on exchange rates	362,828
Royalties for Generali's brand usage	68,481
Administration charges recovered from third parties	27,557
Withdrawal from provisions	13,007
Withdrawal from tax provisions	9,743
Other	9,940
<b>Total</b>	<b>491,556</b>

### 21.4 Details of other charges – *Item III.8*

<i>(in thousand euro)</i>	<b>2016</b>
Interests paid on subordinated liabilities	460,764
Holding expenses	420,536
Losses on exchange rates	352,119
Interests paid on bonds issue	141,609
Interest paid on loans	74,733
Administrative charges on behalf of third parties	27,559
Sums allocated to provisions	24,665
Depreciation quota of long-term charges	20,262
Undeductible VAT	13,324
Sundry interests paid	10,123
Sundry taxes	8,222
Other	20,887
<b>Total</b>	<b>1,574,803</b>

### 21.5 Details of extraordinary income – *Item III.10*

<i>(in thousand euro)</i>	<b>2016</b>
Gains from sales of real property and from securities	54,695
Adjustments on pre-paid and deferred taxation	18,500
Gains contingent	5,987
Dividends cancellation	384
Income from sale of intangible assets and stocks	24
<b>Total</b>	<b>79,590</b>

The item profits from sales of fixed assets relates to the settlement of Telco AG Srl units for 37,955 thousand, and to the reimbursement of units of the fund Securis I for 7,515 thousand.

## 21.6 Details of extraordinary charges – Item III.11

(in thousand euro)	2016
Previous years taxes	20,176
Early retirement incentives	16,991
Losses	7,330
Other extraordinary charges	320
<b>Total</b>	<b>44,817</b>

## 21.7 Details of income taxes – Item III.14

(in thousand euro)	2016
Current taxes	-180,750
Change in pre-paid taxation	-7,201
Change in deferred taxation	-2,261
<b>Income tax for the year</b>	<b>-190,212</b>

The company complies, as a Parent Company, with the Corporate tax treatment, regulated by Title II, Chapter II, Section II of the TUIR (Art. 117-129). The number of subsidiaries that exercised the option with the Parent Company has decreased to 20 (21 during the last year); the consolidated company Europ Assistance Service was merged by incorporation into Europ Assistance Vai, also consolidated.

With reference to the significant terms and conditions of the agreements that regulate the relationship between the consolidating company and the consolidated companies, it should be noted that each consolidated company, in cases where it contributes to the formation of the total global income with its taxable income, must provide to the consolidating company an amount equal to the relative tax due; on the other hand, in case the consolidated company contributes to the formation of the consolidated total global income with a tax loss, an amount equal to the financial benefit due to the Parent Company on payment of the Group tax, will be granted.

By accepting the Corporate tax treatment, the company benefited from the immediate offsetting of the tax loss of the tax period, thus recording an income. The company

also took over, as consolidating company, the positions of the consolidated companies for the taxable income for the period, net of the offset of all the current and previous fiscal losses, accounting for a debt towards the Tax Authorities of 281,454 thousand and a concomitant credit for the same amount towards the companies themselves.

Income taxes for the year show a positive balance of 190,212 thousand (142,046 the previous year), due to the following components:

- income for accrual IRES for 217,729 thousand (172,639 thousand in the previous year); the significant increase of the income compared to the previous year is mainly attributable to the increase in dividends excluded from taxation;
- accrual IRAP with a cost equal to 3,298 thousand;
- taxes due in Italy on income of certain foreign subsidiaries for 14,774 thousand (24,036 thousand in the previous year);
- taxes paid abroad for 9,445 thousand (4,397 thousand in the previous year).

Hereinafter the reconciliation between the theoretical tax rate and effective tax rate:

IRES ordinary rate	27.50%
Effect of permanent differences (increases and decreases) compared to the ordinary rate:	
Permanent differences in increase:	
capital losses on non-deductible participations	7.33%
interests due	0.88%
other differences	1.18%
Permanent differences in decrease:	
excluded dividends	-53.54%
capital gains on exempt participations or subject to substitute tax	-6.16%
other differences	-1.81%
Total permanent differences	-52.12%
<b>Actual tax rate IRES</b>	<b>-24.62%</b>
Income tax of foreign subsidiaries and associates and other taxes paid abroad	3.26%
Accrual IRAP of the period	0.36%
<b>Total tax rate</b>	<b>-21.00%</b>

### *Pre-paid and deferred taxation*

Pre-paid and deferred taxation relate to items that combine to form the income tax in a tax period other than that in which they are recognized in the income statement.

The movements of pre-paid and deferred taxation are determined using the IRES rate of 27.5% in relation to the decrease and 24% with regard to the increases, and the IRAP rate of 3.54%; as regard exclusively IRAP, the

closing balances of pre-paid taxation have been restated to take into account the estimated amount of premiums collected abroad and the consequent impact of tax items on the production value of future tax periods; this recalculation for the change in tax rate has resulted a total cost of 3,160 thousand.

The breakdown of the main items and changes during the year is provided in the tables below; all amounts are recorded in the income statement.



## Pre-paid taxation

(in thousand euro)	Initial balance		Changes over the year		Final balance	
	Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes
Assets for pre-paid taxes - IRES						
Evaluation of securities	5,171	1,241	28,731	6,896	33,902	8,137
Depreciation (mainly goodwill)	105,277	25,874	-20,441	-5,513	84,836	20,361
Devaluations of credits due by policyholders	596,233	144,139	-29,812	-8,198	566,421	135,941
Other sums set aside and not deductible in the year	72,505	17,401	3,675	882	76,180	18,283
Change of provisions	74,078	18,079	22,230	5,035	96,308	23,114
Sundry	22,282	5,260	47,294	11,438	69,576	16,698
<b>Total</b>	<b>875,546</b>	<b>211,994</b>	<b>51,677</b>	<b>10,540</b>	<b>927,223</b>	<b>222,534</b>
<b>Assets for pre-paid taxes - IRAP</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation (mainly goodwill)	98,987	5,840	-17,885	-2,969	81,102	2,871
Devaluations of credits due by policyholders	9,435	557	-472	-240	8,963	317
Sundry	28,067	1,656	15,038	-130	43,105	1,526
<b>Total</b>	<b>136,489</b>	<b>8,053</b>	<b>-3,319</b>	<b>-3,339</b>	<b>133,170</b>	<b>4,714</b>
<b>Total early taxation</b>	<b>1,012,035</b>	<b>220,047</b>	<b>48,358</b>	<b>7,201</b>	<b>1,060,393</b>	<b>227,248</b>

## Deferred taxation

(in thousand euro)	Initial balance		Changes over the year		Final balance	
	Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes
Liabilities for deferred taxes - IRES						
Real estate	10,860	2,606	-18	-4	10,842	2,602
Gains installments	12,307	2,954	-8,188	-1,966	4,119	988
Sundry	8,341	2,084	-702	-250	7,639	1,834
<b>Total</b>	<b>31,508</b>	<b>7,644</b>	<b>-8,908</b>	<b>-2,220</b>	<b>22,600</b>	<b>5,424</b>
Liabilities for deferred taxes - IRAP						
Real estate	693	41	-693	-41	0	0
<b>Total</b>	<b>693</b>	<b>41</b>	<b>-693</b>	<b>-41</b>	<b>0</b>	<b>0</b>
<b>Total deferred taxation</b>	<b>32,201</b>	<b>7,685</b>	<b>-9,601</b>	<b>-2,261</b>	<b>22,600</b>	<b>5,424</b>

## Section 22 – Other information on the profit and loss account

### 22.1 Outline of relations with Group companies and other companies in which a shareholding is held – (attachment 30)

(in thousand euro)	Parent company	Subsidiaries	Filiates	Associated	Other	Total
<b>INCOME</b>						
Investment income						
Income from land and buildings	0	0	0	0	0	0
Dividends and other income from equities	0	1,827,102	0	18,418	7,532	1,853,052
Income from bonds	0	61	0	0	899	960
Interest on loans	0	33,168	0	0	0	33,168
Income from other financial investments	0	24	0	0	0	24
Interest on deposits with ceding companies	0	245,905	0	15	0	245,920
<b>Total</b>	<b>0</b>	<b>2,106,260</b>	<b>0</b>	<b>18,433</b>	<b>8,431</b>	<b>2,133,124</b>
<b>Unrealised income and gains on investments for the benefit of policyholders</b>						
<b>0</b>	<b>25,696</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,696</b>
Other income						
Interest on amounts due	0	4,886	0	0	0	4,886
Recoveries of administration expenses and charges	0	27,193	0	0	0	27,193
Other income and recoveries	0	102,168	0	0	0	102,168
<b>Total</b>	<b>0</b>	<b>134,247</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134,247</b>
Gains on the realisation of investments	0	1,999	0	0	0	1,999
Extraordinary income	0	46,878	0	0	0	46,878
<b>Grand total</b>	<b>0</b>	<b>2,315,080</b>	<b>0</b>	<b>18,433</b>	<b>8,431</b>	<b>2,341,944</b>
<b>CHARGES</b>						
Charges on investments administration and paid interest						
Investments charges	0	10,854	0	0	0	10,854
Interest on subordinated liabilities	0	11,754	0	0	0	11,754
Interest on deposits from reinsurers	0	0	0	0	0	0
Interest on debts from direct insurance transactions	0	0	0	0	0	0
Interest on debts from reinsurance transactions	0	9,854	0	0	0	9,854
Interest on sums due to banks and financial institutions	0	3	0	0	0	3
Interest on guaranteed loans	0	0	0	0	0	0
Interest on other debts	0	74,733	0	0	0	74,733
Losses on credits	0	0	0	0	0	0
Administration charges and expenses for third parties	0	27,193	0	0	0	27,193
Other charges	0	43,892	0	97	462	44,451
<b>Total</b>	<b>0</b>	<b>178,283</b>	<b>0</b>	<b>97</b>	<b>462</b>	<b>178,842</b>
<b>Unrealised charges and losses on investments for the benefit of policyholders</b>						
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Losses on the realisation of investments	0	15	0	0	0	15
Extraordinary charges	0	1,526	0	0	0	1,526
<b>Grand total</b>	<b>0</b>	<b>179,824</b>	<b>0</b>	<b>97</b>	<b>462</b>	<b>180,383</b>

## 22.2 Summary of direct business premiums written – (attachment 31)

(in thousand euro)	Non-life		Life		Total	
	Branch	F.O.S.	Branch	F.O.S.	Branch	F.O.S.
Premiums written						
in Italy	41,201	199	10,558	0	51,759	199
in other EU Countries	114,064	3,347	94,722	0	208,786	3,347
in third Countries	242,353	27	381,041	0	623,394	27
<b>Total</b>	<b>397,618</b>	<b>3,573</b>	<b>486,321</b>	<b>0</b>	<b>883,939</b>	<b>3,573</b>

## 22.3 Personnel expenses and director and auditor fees – (attachment 32)

(in thousand euro)	Non-life	Life	Total
I. Staff expenses			
Expenses related to employees:			
Italian portfolio: Wages	152,458	3,275	155,733
Social contributions	43,828	1,142	44,970
Sums allocated to the provision for retirement	8,921	221	9,142
Other employee costs	9,825	61	9,886
<b>Total</b>	<b>215,032</b>	<b>4,699</b>	<b>219,731</b>
Foreign portfolio: Wages	40,715	21,561	62,276
Social contributions	10,414	6,172	16,586
Other employee costs	3,311	2,878	6,189
<b>Total</b>	<b>54,440</b>	<b>30,611</b>	<b>85,051</b>
<b>Total</b>	<b>269,472</b>	<b>35,310</b>	<b>304,782</b>
Costs of non-subordinate workforce:			
Italian portfolio	9,031	119	9,150
Foreign portfolio	401	3	404
<b>Total</b>	<b>9,432</b>	<b>122</b>	<b>9,554</b>
<b>Total cost of workforce</b>	<b>278,904</b>	<b>35,432</b>	<b>314,336</b>
II. Details of items entered			
Charges deriving from investments management	60	113	173
Charges relating to claims	8,862	4,116	12,978
Other acquisition costs	16,129	5,099	21,228
Other administration costs	30,379	21,979	52,358
Administrative charges and expenses on behalf of third parties	223,474	4,125	227,599
Holding costs			
<b>Total</b>	<b>278,904</b>	<b>35,432</b>	<b>314,336</b>

The amounts relating to remuneration paid to directors and auditors, differ from those reported in the Remuneration Report, which refer to the emoluments pursuant

Article 78 of CONSOB Regulation No. 11971 dated 14 May 1999 and subsequent modifications, as they do not consider profit-sharing.

## 22.4 Transfer of securities from the durable to the non-durable classification and vice versa or sale of durable securities

During the year the Company has transferred securities from the non-durable to the durable portfolio for 52,788 thousand, with a positive impact in the profit and loss account for 338 thousand. They were also made transfers from durable to the non-durable portfolio for 13,333 thousands, without general impact in the profit and loss account.

The early disposal of durable securities determined net profits equal to 33,629 thousand, all from the equities portfolio.

These transactions were carried out in line with the guidelines and restrictions contained in the framework resolution relating to investments adopted by the com-

pany administrative body, as required by IVASS Regulation No. 24.

## 22.5 Results from derivative operations

Hedging operations regarding assets and liabilities, and the other operations provided by the investment Policy adopted by the Board of Directors pursuant IVASS Regulation No. 24 dated 6 June 2016, as already specified in the Notes to the Accounts, have determined a total net loss of 100,084 thousand, relating to the realised economic components.

A breakdown of the results of the various categories of derivative instruments by transaction concluded during the year and outstanding transactions at year end is provided below:

	Outstanding contracts	Closed contracts	Total
Swap	-37,584	-49,611	-87,195
Options	0	-12,723	-12,723
Future	0	-165	-165
Equity Forwards	0	0	0
Rights	0	-1	-1
<b>Total</b>	<b>-37,584</b>	<b>-62,500</b>	<b>-100,084</b>

The negative results of outstanding swap contracts, held primarily for hedging purposes, were determined by the exchange of periodic cash flows; those relating to closed positions were determined by closing transactions of currency swap. For the positions in future, the results arising from the settlement of variation margins and com-

missions on the hedging transactions concluded during the year. The results of options were determined by sales transactions and abandoned premiums.

The losses incurred on the rights primarily derived from sales transactions.

*Emoluments in compliance with Article 78 of CONSOB Ruling No. 11971 dated 14 May 1999, as modified by CONSOB resolution No. 18049 dated 23 December 2011.*

The information provided by the regulation in force, regarding Stock Options granted and the emoluments due to the Board of Directors and the Board of Auditors, to General Managers and Managers with strategic responsibilities of any type also including those of subsidiary companies, are indicated in the remuneration Report.

Furthermore, according to the above-mentioned CONSOB Ruling par. 1 bis Art. 78, as modified by CONSOB resolution No. 18049 dated 23 December 2011, no transactions have been carried out by the Company in order to favour the purchase and the subscription of shares pursuant to Art. 2358, Par. 3 of the Civil Code.

## Part C – Other information

### 1. Shareholders' funds updated based on the profit distribution proposal

(in thousand euro)	Non life	Life	Total
Subscribed share capital	468,542	1,093,266	1,561,808
Share premiums reserve	1,070,475	2,497,775	3,568,250
Revaluation reserves	1,084,007	926,828	2,010,835
Legal reserve	93,709	218,653	312,362
Negative reserve for own shares held	3,040	0	3,040
Other reserves	3,518,434	2,452,289	5,970,723
<b>Total</b>	<b>6,232,127</b>	<b>7,188,811</b>	<b>13,420,938</b>

Pursuant to art. 2427, c. 22-septies of Civil Code the proposed allocation of the profit of the year, for 1,096,261 thousands is as follow:

- for 385 thousands to Legal Reserve;
- the remaining part, equal to 1,095,876 thousands to dividend distribution.

The increase of Legal Reserve is needed in accordance with Art. 2430 of the Italian Civil Code, due to expected increase in Shareholders Capital for 1,925 thousands for the assignment to Group Management of Generali's shares in favor of the "Long Term Incentive Plan 2014" (LTI Plan 2014). As described in the paragraph "Result for the year and proposed Shareholders' resolutions" the remaining dividend to be paid will be withdrawn from the Extraordinary Reserve.

### 2. Capital assigned

The Company has not allocated assets exclusively to a specific transaction, pursuant to Art. 2447 bis of the Civil Code.

### 3. Direction and coordination

No natural or legal person, directly and/or indirectly, jointly or severally, holds a sufficient number of shares enabling the said person to acquire a controlling stake in the Company. In the light of the recent measures introduced

by the company law Reform, the Company is not subject to direction and co-ordination by any Italian or foreign body or company.

### 4. Information according to the Consob circular No. 6064293 dated 28 July 2006

#### a) Transactions with related parties

With regard to transactions with related parties, it should be noted that the main transactions, carried out at market or at cost prices, were undertaken through insurance, reinsurance and co-insurance relations, administration and management of the securities and real estate portfolio, leasing, loans and guarantees, administrative services, IT services, secondment of employees and claims settlement.

The above-mentioned services aim at ensuring the rationalization of operational functions, an economically efficient management, an adequate level of the services obtained and the use of synergies within the Group.

The remuneration due and shares held by members of the Board of Directors, Board of Auditors, General Managers and Managers with strategic responsibility, are shown, according to Consob regulation, in the "Remuneration Report".

The results of transactions with related parties, classified in accordance with IAS 24, pursuant to the Consob circular dated 28 July 2006, are detailed in the following table.

(in thousand euro)	Classification of related parties is based on IAS 24					Impact on financial statements
	Subsidiaries	Associates	Joint ventures <sup>(1)</sup>	Related parties	Total	
<b>Assets</b>						
Investments	40,377,664	235,363	351	63,759	<b>40,677,137</b>	91.5%
Credits and other operations	909,346	1,894	234	536	<b>912,010</b>	31.3%
Total assets	41,287,010	237,257	585	64,295	<b>41,589,147</b>	88.4%
<b>Liabilities</b>						
Financial liabilities	3,593,359	0	0	0	<b>3,593,359</b>	24.3%
Technical provisions	11,251,901	1,801	345	0	<b>11,254,047</b>	80.1%
Other debits and liabilities	1,808,973	17	816	-191	<b>1,809,615</b>	10.4%
Total liabilities	16,654,233	1,818	1,161	-191	<b>16,657,021</b>	36.0%
<b>Incomes and charges</b>						
From transactions with ceding companies <sup>(1)</sup>	375,222	4,699	-4	0	<b>379,917</b>	473.8%
Net incomes from investments	1,802,876	18,148	-549	-312	<b>1,820,163</b>	98.4%
Other incomes and charges	-33,181	-97	0	-731	<b>-34,009</b>	32.0%
Straordinary incomes and charges	24,328	0	0	0	<b>24,328</b>	177.0%

1) The interests from deposits with ceding companies are included in the item "Incomes and charges from transactions with ceding companies" instead of item net.

The charges deriving from transfers to the pension funds of staff and managers of the Company, amount to 10,253 thousand.

During the year the Company transferred its shareholding in Generali Insurance AD to its subsidiary Generali CEE Holding BV, realizing a capital gain of 8.9 million.

In addition, the merged subsidiary Flandria Participations Financières S.A. in Participatie Maatschappij Graafschap Holland N.V.; the transaction did not generate economic effects.

It is noted that during the year the profits deriving from the remuneration for the use of the brand by Group companies amounted to 68,481 thousand.

It is noted that, in line with the development strategy of the corporate treasury, the Company subscribed direct pooling agreements with the subsidiaries that allowed the deposit, on 31 December 2016, by Assicurazioni Generali of 1,851,853 thousands. The counterparties are Generali Beteiligungs for 450,862 thousand, Participatie Maatschappij Graafschap Holland N.V. for 391,363 thousand, Generali CEE Holding for 287,122 thousand, Generali Global Private Equity for 282,547 thousand, Lion River I for 134,006 thousand, Generali Holding Vienna for 100,045 thousand, Flandria Participations Financières for 391,150 thousand, Generali España S.A. de Seguros y Reaseguros for 91,094 thousand, L'Equité for 40,000 thousand, Generali Finance for 39,510 thousand, Generali IARD for 15,000 thousand, Generali Asia for 10,298 thousand, Generali Real Estate SGR for 10,002 thousand

and Generali Real Estate for 2 thousand. There are also deposits with Group companies for 340,255 thousand and in particular with Generali Italia for 251,864 thousand, Generali France for 70,009 thousand, GSS - General Shared Services to 6,500 thousand and 1,644 thousand for MyDrive Solutions.

With reference to the other related parties, the main transaction represented relate to the Mediobanca Group for subscribed bonds for 25,633 thousand.

With reference to Art. 18 of the Procedures relating to transactions with related parties approved by the Board of Directors in 2016, it should be noted that beyond the above commented operations (i), significant Operations in the reporting period (ii) have not been carried out, transactions with related parties that have significantly affected the financial situation or the Group's results have not been carried out iii) there are no changes or developments described in the previous annual report that have significantly affected the financial situation of the Company.

#### ***b) Events and significant operations not recurring.***

No events and significant operations not recurring have been made during 2016.

#### ***c) Positions or transactions deriving from atypical and/or unusual operations.***

No atypical and/or unusual operations have been made.

## **5. Information according to the CONSOB resolution No. 15915 dated 3 May 2007**

Pursuant to the above-mentioned resolution, sums due for services rendered during the year to Ernst & Young S.p.A., are indicated in the following table.

(in thousand euro)	2016	
	E&Y Italia	E&Y network
Parent Company		
Audit	1,155	449
Other certificate services	4,323	10
Other services	11,205	86
<b>Totale</b>	<b>16,683</b>	<b>545</b>
Parent companies subsidiaries		
Audit	2,532	15,996
Other certificate services	1,701	1,667
Other services		
Tax assistance	307	150
Other	270	3,475
<b>Total</b>	<b>4,811</b>	<b>21,289</b>
<b>Grand Total</b>	<b>21,493</b>	<b>21,834</b>





**Cash Flow**

# Statement



Company ..... **Assicurazioni Generali S.p.A.** .....

Subscribed capital euro                      euro                      **1,559,883,538** .....                      **1,559,883,538** .....

Registered in                      ..... **Trieste** .....

## CASH FLOW STATEMENT

Year                      **2016** .....

(Amount in thousand euro)

	2016	2015
<b>A. Cash flows from operating activities</b>		
Result for the year	1,096,261	931,469
Interest paid/(interest income) for the year	672,782	631,673
Income taxes	-190,212	-142,047
Dividends	-1,857,435	-1,479,921
Adjustments arising from financing and investing activities	-16,736	-157,026
	-----	-----
<b>1. Profit (loss) of the year before taxation, interests, dividends and capital gains/losses deriving from cession</b>	<b>-295,340</b>	<b>-215,852</b>
<i>Increases (+) / Decreases (-) of non cash-items</i>		
Change in technical reserves	46,660	-588,620
Changes in provisions	12,608	-7,924
Change in depreciation and amortization	5,203	5,613
Adjustments/Reversal to equity investments	59,380	95,410
Other adjustments for non monetary items	-243,964	42,486
	-----	-----
<b>2. Cash flow before changes of the net current assets</b>	<b>-415,453</b>	<b>-668,887</b>
<i>Changes in working capital</i>		
Decreases (+) / (increases) (-) in receivables	-195,726	447,570
Decreases (+) / increases (-) in payables	210,493	1,247,293
Decreases (+) / (increases) (-) in prepaids and accrued income	12,609	8,142
Decreases (+) / increases (-) in accrual and deferred income	6,376	4,600
Decreases (+) / (increases) (-) in other assets	-28,503	-170,989
Decreases (+) / increases (-) in other liabilities	143,597	58,173
	-----	-----
<b>3. Cash flow after changes of the net current assets</b>	<b>-266,607</b>	<b>925,902</b>
<i>Other adjustments</i>		
Interest income / (interest paid)	-672,782	-639,192
Income taxes	155,571	300,998
Dividends collected	1,857,435	1,479,908
	-----	-----
<b>Net cash flow from operating activities</b>	<b>A. 1,073,617</b>	<b>2,067,616</b>
<b>B. Cash flows from investing activities</b>		
<i>Liquidity used for (-) / generated by (+) investing activities</i>		
Real estate	-1,062	1,215
Equity investments	14,186	-1,474,719
Stocks	13,733	-139,999
Bonds	-520,626	93,202
Loans	-381,512	-371,624
Deposits with banks	5,585	-34,193
Investments and pension funds	136,808	-16,671
Other investments	670,963	-948,359
	-----	-----
<b>1. Cash flows from investing activities</b>	<b>-61,925</b>	<b>-2,891,148</b>

		2016	2015
<i>Liquidity used for (-) / generated by (+) other items</i>			
Intangible assets		4,038	-4,928
Acquisition of furniture and transport vehicles		-6,750	-3,996
		.....	.....
<b>2. Cash flows from other items</b>		<b>-2,712</b>	<b>-8,924</b>
<b>Net Cash flows from investing activities (1. + 2.)</b>	<b>B.</b>	<b>-64,637</b>	<b>-2,900,072</b>
<b>C. Cash flows from financing activities</b>			
<i>Loan capitals</i>			
Increases (+) / (decreases) (-) in subordinated liabilities		445,829	1,250,000
Increases (+) / (decreases) (-) in bonds		-63,885	-63,884
Increases (+) / (decreases) (-) in payables to banks and financial institutions		-160,392	229,349
Increases (+) / (decreases) (-) in collateralised loans		0	0
Increases (+) / (decreases) (-) in other loans and financial payables		-7,683	263,820
		.....	.....
<b>1. Cash flows from loan capitals</b>		<b>213,869</b>	<b>1,679,285</b>
<i>Equity</i>			
Increase in capital and paid capital reserves		0	0
Change in own shares		1,815	1,117
Use of capital reserves to pay dividends		-192,249	-196,357
Dividends paid to shareholders based on profits of the previous years		-930,001	-738,421
		.....	.....
<b>2. Cash flows from equity</b>		<b>-1,120,435</b>	<b>-933,661</b>
<b>Net Cash flows from financing activities (1. + 2.)</b>	<b>C.</b>	<b>-906,566</b>	<b>745,624</b>
<b>Total Cash flows for the year</b>	<b>A. + B. + C.</b>	<b>102,414</b>	<b>-86,832</b>
<b>Change in liquidity</b>			
Liquidity at the end of previous year		549,905	611,967
Adjustment to current year exchange rates		2,746	24,770
		.....	.....
<b>1. Liquidity at year-start</b>		<b>552,651</b>	<b>636,737</b>
<b>2. Liquidity at year-end</b>		<b>655,065</b>	<b>549,905</b>
<b>Change in the liquidity for the year</b>	<b>-1. + 2.</b>	<b>102,414</b>	<b>-86,832</b>



**Appendices to the**

# **Notes**





Company **Assicurazioni Generali S.p.A.**

Subscribed capital euro **1,559,883,538** Paid up **1,559,883,538**

Registered **Trieste**

**Attachments to the Notes to the Accounts**

Year **2016**

(Amounts in thousand euro)

N.		Non Life *	Life *	Total *
1	Balance sheet - Non life business	1		
2	Balance sheet - Life business		1	
3	Breakdown of non-life and life result			1
4	Assets - changes in intangibles assets (item B) land and changes in land and buildings (Item C.I)			1
5	Assets - changes during the year of investments in Group companies and other companies where a significant interest is held: equities (item C.II.1). Bonds (item C.II.2) and loans (item C.II.3)			1
6	Assets -Breakdown of information on companies in which a significant interest is held			1
7	Assets - Details of investments in Group companies and other companies where a significant interest is held: equities			1
8	Assets - Breakdown on the basis of the utilisation of other financial investments: equities and common investment funds, debt securities and other fixed-income securities, participation in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)			1
9	Assets - changes for the year of other durable financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-income securities, participation in investment pools e other financial investments (items C.III.1, 2, 3, 5, 7)			1
10	Assets - changes for the year regarding loans and deposits with credit institutions (items C.III.4, 6)			1
11	Assets - detail of operations relating to contracts linked to investment funds and market index (item D.I)		6	
12	Assets arising out of the management of pension funds (item D.II)		0	
13	Liabilities - changes for the year of the components of the provision for unearned premiums (item C.I.1) and those of the provision for claims outstanding (item C.I.2) of non-life lines of business	1		
14	Liabilities - changes in the components of the mathematical provision for the year (item C.II.1) and in the components of the provision for profit sharing and premium refunds (item C.II.4)		1	
15	Liabilities -Change for the year in the provisions in the funds for risks and charges (item E) and change in the severance pay provisions (item G.VII)			1
16	Details of assets and liabilities referring to Group comp. and other companies in which a significant interest is held			1
17	Details of "guarantees, commitments and other memorandum accounts"			1
18	Breakdown of commitments regarding derivative transactions			1
19	Details of the non life business technical account	1		
20	Summary of life business: premiums and reinsurers' share.		1	
21	Income from investments (items II.2 e III.3)			1
22	Income and unrealised gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds (item II.3)		1	
23	Details of investment charges (items II.9 e III.5)			1
24	Expenses and unrealised losses relating to investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds (item II.10)		1	
25	Non-life business - summarised layout of technical account by branch - -Italian portfolio	1		
26	Summarised layout of technical accounts of non-life business - Italian portfolio	1		
27	Life business - summarised layout of technical account by branch - -Italian portfolio		1	
28	Summarised layout of technical accounts of life business - Italian portfolio		1	
29	Summarised layout of technical accounts of non-life and life business - Foreign portfolio			1
30	Relationships with Group companies and companies where a significant interest is held			1
31	Summary of direct business premiums written			1
32	Personnel expenses, directors and auditors fees			1

\* Indicate the number of attachments actually filled in. Indicate 0 if the attachment, even if due, has not been filled in because all items are null. Indicate n.d. when the company is not obliged to fill in the attachment.

Company **Assicurazioni Generali S.p.A.****BALANCE SHEET - NON LIFE BUSINESS****ASSETS**

Current year

A.	SUBSCRIBED CAPITAL UNPAID				1	0
	of which called-up capital	2	0			
B.	INTANGIBLE ASSETS					
	1. Acquisition commissions to be amortised	4	0			
	2. Other acquisition costs	6	0			
	3. Formation and development expenses	7	0			
	4. Goodwill	8	0			
	5. Other intangible assets	9	31,927		10	31,927
C.	INVESTMENTS					
I	- Land and Buildings					
	1. Property used for own activities	11	8,796			
	2. Property used by third parties	12	105,784			
	3. Other properties	13	0			
	4. Other realty rights	14	0			
	5. Assets in progress and payments on account	15	1,696	16	116,276	
II	- Investments in affiliated companies and other shareholdings					
	1. Interests in					
	a) parent companies	17	0			
	b) affiliated companies	18	16,305,074			
	c) affiliates of parent companies	19	0			
	d) associated companies	20	234,884			
	e) other	21	20,561	22	16,560,519	
	2. Debt securities issued by					
	a) parent companies	23	0			
	b) affiliated companies	24	0			
	c) affiliates of parent companies	25	0			
	d) associated companies	26	0			
	e) other	27	0	28	0	
	3. Loans to					
	a) parent companies	29	0			
	b) affiliated companies	30	370,900			
	c) affiliates of parent companies	31	0			
	d) associated companies	32	0			
	e) other	33	0	34	370,900	35
						16,931,419
					carried forward	31,927

Year 2016

.....

Previous year

				181	0
	182	0			
	184	0			
	186	0			
	187	0			
	188	0			
	189	35,852		190	35,852
	191	8,721			
	192	110,176			
	193	0			
	194	0			
	195	1,732	196	120,629	
197	0				
198	16,254,140				
199	0				
200	244,672				
201	38,748	202	16,537,560		
203	0				
204	0				
205	0				
206	0				
207	0	208	0		
209	0				
210	370,900				
211	0				
212	0				
213	0	214	370,900	215	16,908,460
	carried forward				35,852



				Previous year	
	brought forward				35,852
216	15,109				
217	6,936				
218	577	219	22,622		
		220	1,194,477		
221	436,691				
222	63,528				
223	23,593	224	523,812		
225	0				
226	0				
227	662	228	662		
		229	0		
		230	106,989		
		231	7,813	232	1,856,375
				233	391,577
				234	19,277,041
		238	81,374		
		239	454,592		
		240	0		
		241	0	242	535,966
	carried forward				19,848,859

## BALANCE SHEET - NON LIFE BUSINESS

## ASSETS

Current year

		brought forward				Current year		
						19,344,308		
<b>E. DEBTORS</b>								
I - Debtors arising out of direct insurance operations								
1. Policyholders								
	a) for premiums - current year	71	86,024					
	b) for premiums - previous years	72	8,658	73	94,682			
	2. Insurance intermediaries			74	4,560			
	3. Current accounts with insurance companies			75	1,919			
	4. Policyholders and third parties for recoveries			76	6,135	77	107,296	
II - Debtors arising out of reinsurance operations								
	1. Reinsurance companies			78	158,777			
	2. Reinsurance intermediaries			79	6,160	80	164,937	
III - Other debtors								
						81	1,034,946	
						82	1,307,179	
<b>F. OTHER ASSETS</b>								
I - Tangible assets and stocks								
	1. Furniture, office equipment, internal transport vehicles			83	3,052			
	2. Vehicles listed in public registers			84	1,349			
	3. Equipment and appliances			85	0			
	4. Stocks and other goods			86	472	87	4,873	
II - Tangible assets and stocks								
	1. Bank and postal deposits			88	524,932			
	2. Cheques and cash in hand			89	84	90	525,016	
IV - Other								
	1. Deferred reinsurance items			92	6,065			
	2. Miscellaneous assets			93	222,392	94	228,457	
	of which Account linking to life business			901	183,786	95	758,346	
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>								
	1. Interests					96	11,717	
	2. Rents					97	630	
	3. Other prepayments and accrued income					98	59,349	
						99	71,696	
<b>TOTAL ASSETS</b>							100	<b>21,481,529</b>

Previous year

		brought forward				19,848,859
251	67,798					
252	6,763	253	74,561			
		254	10,468			
		255	1,482			
		256	10,662	257	97,173	
		258	183,214			
		259	4,800	260	188,014	
				261	641,856	262 927,043
		263	1,674			
		264	0			
		265	0			
		266	348	267	2,022	
		268	469,299			
		269	73	270	469,372	
		272	8,924			
		273	38,885	274	47,809	275 519,203
		903	0			
				276	9,156	
				277	629	
				278	68,641	279 78,426
						280 21,373,531





Previous year

	281	467,062	
	282	1,070,475	
	283	1,084,006	
	284	93,412	
	285	0	
	500	0	
	287	3,793,554	
	288	0	
	289	-56,476	
	501	3,040	290 6,448,993
			291 4,974,866
292	352,308		
293	2,168,231		
294	0		
295	0		
296	108		297 2,520,647
carried forward			13,944,506

**BALANCE SHEET - NON LIFE BUSINESS**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

		brought forward			14,125,992
E.	PROVISIONS FOR OTHER RISKS AND CHARGES				
1.	Provision for pensions and similar obligations		128	0	
2.	Provisions for taxation		129	38,235	
3.	Other provisions		130	28,149	131 66,384
F.	DEPOSITS RECEIVED FROM REINSURERS				132 13,457
G.	CREDITORS				
I.	- Creditors arising out of direct insurance operations				
1.	Insurance intermediaries	133	8,188		
2.	Current accounts with insurance companies	134	1,250		
3.	Premium deposits and premiums due to policyholders	135	5,314		
4.	Guarantee funds in favour of policyholders	136	0	137 14,752	
II.	- Creditors arising out of reinsurance operations				
1.	Reinsurance companies	138	120,768		
2.	Reinsurance intermediaries	139	37,315	140 158,083	
III.	- Debenture loans			141 1,250,000	
IV.	- Amounts owed to credit institutions			142 838,945	
V.	- Loans guaranteed by mortgages			143 0	
VI.	- Other financial liabilities			144 2,468,581	
VII.	- Provisions for severance pay			145 4,545	
VIII.	- Other creditors				
1.	Premium taxes	146	3,152		
2.	Other tax liabilities	147	25,235		
3.	Social security	148	399		
4.	Sundry creditors	149	2,128,445	150 2,157,231	
IX.	- Other liabilities				
1.	Deferred reinsurance items	151	2,265		
2.	Commissions for premiums in course of collection	152	11,608		
3.	Miscellaneous liabilities	153	157,002	154 170,875	155 7,063,012
	of which Account linking to life business	902	0		
			carried forward		21,268,845

		Previous year	
brought forward			13,944,506
		308	0
		309	38,455
		310	15,132
		311	53,587
		312	13,266
	313	4,622	
	314	544	
	315	3,731	
	316	0	317
		8,897	
	318	69,321	
	319	13,070	320
		82,391	
		321	1,250,000
		322	998,140
		323	0
		324	2,468,581
		325	4,927
	326	481	
	327	6,545	
	328	1,175	
	329	2,067,556	330
		2,075,757	
	331	6,716	
	332	8,713	
	333	252,421	334
	904	144,999	267,850
	335		7,156,543
	carried forward		21,167,902

**BALANCE SHEET - NON LIFE BUSINESS**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

			Current year	
	brought forward		21,268,845	
H. ACCRUALS AND DEFERRED INCOME				
1. Interests	156	147,824		
2. Rents	157	1,958		
3. Other accruals and deferred income	158	62,902	159	212,684
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>			160	<b>21,481,529</b>

		Previous year
brought forward		21,167,902
	336	151,044
	337	1,953
	338	52,632
	339	205,629
	340	<b>21,373,531</b>

Company

**Assicurazioni Generali S.p.A.****BALANCE SHEET - LIFE BUSINESS****ASSETS**

A.	SUBSCRIBED CAPITAL UNPAID					1	0
	of which called-up capital	2	0				
B.	INTANGIBLE ASSETS						
	1. Acquisition commissions to be amortised	3	0				
	2. Other acquisition costs	6	0				
	3. Formation and development expenses	7	0				
	4. Goodwill	8	0				
	5. Other intangible assets	9	1,270			10	1,270
C.	INVESTMENTS						
	I - Land and Buildings						
	1. Property used for own activities	11	0				
	2. Property used by third parties	12	0				
	3. Other properties	13	0				
	4. Other realty rights	14	0				
	4. Assets in progress and payments on account	15	0	16	0		
	II - Investments in affiliated companies and other shareholdings						
	1. Interests in						
	a) parent companies	17	0				
	b) affiliated companies	18	13,078,476				
	c) affiliates of parent companies	19	0				
	d) associated companies	20	0				
	e) other	21	0	22	13,078,476		
	2. Debt securities issued by						
	a) parent companies	23	0				
	b) affiliated companies	24	634				
	c) affiliates of parent companies	25	0				
	d) associated companies	26	0				
	e) other	27	0	28	634		
	3. Loans to						
	a) parent companies	29	0				
	b) affiliated companies	30	381,100				
	c) affiliates of parent companies	31	0				
	d) associated companies	32	0				
	e) other	33	0	34	381,100	35	13,460,210
					carried forward		1,270

Year 2016

Previous year

			181	0
	182	0		
	183	0		
	186	0		
	187	0		
	188	0		
	189	1,468	190	1,468
	191	0		
	192	0		
	193	0		
	194	0		
	195	0	196	0
197	0			
198	13,112,785			
199	0			
200	0			
201	0	202	13,112,785	
203	0			
204	1,500			
205	0			
206	0			
207	0	208	1,500	
209	0			
210	0			
211	0			
212	0			
213	0	214	0	215
			13,114,285	
	carried forward			1,468

## BALANCE SHEET - LIFE BUSINESS

## ASSETS

		brought forward				1,270
C. INVESTMENTS (follows)						
III - Other financial investments						
1. Equities						
a) quoted shares	36	0				
b) unquoted shares	37	4,937				
c) other interests	38	4,731	39	9,668		
2. Shares in common investment funds			40	36,754		
3. Debt securities and other fixed-income securities						
a) quoted	41	1,364,556				
b) unquoted	42	18,931				
c) convertible bonds	43	382	44	1,383,869		
4. Loans						
a) mortgage loans	45	0				
b) loans on policies	46	789				
c) other loans	47	2,031	48	2,820		
5. Participation in investment pools			49	0		
6. Deposits with credit institutions			50	34,760		
7. Other			51	0	52	1,467,871
IV - Deposits with ceding companies					53	7,275,871
					54	22,203,952
D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS						
I - Provisions relating to contracts linked to investments funds and market index						
					55	3,456,300
II - Provisions relating to the administration of pension funds						
					56	0
					57	3,456,300
D bis. REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS						
II - LIFE INSURANCE BUSINESS						
1. Mathematical provision			63	34,281		
2. Unearned premium provision for supplementary coverage			64	14,345		
3. Provision for claims outstanding			65	326,391		
4. Provision for profit sharing and premium refunds			66	21,179		
5. Other provisions			67	0		
6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds			68	0	69	396,196
				carried forward		26,057,718



Previous year

		brought forward			1,468
216	0				
217	15,927				
218	4,732	219	20,659		
		220	13,774		
221	1,182,524				
222	19,798				
223	1,121	224	1,203,443		
225	0				
226	853				
227	2,036	228	2,889		
		229	0		
		230	22,809		
		231	0	232	1,263,574
				233	7,515,375
				234	21,893,234
				235	3,598,803
				236	0
				237	3,598,803
		243	27,106		
		244	11,732		
		245	301,290		
		246	16,818		
		247	0		
		248	0	249	356,946
		carried forward			25,850,451

## BALANCE SHEET - LIFE BUSINESS

## ASSETS

Current year

		brought forward		Current year	
					26,057,718
<b>E. DEBTORS</b>					
I - Debtors arising out of direct insurance operations					
1. Policyholders					
a) for premiums - current year	71	23,051			
b) for premiums - previous years	72	768	73	23,819	
2. Insurance intermediaries			74	102	
3. Current accounts with insurance companies			75	0	
4. Policyholders and third parties for recoveries			76	0	77 23,921
II - Debtors arising out of reinsurance operations					
1. Reinsurance companies					
			78	322,507	
2. Reinsurance intermediaries					
			79	273	80 322,780
III - Other debtors					
				81 105,901	82 452,602
<b>F. OTHER ASSETS</b>					
I - Tangible assets and stocks					
1. Furniture, office equipment, internal transport vehicles					
			83	92	
2. Vehicles listed in public registers					
			84	60	
3. Equipment and appliances					
			85	0	
4. Stocks and other goods					
			86	0	87 152
II - Tangible assets and stocks					
1. Bank and postal deposits					
			88	130,044	
2. Cheques and cash in hand					
			89	5	90 130,049
IV - Other					
1. Deferred reinsurance items					
			92	3,483	
2. Miscellaneous assets					
			93	21,108	94 24,591 95 154,792
of which Account linking to non-life business					
			901	0	
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>					
1. Interests					
				96 25,074	
2. Rents					
				97 28	
3. Other prepayments and accrued income					
				98 112,440	99 137,542
<b>TOTAL ASSETS</b>					100 <b>26,802,654</b>

Previous year

		brought forward			25,850,451
251	21,295				
252	1,562	253	22,857		
		254	105		
		255	824		
		256	0	257	23,786
		258	219,366		
		259	273	260	219,639
				261	110,653
				262	354,078
		263	26		
		264	62		
		265	0		
		266	0	267	88
		268	80,528		
		269	5	270	80,533
		272	3,536		
		273	172,622	274	176,158
		903	144,999	275	256,779
				276	20,069
				277	27
				278	135,853
				279	155,949
				280	26,617,257

**BALANCE SHEET - LIFE BUSINESS**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

<b>A. SHAREHOLDERS' FUNDS</b>			
I	- Subscribed capital or equivalent funds	101	1,091,918
II	- Share premium account	102	2,497,775
III	- Revaluation reserve	103	926,828
IV	- Legal reserve	104	218,384
V	- Statutory reserve	105	0
VI	- Reserve for parent company shares	400	0
VII	- Other reserve	107	2,525,318
VIII	- Profit or loss brought forward	108	0
IX	- Profit or loss for the financial year	109	803,201
VI	- Negative reserve for own shares held	401	0
		110	8,063,424
<b>B. SUBORDINATED LIABILITIES</b>			111
			2,179,897
<b>C. TECHNICAL PROVISIONS</b>			
<b>II - LIFE INSURANCE BUSINESS</b>			
1.	Mathematical provision	118	7,622,002
2.	Unearned premium provision for supplementary coverage	119	28,469
3.	Provision for claims outstanding	120	1,141,831
4.	Provision for profit sharing and premium refunds	121	99,294
5.	Other provisions	122	18,305
		123	8,909,901
<b>D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>			
I	- Provisions relating to contracts linked to investments funds and market index	125	3,454,111
II	- Provisions relating to the administration of pension funds	126	0
	carried forward	127	3,454,111
			22,607,333

Previous year

	281	1,089,811	
	282	2,497,775	
	283	926,828	
	284	217,962	
	285	0	
	500	0	
	287	2,527,847	
	288	0	
	289	987,945	
	501	0	290 8,248,168
			291 1,889,678
298	7,704,211		
299	29,431		
300	1,047,813		
301	94,241		
302	21,467		303 8,897,163
	305	3,595,160	
	306	0	307 3,595,160
carried forward			22,630,169

**BALANCE SHEET - LIFE BUSINESS**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

		brought forward		22,607,333	
<b>E. PROVISIONS FOR OTHER RISKS AND CHARGES</b>					
1.	Provision for pensions and similar obligations	128	0		
2.	Provisions for taxation	129	46,727		
3.	Other provisions	130	187	131	46,914
<b>F. DEPOSITS RECEIVED FROM REINSURERS</b>					
				132	294,186
<b>G. CREDITORS</b>					
<b>I - Creditors arising out of direct insurance operations</b>					
1.	Insurance intermediaries	133	5		
2.	Current accounts with insurance companies	134	2,202		
3.	Premium deposits and premiums due to policyholders	135	2,395		
4.	Guarantee funds in favour of policyholders	136	0	137	4,602
<b>II - Creditors arising out of reinsurance operations</b>					
1.	Reinsurance companies	138	71,485		
2.	Reinsurance intermediaries	139	284	140	71,769
<b>III - Debenture loans</b>					
				141	2,005,539
<b>IV - Amounts owed to credit institutions</b>					
				142	17
<b>V - Loans guaranteed by mortgages</b>					
				143	0
<b>VI - Other financial liabilities</b>					
				144	1,124,778
<b>VII - Provisions for severance pay</b>					
				145	684
<b>VIII - Other creditors</b>					
1.	Premium taxes	146	717		
2.	Other tax liabilities	147	11,377		
3.	Social security	148	4,294		
4.	Sundry creditors	149	95,522	150	111,910
<b>IX - Other liabilities</b>					
1.	Deferred reinsurance items	151	3,897		
2.	Commissions for premiums in course of collection	152	2,533		
3.	Miscellaneous liabilities	153	357,607	154	364,037
	of which Account linking to non-life business	902	183,786	155	3,683,336
				carried forward	
				26,631,769	

		Previous year		
	brought forward			22,630,169
		308	0	
		309	53,006	
		310	101	311 53,107
				312 281,780
	313	6		
	314	2,767		
	315	3,022		
	316	0	317 5,795	
	318	88,049		
	319	280	320 88,329	
			321 2,069,424	
			322 130	
			323 0	
			324 1,133,898	
			325 688	
	326	907		
	327	12,485		
	328	3,118		
	329	32,176	330 48,686	
	331	3,383		
	332	4,099		
	333	115,514	334 122,996	335 3,469,946
	904	0		
	carried forward			26,435,002

**BALANCE SHEET - LIFE BUSINESS**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

				Current year	
		brought forward		26,631,769	
H.	ACCRUALS AND DEFERRED INCOME				
	1. Interests	156	127,534		
	2. Rents	157	0		
	3. Other accruals and deferred income	158	43,351	159	170,885
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>			160	<b>26,802,654</b>



Previous year

brought forward			26,435,002
	336	124,757	
	337	0	
	338	57,498	339 182,255
			340 <b>26,617,257</b>

## Notes to the accounts - Attachment 3

Company

Assicurazioni Generali S.p.A.

Year 2016

## Breakdown of non-life and life result

		Non-life business	Life business	Total
<b>Technical result</b> .....		1 218,440	21 361,275	41 579,715
Investment income .....	+	2 1,018,165		42 1,018,165
Investment charges .....	-	3 202,743		43 202,743
Allocated investment return transferred from the life technical account .....	+		24 682,393	44 682,393
Allocated investment return transferred to the non-life technical account .....	-	5 123,006		45 123,006
<b>Interim result</b> ... ..		6 <b>910,856</b>	26 <b>1,043,668</b>	46 <b>1,954,524</b>
Other income .....	+	7 266,020	27 225,535	47 491,555
Other charges .....	-	8 1,057,874	28 516,928	48 1,574,802
Extraordinary income .....	+	9 40,155	29 39,434	49 79,589
Extraordinary charges .....	-	10 39,850	30 4,967	50 44,817
<b>Result before taxation</b> .....		11 <b>119,307</b>	31 <b>786,742</b>	51 <b>906,049</b>
Income taxes for the year .....	-	12 -173,753	32 -16,459	52 -190,212
<b>Profit (loss) for the year</b> .....		13 <b>293,060</b>	33 <b>803,201</b>	53 <b>1,096,261</b>

## Notes on the accounts - Attachment 4

Company Assicurazioni Generali S.p.A. Year 2016

Assets - Changes in intangible assets (item B) and  
changes in land and buildings (Item C1)

		Intangible assets B	Land and buildings C.I
	+		
Gross original cost .....	+	1 201,037	31 124,732
Increases for the year .....		2 16,146	32 223
due to: acquisitions or increases		3 16,136	33 223
reversal value .....		4 0	34 0
revaluations .....		5 0	35 0
other changes .....	-	6 10	36 0
Decreases for the year .....		7 0	37 3,528
due to: sales or decreases		8 0	38 230
long-term devaluations .....		9 0	39 0
other changes .....		10 0	40 3,298
<b>Gross final goodwill (a) .....</b>		11 <b>217,183</b>	41 <b>121,427</b>
Amortisation:			
Initial goodwill .....	+	12 163,717	42 4,103
Increases for the year .....	+	13 20,269	43 1,209
for: amortisation quotas		14 20,262	44 1,209
other changes .....		15 7	45 0
Decreases for the year .....	-	16 0	46 161
for: reductions from sales		17 0	47 12
other changes .....		18 0	48 149
<b>Amortised final goodwill (b) .....</b>		19 <b>183,986</b>	49 <b>5,151</b>
<b>Book value (a - b) .....</b>		20 <b>33,197</b>	50 <b>116,276</b>
Current value .....			51 120,242
Total revaluations .....		22 0	52 102,186
Total devaluations .....		23 0	53 17,251

## Notes to the accounts - Attachment 5

Company

Assicurazioni Generali S.p.A.

Year

2016

Assets - Variations in the year of investments in affiliated companies and other shareholdings:  
equities (item C.II.1), debt securities (item C.II.2) and loans (item C.II.3)

		Equities C.II.1	Debt securities C.II.2	Loans C.II.3
Gross initial goodwill .....	+	1 29,650,345	21 1,500	41 370,900
Increases for the year .....	+	2 432,154	22 5	42 381,100
for: acquisitions, subscriptions, payments .....		3 124,170	23 0	43 381,100
readjustment of value .....		4 6,072	24 5	44 0
revaluations .....		5 0		
other variations .....		6 301,912	26 0	46 0
Decreases for the year: .....	-	7 443,504	27 871	47 0
for: sales and redemptions .....		8 94,611	28 752	48 0
devaluations .....		9 58,003	29 0	49 0
other variations .....		10 290,890	30 119	50 0
<b>Book value .....</b>		11 <b>29,638,995</b>	31 <b>634</b>	51 <b>752,000</b>
Current value .....		12 31,585,756	32 634	52 781,021
Total revaluations .....		13 724		
Total devaluations .....		14 1,066,496	34 16	54 0

The item C.II.2 includes:

Quoted debt securities .....	61 634
Unquoted debt securities .....	62 0
<b>Book value .....</b>	63 <b>634</b>
of which convertible debt securities .....	64 0



Company

## Assicurazioni Generali S.p.A.

## Assets - Information regarding associated companies (\*)

N. ord. (**)	Type (1)	Quoted or unquoted (2)	Activity (3)	Company name and registration place	Currency
1	b	NQ	1	Aseguradora General S.A. GUATEMALA 10a. Calle 3-17, Zona 10 - GUATEMALA	GTQ
2	b	NQ	4	Assitimm S.r.l. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
3	b	NQ	2	Caja de Ahorro y Seguro S.A. BUENOS AIRES Fitz Roy 957 - ARGENTINA	ARS
4	b	NQ	9	Donatello Intermediazione Srl ROMA Piazza Venezia, 11 - ITALIA	EUR
5	b	NQ	2	Europ Assistance Holding S.A. PARIGI 2 rue Pillet-Will - FRANCIA	EUR
6	b	NQ	1	FATA Asigurari S.A. BUCAREST Lt. Av. Marcel Andreescu, no 30 - ROMANIA	RON
7	b	NQ	2	Flandria Participations Financières S.A. BRUXELLES Avenue Louise 149, boîte 1 - BELGIO	EUR
8	b	NQ	9	GBS S.c.p.A. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
9	b	NQ	9	GCS S.c.a.r.l. in liquidazione TRIESTE Via Machiavelli, 4 - ITALIA	EUR
10	b	NQ	9	Genamerica Management Corp. NEW YORK 7 WTC, 250 Greenwich Street, 33rd Fl - STATI UNITI	USD
11	b	NQ	2	Generali (Schweiz) Holding AG ADLISWIL Soodmattenstrasse, 10 - SVIZZERA	CHF
12	b	NQ	1	Generali Argentina S.A. BUENOS AIRES Calle Reconquista, 458 3° Piso - ARGENTINA	ARS
13	b	NQ	2	Generali Beteiligungs-GmbH AQUISGRANA Maria Theresia Allee 38 - GERMANIA	EUR
14	b	NQ	2	Generali Beteiligungsverwaltung GmbH VIENNA Landskronngasse 1-3 - AUSTRIA	EUR
15	b	NQ	1	Generali Brasil Seguros S.A. RIO DE JANEIRO Avenida Rio Branco 128 - BRASILE	BRL
16	b	NQ	2	Generali CEE Holding B.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
17	b	NQ	1	Generali China Life Insurance Co. Ltd PECHINO B-12 Jianguomenwai Avenue, Chaoyang District - CINA	CNY
18	b	NQ	1	Generali Colombia S.A. BOGOTA' Carrera 7a. No. 72-13, Piso 8 - COLOMBIA	COP
19	b	NQ	1	Generali Colombia Vida S.A. BOGOTA' Carrera 10a 28/49 - COLOMBIA	COP
20	b	NQ	1	Generali Companhia de Seguros, S.A. LISBONA Rua Duque de Palmela no. 11 - PORTOGALLO	EUR
21	b	NQ	9	Generali Consulting Solutions LLC WILMINGTON 1209 Orange Street - STATI UNITI D'AMERICA	USD
22	b	NQ	2	Generali Deutschland AG MONACO Adenauerring 7 - GERMANIA	EUR
23	b	NQ	1	Generali Ecuador S.A. GUAYAQUIL WTC Torre B Piso 15, Avenida Francisco de Arellana - ECUADOR	USD
24	b	NQ	2	Generali España Holding S.A. MADRID Calle Orensé 2 - SPAGNA	EUR
25	b	NQ	2	Generali Finance B.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
26	b	NQ	2	Generali Financial Asia Ltd HONG KONG 5/F, 14-18/F Generali Tower, 8 Queen's Road East - HONG	HKD
27	b	NQ	2	Generali France S.A. PARIGI 2 rue Pillet-Will - FRANCIA	EUR
28	b	NQ	1	Generali Hellas Insurance Company S.A. ATENE 35-37 Ilia Iliou Street & Pytheou - GRECIA	EUR
29	b	NQ	1	Generali Insurance AD SOFIA 68 Alexander Dondoukov Blvd - BULGARIA	BGN
30	b	NQ	2	Generali Investments Holding S.p.A. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
31	b	NQ	1	Generali Italia S.p.A. MOGLIANO VENETO Via Marocchesa n. 14 - ITALIA	EUR
32	b	NQ	9	Generali Latam Ltda. SAN PAOLO Av. Presidente Juscelino Kubitschek, nº 1455 - 8° - BRASILE	BRL
33	b	NQ	9	Generali Link Limited DUBLINO GH Navan Business Park, Athlumney, Navan, Co.Meath - IRLANDA	EUR
34	b	NQ	1	Generali PanEurope dac DUBLINO Navan Business Park, Athlumney, Navan, Co. Meath - IRLANDA	EUR
35	b	NQ	9	Generali Real Estate S.p.A. TRIESTE Piazza Duca degli Abruzzi, 1 - ITALIA	EUR
36	b	NQ	4	Generali Realities Ltd TEL AVIV 2, Hagdud Haivri Str. - ISRAELE	ILS
37	b	NQ	1	Generali Vida Companhia de Seguros S.A. LISBONA Av. Duque d'Avila, 114 - PORTOGALLO	EUR
38	b	NQ	1	Generali Vietnam Life Insurance LLC HO CHI MINH CITY AB Tower, 76 Le Lai, District 1 - VIETNAM	VND
39	b	NQ	2	Generali Vitality GmbH MONACO Adenauerring 9 - GERMANIA	EUR
40	b	NQ	1	Generali Worldwide Insurance Co. ST. PETER PORT Generali House, P.O.Box 613, Hirzel Street -	EUR
41	b	NQ	4	GLL GmbH & Co. Retail KG MONACO Lindwurmstr. 76 - GERMANIA	EUR
42	b	NQ	9	GSS - Generali Shared Services TRIESTE Piazza Duca degli Abruzzi, 2 - ITALIA	EUR
43	b	NQ	2	Lion River I N.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
44	b	NQ	2	Participatie Maatschappij Graafschap Holland N.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
45	b	NQ	2	Redoze Holding N.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
46	b	NQ	2	Telco AG S.r.l. TRIESTE Via Machiavelli, 4 - ITALIA	EUR

Notes on the accounts - Attachment 6

Year 2016

Paid up capital		Equity (***) (4)	Last year Gain or Loss (***) (4)	Share owned (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
100,000,000	1,000,000	206,860,563	13,255,709	51.00	0	51.00
100,000	100	9,299,720	-441,578	1.00	99.00	100.00
269,000,000	2,690,000	406,177,316	-14,459,889	62.50	27.50	90.00
59,060	59,060	457,683	-272,716	10.87	89.13	100.00
17,316,016	1,082,251	67,523,584	22,138,130	95.67	4.31	99.99
47,032,850	4,703,285	17,223,955	11,217,138	100.00	0.00	100.00
0	0	0	0	0	0	0
7,853,626	7,853,626	43,028,596	-359,051	1.22	98.53	99.75
10,000	10,000	130,905	-12,895	1.00	99.00	100.00
50,000	50	35,516	-1,086	100.00	0	100.00
4,332,000	8,664	1,363,228,196	102,825,381	51.05	48.95	100.00
81,391,209	81,391,209	0	0	0	0	0
1,005,000	1,005,000	3,545,576,624	354,720,237	100.00	0	100.00
1,000,000	1,000,000	149,403,184	31,195,575	100.00	0	100.00
1,256,177,730	2,267,027	384,529,393	-113,354,838	98.71	1.29	100.00
100,000	100,000	153,331,247,914	5,870,289,510	100.00	0	100.00
3,700,000,000	3,700,000,000	5,294,236,500	467,683,726	50.00	0	50.00
34,244,441,700	16,306,877	75,304,039	4,925,092	88.25	3.09	91.34
5,613,344,100	2,673,021	18,054,567	-1,689,686	11.56	88.30	99.86
41,000,000	164,000	64,835,240	-3,069,206	100.00	0	100.00
156,420	156,420	137,359	136,622	100.00	0	100.00
137,560,202	53,734,454	1,838,693,119	566,208,888	4.04	95.96	100.00
8,000,000	8,000,000	13,981,901	-323,470	52.45	0	52.45
563,490,658	93,758,845	756,685,006	193,565,455	100.00	0	100.00
100,000,000	1,000,000	268,648,954	2,873,686	26.00	74.00	100.00
105,870,000	105,870,000	50,879,184	-4,136,076	89.00	0	89.00
115,837,147	497,613,274	2,784,793,098	-13,561,610	67.82	32.18	100.00
22,776,198	3,796,033	63,527,772	4,674,586	100.00	0.00	100.00
0	0	0	0	0	0	0
41,360,000	41,360,000	215,803,286	27,123,748	37.72	62.28	100.00
1,618,628,450	3,237,256,900	10,686,296,652	813,575,927	100.00	0	100.00
150,000	10,000	5,758,754	241,723	99.99	0.01	100.00
2,000,000	2,000,000	2,000,000	0	100.00	0	100.00
61,134,869	61,000,000	157,642,724	16,894,303	0	100.00	100.00
780,000	1,500,000	27,286,603	-4,748,221	100.00	0	100.00
2	20,000	12,721,445	2,317,334	100.00	0	100.00
9,000,000	36,000	24,529,260	638,125	79.16	20.83	99.99
1,962,600,000,000	1,962,600,000,000	779,915,485	-549,906,441	100.00	0	100.00
250,000	1	5,021,836	-1,788,756	100.00	0	100.00
0	0	0	0	0	0	0
381,010,000	381,010,000	244,043,940	0	31.50	21.00	52.49
1,002,000	1,002,000	95,971,401	-125,154	47.90	52.10	100.00
586,996	586,996	2,089,944,783	24,329,532	29.49	67.88	97.36
1,784,509,360	115,450,936	6,181,651,266	202,476,322	52.43	47.57	100.00
22,689,011	500,000	358,342,887	1,178,170	6.02	93.98	100.00
0	0	0	0	0	0	0

N. ord. (**)	Type (1)	Quoted or unquoted (2)	Activity (3)	Company name and registration place	Currency
47	b	NQ	2	Transocean Holding Corporation NEW YORK 7 World Trade Center 250 Greenwich Street 33rd Fl. -	USD
48	d	NQ	1	Assurances Maghreb S.A. TUNISI Angle 54,Rue De Palestine 22,Rue Royaume D'Arabia - TUNISIA	TND
49	d	NQ	1	Assurances Maghreb S.A. TUNISI Angle 54,Rue De Palestine 22,Rue Royaume D'Arabia -	TND
50	d	NQ	1	Generali China Insurance Co. Ltd PECHINO B-12 Janguomenwai Avenue, Chaoyang District - CINA	CNY
51	d	NQ	2	Guotai Asset Management Co. SHANGAI 39F, World Financial Center, 100 Century Avenue - CINA	CNY
52	d	NQ	2	NEIP II S.p.A. CONEGLIANO Via Vittorio Alfieri n. 01 - ITALIA	EUR
53	d	NQ	9	Servizi Tecnologici Avanzati BOLOGNA Via Paolo Nanni Costa, 30 - ITALIA	EUR
54	e	NQ	2	Emittenti Titoli S.p.A. MILANO Via Santa Maria Segreta, 6 - ITALIA	EUR
55	e	NQ	2	Fin. Priv. S.r.l. MILANO Via Filodrammatici, 8 - ITALIA	EUR
56	e	NQ	2	H2i S.p.A. ROMA Via Barberini 95 - ITALIA	EUR
57	e	NQ	9	Perils AG ZURIGO Marktgasse 3 - SVIZZERA	CHF
58	e	NQ	2	Perseo S.p.A. TORINO Via XX Settembre 31 - ITALIA	EUR
59	e	NQ	9	Protos S.p.A. ROMA Via Livenza, 3 - ITALIA	EUR
60	e	NQ	2	Schemaquattordici S.p.A. TREVISO Viale Fellisent, 90 - ITALIA	EUR
61	e	NQ	9	SOA Group S.p.A. ROMA Via Lovanio, 6 - ITALIA	EUR
62	e	NQ	2	Telco S.p.A. MILANO Via Filodrammatici, 3 - ITALIA	EUR
63	e	NQ	9	Trieste Adriatic Maritime Srl TRIESTE Via Cassa di Risparmio 10 - ITALIA	EUR
64	e	NQ	2	Venice S.p.A. VICENZA Strada Statale Padana verso Verona, 6 - ITALIA	EUR

(\*) Affiliated companies and other shareholdings, in which the investment is held directly, including through trust or intermediary.

(\*\*) The order number must be greater than "0"

(1)

- a = parent Companies
- b = affiliated Companies
- c = affiliates of parent Companies
- d = associated Companies
- e = Other

(2) Q for listed shares

NQ for unlisted shares

(3) Activity

- 1 = Insurance Company
- 2 = Financial Company
- 3 = Credit Institution
- 4 = Real estate Company
- 5 = Trust Company
- 6 = Management or distribution companies of investment funds
- 7 = Consortium
- 8 = Industrial companies
- 9 = Other companies

(4) Amounts in original currency

(5) Indicate the total share owned



Paid up capital		Equity (***) (4)	Last year Gain or loss (***) (4)	Share owned (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
243,000,000	1,949,806	290,741,970	38,521,321	100.00	0	100.00
30,000,000	3,000,000	57,092,648	5,544,121	44.17	0	44.17
10,000,000	1,000,000	27,809,148	6,941,648	22.08	0	22.08
1,300,000,000	1,300,000,000	953,187,351	-29,981,514	49.00	0	49.00
110,000,000	110,000,000	1,179,810,023	401,510,054	30.00	0	30.00
55,000	55,000	8,020,775	1,269,070	48.16	0	48.16
102,000	200,000	102,000	0	25.00	0	25.00
4,264,000	8,200,000			10.00	0	10.00
20,000	20,000			14.29	0	14.29
14,275,000	14,275,000			10.51	0	10.51
4,000,000	250			10.00	0	10.00
60,240,510	60,240,510			19.81	0	19.81
1,100,000	1,100,000			17.80	0	17.80
0	0	0	0	0	0	0
1,000,000	1,000,000			10.06	0	10.06
0	0	0	0	0	0	0
3,300,000	3,300,000			10.81	0	10.81
5,092,221	5,092,221			15.87	0	15.87

(\*\*\*)To be filled only for subsidiaries and associates

Company Assicurazioni Generali S.p.A.

Assets - Details of investments in Group companies and other companies where a significant interest is held:

Equities

N. ord. (1)	Type (2)	(3)	Name of the company	Increases in the year		
				For purchases		Others increases
				Quantity	Value	
1	b	D	Aseguradora General S.A.	0	0	50
2	b	D	Assitimm S.r.l.	0	0	0
3	b	V	Caja de Ahorro y Seguro S.A. - Classe A	0	0	0
3	b	V	Caja de Ahorro y Seguro S.A. - Classe B	0	0	0
4	b	D	Donatello Intermediazione S.r.l.	0	0	0
5	b	D	Europ Assistance Holding	0	0	0
6	b	D	FATA Asigurari S.A.	951,237	2,095	0
7	b	D	Flandria Participations Financières S.A.	0	0	0
7	b	V	Flandria Participations Financières S.A.	0	0	0
8	b	D	GBS S.c.p.A.	0	0	0
9	b	D	GCS S.c.a.r.l.	0	0	0
10	b	D	Genamerica Management Corporation	0	0	0
11	b	D	Generali (Schweiz) Holding AG	0	0	3,334
11	b	V	Generali (Schweiz) Holding AG	0	0	5,325
12	b	D	Generali Argentina S.A.	0	0	0
13	b	D	Generali Beteiligungs-GmbH	0	0	0
13	b	V	Generali Beteiligungs-GmbH	0	0	0
14	b	V	Generali Beteiligungsverwaltung-GmbH	0	0	6
15	b	D	Generali Brasil Seguros S.A.	1,012,070	89,635	0
16	b	D	Generali CEE Holding B.V.	0	0	0
17	b	V	Generali China Life Insurance	0	0	0
18	b	D	Generali Colombia S.A.	0	0	894
19	b	D	Generali Colombia Vida S.A.	0	0	1
20	b	D	Generali Companhia de Seguros S.A.	0	0	17,000
21	b	D	Generali Consulting Solutions	0	0	4
22	b	D	Generali Deutschland Holding AG	0	0	0
22	b	V	Generali Deutschland Holding AG	0	0	0
23	b	D	Generali Ecuador S.A.	1,926,282	0	1
24	b	D	Generali España Holding S.A.	0	0	0
24	b	V	Generali España Holding S.A.	0	0	0
25	b	V	Generali Finance B.V.	0	0	0
26	b	D	Generali Financial Asia Ltd	0	0	318
27	b	D	Generali France S.A.	0	0	0
27	b	V	Generali France S.A.	0	0	0
28	b	D	Generali Hellas A.E.A.Z.	0	0	0
28	b	V	Generali Hellas A.E.A.Z.	0	0	0
29	b	D	Generali Insurance AD	0	0	0
30	b	D	Generali Investments Holding S.p.A.	0	0	0
31	b	D	Generali Italia S.p.A.	0	0	0
31	b	V	Generali Italia S.p.A.	0	0	0
32	b	D	Generali Latam Ltda	0	0	9
33	b	V	Generali Link Limited - Ord.	2,000,000	2,000	0
34	b	V	Generali PanEurope Limited - Ord.	0	0	0
34	b	V	Generali PanEurope Limited - Pref.	0	0	0
35	b	D	Generali Real Estate S.p.A.	0	0	0
36	b	D	Generali Realities Ltd	0	0	0
37	b	V	Generali Vida de Seguros S.A.	0	0	5,000

Notes to the accounts - Attachment 7  
Year ..... 2016 .....

Decreases in the year			Accounting value (4)		Purchase cost	Current value
For sales		Others decreases	Quantity	Value		
Quantity	Value					
0	0	0	510,000	1,169	1,169	13,414
0	0	114	1	97	212	97
0	0	3,066	874,250	16,397	16,397	16,397
0	0	1,419	807,000	7,588	7,588	7,588
0	0	0	6,420	44	96	50
0	0	0	1,035,422	406,610	406,610	406,610
0	0	8,926	4,703,284	4,439	13,313	4,439
0	0	15,182	0	0	0	0
0	0	239,105	0	0	0	0
0	0	0	95,525	484	551	616
0	0	0	100	0	0	1
0	0	0	50	9	23	35
0	0	0	1,703	235,413	235,413	235,413
0	0	0	2,720	375,983	375,983	375,983
49,391,210	3,631	679	0	0	0	0
0	0	0	658,304	2,014,088	2,094,443	2,235,718
0	0	0	346,696	1,060,720	1,095,346	1,177,441
0	0	0	1,000,000	122,876	122,876	149,345
0	0	0	1,839,154	142,199	326,342	143,034
0	0	0	100,000	5,159,441	5,159,441	5,685,300
0	0	9,811	1,850,000,000	250,755	250,755	403,303
0	0	0	14,390,372	10,927	10,927	19,019
0	0	0	309,043	13	13	531
0	0	0	163,996	61,322	61,322	73,296
0	0	0	1	148	148	148
0	0	0	2,170,870	234,243	234,243	234,243
0	0	0	1,000	99	99	99
0	0	0	4,196,058	24	24	7,340
0	0	0	50,483,372	348,796	348,796	393,733
0	0	0	43,275,473	298,996	298,996	337,516
0	0	0	260,000	65,031	65,031	69,147
0	0	0	94,224,300	11,109	11,109	11,109
0	0	0	166,163,545	263,693	263,693	512,020
0	0	0	167,101,655	265,793	265,793	514,910
0	0	0	3,026,018	19,461	43,454	45,764
0	0	0	770,013	5,341	35,145	11,645
30,735,269	34,141	3	0	0	0	0
0	0	0	15,600,000	78,000	78,000	78,816
0	0	0	837,939,898	4,444,389	4,444,389	4,444,389
0	0	0	2,399,317,002	7,898,566	7,898,566	7,898,566
0	0	4	9,999	40	40	40
0	0	0	2,000,000	2,000	2,000	2,000
0	0	0	35,000,000	35,000	35,000	82,153
0	0	0	7,500,000	7,500	7,500	17,604
0	0	0	1,500,000	105,160	105,160	105,160
0	0	0	20,000	0	0	0
0	0	0	28,496	13,205	13,205	20,569

N. ord. (1)	Type (2)	(3)	Name of the company	Increases in the year		
				For purchases		Others increases
				Quantity	Value	
38	b	V	Generali Vietnam Life Insurance LLC	311,600,000,000	21,681	1,104
39	b	V	Generali Vitality-GmbH	0	0	3,824
40	b	D	Generali Worldwide Insurance Company Limited	0	0	0
41	b	V	GLL GmbH & Co. Retail KG	0	0	0
42	b	D	GSS - Generali Shared Services S.c.a.r.l.	0	0	116
43	b	D	Lion River I N.V. - Classe A	0	0	0
43	b	D	Lion River I N.V. - Classe B	0	0	0
43	b	D	Lion River I N.V. - Classe C	0	0	2,544
43	b	D	Lion River I N.V. - Classe D	0	0	4,360
43	b	D	Lion River I N.V. - Classe E	0	0	0
43	b	D	Lion River I N.V. - Classe F	0	0	0
43	b	D	Lion River I N.V. - Classe G	0	0	8,524
43	b	D	Lion River I N.V. - Classe H	0	0	0
43	b	D	Lion River I N.V. - Classe I	0	0	540
43	b	D	Lion River I N.V. - Classe J	0	0	4
43	b	D	Lion River I N.V. - Classe K	0	0	0
43	b	D	Lion River I N.V. - Classe L	0	0	71
43	b	D	Lion River I N.V. - Classe N	0	0	0
43	b	D	Lion River I N.V. - Classe O	0	0	0
43	b	D	Lion River I N.V. - Classe P	0	0	3,528
44	b	D	Participatie Maatschappij Graafschap Holland N.V. - Ord.	0	0	15,182
44	b	V	Participatie Maatschappij Graafschap Holland N.V. - Ord.	0	0	239,105
45	b	D	Redoze Holding N.V.	0	0	0
46	b	V	Telco AG S.r.l	0	0	0
47	b	D	Transocean Holding Corporation	0	0	5,893
48	d	D	Assurance Maghreb S.A.	0	0	0
49	d	D	Assurance Maghreb Vie S.A.	0	0	0
50	d	D	Generali China Insurance	0	0	0
51	d	D	Guotai Asset Management Co.	0	0	0
52	d	D	NEIP II S.p.A.	0	0	0
53	d	D	Servizi Tecnologici Avanzati S.p.A.	0	0	0
54	e	D	Emittenti Titoli S.p.A.	0	0	0
55	e	D	Fin. Priv. S.r.l.	0	0	0
56	e	D	H2i S.p.A.	0	0	0
57	e	D	Perils AG	0	0	5
58	e	D	Perseo S.p.A.	0	0	0
59	e	D	Protos S.p.A.	0	0	0
60	e	D	Schemaquattordici S.p.A.	0	0	0
61	e	D	SOA Group S.p.A.	0	0	0
62	e	V	Telco S.p.A.	0	0	0
63	e	D	Trieste Adriatic Maritime S.r.l.	0	0	0
64	e	D	Venice S.p.A. - Classe A	0	0	0
64	e	D	Venice S.p.A. - Classe B	0	0	0

Decreases in the year			Accounting value (4)		Purchase cost	Current value
For sales		Others decreases	Quantity	Value		
Quantity	Value					
0	0	0	1,962,600,000,00	87,821	87,821	87,821
0	0	25	1	6,799	6,799	6,799
1	0	0	0	0	0	0
0	0	2,205	120,000,000	80,241	110,121	80,241
1,000	116	7,432	480,000	48,502	55,818	48,502
0	0	0	150,000	150	150	150
0	0	14,805	1,666	2	14,807	2
0	0	0	1,666	5,333	5,333	5,364
0	0	14,082	5,000	378	14,459	378
0	0	2	2,000	2	14	2
0	0	0	1,666	2	2	2
0	0	0	1,666	86,285	86,285	128,734
0	0	0	1,666	2	2	2
0	0	0	1,666	3,907	3,907	6,197
0	0	4	1,666	2	115	2
0	0	0	1,000	42,084	42,084	52,782
0	0	0	1,000	4,971	4,971	22,621
0	0	2,066	1,000	5,311	7,377	5,311
0	0	1,982	430	9,598	11,900	9,598
0	0	0	1,000	28,975	28,975	30,200
0	0	0	45,085,614	2,307,196	2,308,758	2,307,196
0	0	0	48,475,773	2,477,765	2,502,365	2,477,765
0	0	0	30,113	18,155	19,145	21,681
4,695	56,723	0	0	0	0	0
0	0	0	1,949,806	202,904	202,904	296,332
0	0	534	1,325,058	5,533	5,533	5,533
0	0	110	220,843	1,144	1,144	1,144
0	0	3,399	637,000,000	86,879	86,879	86,879
0	0	5,459	33,000,000	139,522	139,522	139,522
0	0	285	26,486	1,806	3,130	1,806
0	0	0	50,000	0	0	0
0	0	0	820,000	424	424	7,170
0	0	0	2,857	14,352	14,352	14,105
0	0	0	1,500,000	1,050	1,500	1,050
0	0	0	25	373	373	756
0	0	13,920	11,935,400	402	36,140	402
0	0	0	195,790	60	60	1,140
0	0	1,041	0	0	0	0
0	0	0	100,608	93	93	161
0	0	0	0	0	0	0
0	0	41	1	575	713	575
0	0	1,595	400,964	1,616	5,894	1,616
0	0	1,595	400,964	1,616	5,894	1,616

N. ord. (1)	Type (2)	(3)	Name of the company	Increases in the year		
				For purchases		Others increases
				Quantity	Value	
66	b	D	Zad Victoria AD	0	0	0
			<b>Total C.II.1</b>		<b>115,411</b>	<b>316,743</b>
	a		Parent companies		0	0
	b		Affiliated companies		115,411	316,738
	c		Affiliated of parent companies		0	0
	d		Associated companies		0	0
	e		Other		0	5
			<b>Total D.I.</b>		<b>0</b>	<b>0</b>
			<b>Total D.II.</b>		<b>0</b>	<b>0</b>



Notes on the accounts - Attachment 8  
Year 2016

**Assicurazioni Generali S.p.A.**

Company

Assets - Breakdown on the basis of the utilisation of other financial investments: equities and shares, shares in common investment funds, debt securities and other fixed securities, participation in investment pools e other financial investments (items C.III.1, 2, 3, 5, 7)

I - Non-life business

	Durable portfolio		Non durable portfolio		Total	
	Book Value	Current value	Book Value	Current value	Book Value	Current value
1. Equity and shares	10,667	21,948	61	9,259	81	31,207
a) listed shares	3,678	3,785	42	7,608	82	11,393
b) unlisted shares	6,412	6,607	43	1,651	83	8,258
c) units	577	11,556	44	0	84	11,556
2. Shares in common investment funds	0	0	45	469,855	85	469,855
3. Debt securities and other fixed-income	65,292	68,567	46	698,396	86	766,963
a) listed governments bonds	27,968	30,736	47	532,871	87	563,607
a2) other listed securities	0	0	48	153,599	88	157,686
b)1) unlisted government bonds	9,525	9,915	49	5,912	89	15,437
b2) other unlisted securities	4,114	4,231	50	1,758	90	5,989
c) convertible bonds	23,685	23,685	51	0	91	23,685
5. Participation in investment	0	0	52	0	92	0
7. Other	0	0	53	7,554	93	7,554

II - Life business

	Durable portfolio		Non durable portfolio		Total	
	Book Value	Current value	Book Value	Current value	Book Value	Current value
1. Equity and shares	5,888	47,183	161	3,800	201	50,983
a) listed shares	0	0	162	0	202	0
b) unlisted shares	1,157	41,181	163	3,800	203	44,981
c) units	4,731	6,002	164	0	204	6,002
2. Shares in common investment funds	0	0	165	36,754	205	36,754
3. Debt securities and other fixed-income	458,318	513,281	166	1,006,669	206	1,519,950
a)1) listed governments bonds	183,186	218,616	167	427,926	207	646,542
a2) other listed securities	262,470	275,226	168	571,916	208	847,142
b)1) unlisted government bonds	10,827	17,544	169	0	209	17,544
b2) other unlisted securities	1,835	1,895	170	6,422	210	8,317
c) convertible bonds	0	0	171	405	211	405
5. Participation in investment	0	0	172	0	212	0
7. Other	0	0	173	0	213	0



## Notes on the accounts - Attachment 9

Year 2016

Company Assicurazioni Generali S.p.A.

Assets - Variation for the year of other durable financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-income securities, participation in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)

	Equities and shares C.III.1	Shares in common investment funds C.III.2	Debt securities and other fixed income C.III.3	Participation in investment pools C.III.5	Other financial investments C.III.7
Initial goodwill .....	1 27,488	21 4,603	41 335,875	81 0	101 0
Revaluations .....	2 1,085	22 138	42 215,735	82 0	102 0
for: acquisitions .....	3 0	23 0	43 159,181	83 0	103 0
reversal value .....	4 0	24 0	44 0	84 0	104 0
transfers from the non-durable portfolio .....	5 0	25 0	45 53,126	85 0	105 0
other changes .....	6 1,085	26 138	46 3,428	86 0	106 0
Devaluations .....	7 12,019	27 4,741	47 27,999	87 0	107 0
for: sales .....	8 7,343	28 4,741	48 446	88 0	108 0
devaluations .....	9 4,638	29 0	49 0	89 0	109 0
transfers from the non-durable portfolio .....	10 0	30 0	50 13,333	90 0	110 0
other changes .....	11 38	31 0	51 14,220	91 0	111 0
<b>Book value .....</b>	12 <b>16,554</b>	32 <b>0</b>	52 <b>523,611</b>	92 <b>0</b>	112 <b>0</b>
Current value .....	13 69,131	33 0	53 581,848	93 0	113 0

## Notes on the accounts - Attachment 10

Company Assicurazioni Generali S.p.A. Year 2016

Assets - Variations for the year regarding loans and deposits with credit institutions (items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
Initial goodwill .....	+	1 3,551	<sup>21</sup> 129,798
Revaluations for the year .....	+	2 773	<sup>22</sup> 602,408
for: payments .....		3 668	
reversal value .....		4 0	
other changes .....		5 105	
Devaluations for the year .....	-	6 256	<sup>26</sup> 605,635
for: redemptions .....		7 162	
devaluations .....		8 72	
other changes .....		9 22	
<b>Book value .....</b>		10 <b>4,068</b>	<sup>30</sup> <b>126,571</b>

Notes on the accounts - Attachment 11  
Year 2016

## Assicurazioni Generali

Company

Assets relating to contracts linked to investment funds and market index (item D.I)

## TOTAL OF INVESTMENT FUNDS

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings .....	0	0	0	0
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests .....	0	0	0	0
2. Debt securities and other fixed-income securities .....	0	0	0	0
3. Loans .....	0	0	0	0
III. Shares in common investment funds	126,671	90,477	123,626	91,655
IV. Other financial investments:				
1. Equities .....	203	196	187	191
2. Debt securities and other fixed-income securities .....	51,397	51,618	39,732	50,051
3. Deposits with credit institutions .....	0	0	0	0
4. Other financial investments .....	0	0	0	0
V. Other assets .....	617	538	617	539
VI. Cash at bank and in hand .....	2,033	2,291	2,033	2,291
Other liabilities .....	-1,114	-1,174	-1,114	-1,174
Deposits with ceding companies .....	3,276,493	3,454,857	3,276,493	3,454,857
<b>Total .....</b>	<b>3,456,300</b>	<b>3,598,803</b>	<b>3,441,574</b>	<b>3,598,410</b>

Notes on the accounts - Attachment 11  
Year 2016

## Company Assicurazioni Generali

Assets relating to contracts linked to investment funds and market index (item D.1)

**Lifetime income bond**

	Current value		Previous year	Acquisition cost	
	Current year	1		Current year	Previous year
I. Lands and buildings .....	0	21	0	41	0
II. Invest. in affiliated undertakings and other shareholdings:					
1. Shares and interests .....	0	22	0	42	0
2. Debt securities and other fixed-income securities .....	0	23	0	43	0
3. Loans .....	0	24	0	44	0
III. Shares in common investment funds	0	25	0	45	0
IV. Other financial investments:					
1. Equities .....	0	26	0	46	0
2. Debt securities and other fixed-income securities .....	50,870	27	50,990	47	39,206
3. Deposits with credit institutions .....	0	28	0	48	0
4. Other financial investments .....	0	29	0	49	0
V. Other assets .....	496	30	624	50	496
VI. Cash at bank and in hand .....	518	31	689	51	518
Other liabilities .....	0	32	0	52	0
Deposits with ceding companies .....	0	33	0	53	0
<b>Total .....</b>	<b>51,884</b>	<b>34</b>	<b>52,303</b>	<b>54</b>	<b>40,220</b>
					<b>50,728</b>

Notes on the accounts - Attachment 11  
Year 2016Company  
Assicurazioni Generali

Assets relating to contracts linked to investment funds and market index (item D.1)

## Unit vision choice

	Current value		Previous year	Acquisition cost	
	Current year	21		Current year	Previous year
I. Lands and buildings .....	0	41	0	0	61
II. Invest. in affiliated undertakings and other shareholdings:					
1. Shares and interests .....	0	42	0	0	62
2. Debt securities and other fixed-income securities .....	0	43	0	0	63
3. Loans .....	0	44	0	0	64
III. Shares in common investment funds	121,959	45	85,643	120,537	65
IV. Other financial investments:					
1. Equities .....	0	46	0	0	66
2. Debt securities and other fixed-income securities .....	0	47	0	0	67
3. Deposits with credit institutions .....	0	48	0	0	68
4. Other financial investments .....	0	49	0	0	69
V. Other assets .....	64	30	-153	64	70
VI. Cash at bank and in hand .....	860	31	868	860	71
Other liabilities .....	0	32	0	0	72
Deposits with ceding companies .....	0	33	0	0	73
<b>Total .....</b>	<b>122,883</b>	<b>34</b>	<b>86,358</b>	<b>121,461</b>	<b>74</b>
					<b>88,810</b>



Notes on the accounts - Attachment 11  
Year 2016

## Assicurazioni Generali

Company

Assets relating to contracts linked to investment funds and market index (item D.I)

## Managed Funds

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings .....	0	21	0	41
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests .....	0	22	0	42
2. Debt securities and other fixed-income securities .....	0	23	0	43
3. Loans .....	0	24	0	44
III. Shares in common investment funds	4,712	25	4,834	45
IV. Other financial investments:			3,089	65
1. Equities .....	0	26	0	46
2. Debt securities and other fixed-income securities .....	468	27	583	47
3. Deposits with credit institutions .....	0	28	0	48
4. Other financial investments .....	0	29	0	49
V. Other assets .....	56	30	67	50
VI. Cash at bank and in hand .....	646	31	731	51
Other liabilities .....	-1,113	32	-1,173	52
Deposits with ceding companies .....	0	33	0	53
<b>Total .....</b>	<b>4,769</b>	<b>34</b>	<b>5,042</b>	<b>74</b>
			<b>3,144</b>	<b>3,777</b>

Notes on the accounts - Attachment 11  
Year 2016

## Assicurazioni Generali

Company

Assets relating to contracts linked to investment funds and market index (item D.I)

## Lavoro Indiretto

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings .....	0	21	0	41
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests .....	0	22	0	42
2. Debt securities and other fixed-income securities .....	0	23	0	43
3. Loans .....	0	24	0	44
III. Shares in common investment funds	0	25	0	45
IV. Other financial investments:				
1. Equities .....	0	26	0	46
2. Debt securities and other fixed-income securities .....	0	27	0	47
3. Deposits with credit institutions .....	0	28	0	48
4. Other financial investments .....	0	29	0	49
V. Other assets .....	0	30	0	50
VI. Cash at bank and in hand .....	0	31	0	51
Other liabilities .....	0	32	0	52
Deposits with ceding companies .....	3,276,493	33	3,454,857	53
<b>Total .....</b>	<b>3,276,493</b>	<b>34</b>	<b>3,454,857</b>	<b>54</b>
			<b>3,276,493</b>	<b>74</b>
				<b>3,454,857</b>



Notes on the accounts - Attachment 13

Company **Assicurazioni Generali S.p.A.** Year 2016

Liabilities - Variation for the year of the components of the provision for unearned premiums (item C.I.1) and those of the provision for claims outstanding (item C.I.2) of non-life lines of business

Typology	Current year	Previous year	Variation
<b>Premium reserve:</b>			
Unearned premium reserve .....	1 406,226	11 348,705	21 57,521
Unexpired risk reserve .....	2 5,558	12 3,603	22 1,955
<b>Book value .....</b>	3 <b>411,784</b>	13 <b>352,308</b>	23 <b>59,476</b>
<b>Provision for claims outstanding:</b>			
Provision for refunds and direct expenses .....	4 1,487,984	14 1,414,997	24 72,987
Provision for claim settlement costs .....	5 46,914	15 46,331	25 583
IBNR provision .....	6 662,124	16 706,903	26 -44,779
<b>Book value .....</b>	7 <b>2,197,022</b>	17 <b>2,168,231</b>	27 <b>28,791</b>

## Notes on the accounts - Attachment 14

Company

**Assicurazioni Generali S.p.A.**

Year

2016

Liabilities - Changes in the components of the mathematical provision for the year (item C.II.1) and in the components of the provision for profit sharing and premium refunds (item C.II.4)

Typology		Current year		Previous year		Variation
Mathematical reserve for pure premiums .....	1	6,933,683	11	7,211,229	21	-277,546
Premiums brought forward .....	2	189,382	12	79,388	22	109,994
Demographical risk reserve .....	3	0	13	0	23	0
Integration provisions .....	4	498,937	14	413,594	24	85,343
<b>Book value .....</b>	5	<b>7,622,002</b>	15	<b>7,704,211</b>	25	<b>-82,209</b>
Provision for profit sharing and premium refunds .....	6	99,294	16	94,241	26	5,053

Notes on the accounts - Attachment 15

Company

Assicurazioni Generali S.p.A.

Year

2016

Liabilities - Change for the year in the provisions in the funds for risks and charges (item E) and change in the severance pay provisions (item G.VII)

		Provisions for retirement and similar obligations	Provisions for taxes	Other provision	Change in the severance pay provisions
Initial amounts .....	+	0 <sup>11</sup>	91,461 <sup>21</sup>	15,233 <sup>31</sup>	5,615
Sums set aside for the year .....	+	0 <sup>12</sup>	3,244 <sup>22</sup>	26,110 <sup>32</sup>	15
Other increases .....	+	0 <sup>13</sup>	0 <sup>23</sup>	0 <sup>33</sup>	948
Other utilisations for the year .....	-	0 <sup>14</sup>	9,743 <sup>24</sup>	13,007 <sup>34</sup>	669
Other decreases .....	-	0 <sup>15</sup>	0 <sup>25</sup>	0 <sup>35</sup>	680
<b>Book value .....</b>		<b>0<sup>16</sup></b>	<b>84,962</b>	<b>28,336</b>	<b>5,229</b>

Notes on the accounts - Attachment 16

Year 2016

Company Assicurazioni Generali S.p.A.

Details of assets and liabilities referring to group companies and other companies in which a significant interest is held

I: Assets

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
Shares and interests .....	1 0	2 29,383,550	3 0	4 234,884	5 20,561	6 29,638,995
Debt securities .....	7 0	8 634	9 0	10 0	11 0	12 634
Loans .....	13 0	14 752,000	15 0	16 0	17 0	18 752,000
Participation in investment pools .....	19 0	20 0	21 0	22 0	23 0	24 0
Deposits with credit institutions .....	25 0	26 30,000	27 0	28 0	29 0	30 30,000
Other financial investments .....	31 0	32 0	33 0	34 0	35 0	36 0
Deposits with ceding companies .....	37 0	38 7,066,905	39 0	40 479	41 0	42 7,067,384
Investments relating to contracts linked to investment funds and market index .....	43 0	44 3,267,390	45 0	46 0	47 0	48 3,267,390
Investments relating to the administration of pension funds .....	49 0	50 0	51 0	52 0	53 0	54 0
Debtors arising out of direct insurance operations .....	55 0	56 389	57 0	58 0	59 0	60 389
Debtors arising out of reinsurance operations .....	61 0	62 288,288	63 0	64 1,893	65 0	66 290,181
Other debtors .....	67 0	68 555,761	69 0	70 1	71 0	72 555,762
Bank and postal deposits .....	73 0	74 4,289	75 0	76 0	77 0	78 4,289
Other .....	79 0	80 49,034	81 0	82 0	83 0	84 49,034
<b>Total .....</b>	<b>85 0</b>	<b>86 41,398,240</b>	<b>87 0</b>	<b>88 237,257</b>	<b>89 20,561</b>	<b>90 41,656,058</b>
of which subordinated activities .....	91 0	92 0	93 0	94 0	95 0	96 0

Details of assets and liabilities referring to group companies and other companies in which a significant interest is held

## II: Liabilities

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
Subordinated liabilities .....	97	0	98	0	99	0
Deposits received from reinsurers .....	103	0	104	0	105	0
Creditors arising out of direct insurance operations .....		9,710		0	106	9,710
Creditors arising out of reinsurance operations .....	109	0	110	0	111	0
Creditors arising out of reinsurance operations .....		4,085		0	112	4,085
Amounts owed to credit institutions .....	115	0	116	0	117	0
Loans guaranteed by mortgages .....	121	0	122	0	123	0
Other financial liabilities .....	127	0	128	0	129	0
Other liabilities .....	133	0	134	0	135	0
Miscellaneous liabilities .....	139	0	140	0	141	0
	145	0	146	0	147	0
	151	0	152	0	153	0
<b>Total .....</b>		<b>5,374,132</b>		<b>18</b>		<b>5,374,150</b>

## Notes on the accounts - Attachment 17

Company

Assicurazioni Generali S.p.A.

Year 2016

## Details of "guarantees, commitments and other evidence accounts"

		Current year	Previous year
I.	Guarantees issued:		
a)	sureties and endorsements issued in the interest of parent companies, affiliated companies and affiliates of parent companies .....	1 269,500	31 269,500
b)	sureties and endorsements issued in the interest of associated companies and other companies in which a significant interest is held .....	2 0	32 0
c)	sureties and endorsements issued in the interest of third parties .....	3 0	33 0
d)	other personal guarantees issued in the interest of parent companies, affiliated companies and affiliates of parent companies .....	4 2,369,000	34 3,588,982
e)	other personal guarantees issued in the interest of associated companies and other companies .....	5 0	35 0
f)	other personal guarantees issued in the interest of third parties .....	6 0	36 0
g)	guarantees secured by mortgages for obligations of parent companies, affiliated companies and affiliates of parent companies .....	7 0	37 0
h)	guarantees secured by mortgages for obligations of associated companies and companies in which a significant interest is held .....	8 0	38 0
i)	guarantees secured by mortgages for third parties obligations .....	9 0	39 0
l)	guarantees issued for obligations of the Company .....	10 47,578	40 42,871
m)	assets deposited for accepted reinsurance operations .....	11 0	41 0
<b>Total</b>	.....	12 <b>2,686,078</b>	42 <b>3,901,353</b>
II.	Guarantees received: .....		
a)	from group companies, associated companies and other .....	13 0	43 0
b)	from third parties .....	14 376,396	44 354,741
<b>Total</b>	.....	15 <b>376,396</b>	45 <b>354,741</b>
III.	Guarantees issued by third parties in the interest of the Company: .....		
a)	from group companies, associated companies and other .....	16 0	46 0
b)	from third parties .....	17 97,958	47 89,188
<b>Total</b>	.....	18 <b>97,958</b>	48 <b>89,188</b>
IV.	Commitments:		
a)	commitments for acquisitions with obligation to resale .....	19 0	49 0
b)	commitments for sales with obligation to buy back .....	20 0	50 0
c)	other commitments .....	21 3,156,189	51 3,140,013
<b>Total</b>	.....	22 <b>3,156,189</b>	52 <b>3,140,013</b>
V.	Assets relating to pension funds managed in the name .....		
	and on behalf of third parties .....	23 0	53 0
VI.	Securities deposited with third parties .....	24 6,882,753	54 6,518,841
<b>Totale</b>	.....	25 <b>6,882,753</b>	55 <b>6,518,841</b>

Notes on the accounts - Attachment 18  
Year 2016

Company Assicurazioni Generali S.p.A.

## Breakdown of derivatives according to type of contracts

Contratti derivati	Current year				Previous year					
	Purchases		Sales		Purchases		Sales			
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)		
<b>Futures:</b>										
on shares	0	101	0	21	0	41	0	61		
on debt securities	0	102	0	22	0	42	0	62		
on currencies	0	103	0	23	0	43	0	63		
on rates	0	104	0	24	0	44	0	64		
others	0	105	0	25	0	45	0	65		
<b>Options:</b>										
on shares	0	106	0	26	0	46	0	66		
on debt securities	0	107	0	27	0	47	0	67		
on currencies	0	108	0	28	0	48	0	68		
on rates	0	109	0	29	0	49	0	69		
others	0	110	0	30	0	50	0	70		
<b>Swaps:</b>										
on currencies	11	1,299,213	111	-440,185	31	469,812	131	-815		
on rates	12	0	112	0	32	605,539	132	-34,890		
others	13	0	113	0	33	255,000	133	0		
<b>Other operations:</b>										
	14	0	114	0	34	0	134	0		
<b>Total .....</b>	15	<b>1,299,213</b>	115	<b>-440,185</b>	35	<b>1,330,351</b>	135	<b>-35,705</b>		
						55	<b>1,786,082</b>	155	<b>-308,955</b>	
								75	<b>1,327,171</b>	
									175	<b>-66,182</b>

Only transactions on derivatives extant at the balance sheet date and that represent commitments for the Company must be included. In the event of a contract not belonging precisely to the above-mentioned types or a contract which has characteristics of different types of contracts, the contract must be included in the nearest type. Items compensations are not allowed, unless they refer to purchase/sale transactions referring to the same type of contract (same content, deadline, underlying asset...)

Contracts providing for currency swaps must be shown only once, with conventional reference to the currency to be purchased. Contracts that allow both currency swaps and interest rate swaps must be reported exclusively among currency contracts. Derivative contracts providing for interest rate swaps are conventionally classified as "purchases" or "sales", depending on whether they commit the insurance company to purchase or sell the fixed rate.

(1) For derivatives that imply or could imply futures contracts, the settlement price of the contracts has to be indicated; in all other cases, the nominal value of the reference capital has to be indicated.

(2) Indicate the fair value of derivatives

Notes on the accounts - Attachment 19  
Year 2016

Company Assicurazioni Generali S.p.A.

Details of the non life business technical account

	Gross written premiums	Earned written premiums	Gross cost of claims	Operating expenses	Reinsurance balance
<b>Direct insurance:</b>					
Accident and Health (class of insurance 1 and 2) .....	1 24,626	2 25,606	3 18,717	4 6,233	5 -1,928
Motor TPL (class of insurance 10) .....	6 88	7 124	8 171	9 5	10 -6
Motor, other classes (class of insurance 3) .....	11 8,174	12 6,671	13 4,102	14 95	15 1,123
Marine, aviation and transport (classes of insurance 4, 5, 6, 7, 11 and 12) .....	16 20,624	17 20,188	18 13,921	19 4,703	20 137
Fire and other damage to property (classes of insurance 8 and 9) .....	21 38,646	22 30,160	23 29,918	24 8,233	25 4,796
General liability (class of insurance 13) .....	26 54,499	27 52,942	28 32,871	29 11,826	30 -3,621
Credit and suretyship (classes of insurance 14 and 15) .....	31 2,941	32 325	33 -5	34 115	35 248
Miscellaneous financial loss (class of insurance 16) .....	36 9,173	37 7,586	38 1,231	39 2,135	40 -1,911
Legal expenses (class of insurance 17) .....	41 3	42 2	43 -20	44 2	45 0
Assistance (class of insurance 18) .....	46 63	47 98	48 -24	49 6	50 -6
<b>Total direct insurance .....</b>	51 <b>158,837</b>	52 <b>143,702</b>	53 <b>100,882</b>	54 <b>33,353</b>	55 <b>-1,168</b>
<b>Inward reinsurance .....</b>	56 <b>192,548</b>	57 <b>196,652</b>	58 <b>45,671</b>	59 <b>15,317</b>	60 <b>-105,404</b>
<b>Total Italian portfolio .....</b>	61 <b>351,385</b>	62 <b>340,354</b>	63 <b>146,553</b>	64 <b>48,670</b>	65 <b>-106,572</b>
<b>Foreign portfolio .....</b>	66 <b>1,308,708</b>	67 <b>1,257,992</b>	68 <b>779,749</b>	69 <b>256,826</b>	70 <b>-164,079</b>
<b>Total .....</b>	71 <b>1,660,093</b>	72 <b>1,598,346</b>	73 <b>926,302</b>	74 <b>305,496</b>	75 <b>-270,651</b>



Notes on the accounts - Attachment 20

Company

**Assicurazioni Generali S.p.A.**

Year 2016

Summary of life business: premiums and reinsurers' share.

	Direct business	Reinsurance	Total
Gross premiums:	1 486,321	11 1,521,186	21 2,007,507
a) 1. individual policies .....	2 340,580	12 420,575	22 761,155
2. group policies .....	3 145,741	13 1,100,611	23 1,246,352
b) 1. regular premiums .....	4 216,362	14 1,521,186	24 1,737,548
2. single premiums .....	5 269,959	15 0	25 269,959
c) 1. policies without profit sharing .....	6 436,982	16 1,484,151	26 1,921,133
2. policies with profit sharing .....	7 0	17 0	27 0
3. policies where the investment risk is borne by the policyholders and relating to the administration of pension funds .....	8 49,339	18 37,035	28 86,374

Reinsurance balance .....	9 1,316	19 -9,798	29 -8,482
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## Notes on the accounts - Attachment 21

Company **Assicurazioni Generali S.p.A.**Year **2016**

## Income from investments (items II.2 e III.3)

	Non-life business	Life business	Total
<b>Income from equities:</b>			
Dividends and other income from shares and participations in group companies and other companies in which a significant interest is held	1 896,431	41 956,621	81 1,853,052
Dividends and other income from equities	2 1,198	42 3,185	82 4,383
<b>Total</b>	3 <b>897,629</b>	43 <b>959,806</b>	83 <b>1,857,435</b>
<b>Income from land and buildings</b>	4 4,983	44 0	84 4,983
<b>Income from other investments:</b>			
Income from debt securities of group companies and other companies in which a significant interest is held	5 0	45 961	85 961
Income from loans to group companies and other companies in which a significant interest is held	6 21,177	46 11,991	86 33,168
Income from shares in common investment funds	7 1,376	47 0	87 1,376
Income from debt securities and other fixed-income securities	8 18,237	48 58,059	88 76,296
Interests on loans	9 16	49 78	89 94
Income from participation in investment pools	10 0	50 0	90 0
Interests on deposits with credit institutions	11 555	51 363	91 918
Income from other financial investments	12 37,081	52 49,396	92 86,477
Interests on deposits with ceding companies	13 3,265	53 256,664	93 259,929
<b>Total</b>	14 <b>81,707</b>	54 <b>377,512</b>	94 <b>459,219</b>
<b>Value re-adjustments on other investments:</b>			
Land and buildings	15 0	55 0	95 0
Shares and participations in group companies and other companies	16 6,072	56 0	96 6,072
Debt securities issued by affiliated companies and other companies in which a significant interest is held	17 0	57 5	97 5
Other equities	18 43	58 0	98 43
Other debt securities	19 1,438	59 8,829	99 10,267
Other financial investments	20 12,194	60 0	100 12,194
<b>Total</b>	21 <b>19,747</b>	61 <b>8,834</b>	101 <b>28,581</b>
<b>Gains on the realisation of investments:</b>			
Surplus on the sale of land and buildings	22 0	62 0	102 0
Gains on shares and participations in group companies and other companies in which a significant interest is held	23 1,999	63 0	103 1,999
Gains on debt securities issued by group companies and other companies in which a significant interest is held	24 0	64 0	104 0
Gains on other equities	25 3,267	65 0	105 3,267
Gains on other debt securities	26 34	66 2,625	106 2,659
Gains on other financial investments	27 8,799	67 8,665	107 17,464
<b>Total</b>	28 <b>14,099</b>	68 <b>11,290</b>	108 <b>25,389</b>
<b>GRAND TOTAL</b>	29 <b>1,018,165</b>	69 <b>1,357,442</b>	109 <b>2,375,607</b>

## Notes on the accounts - Attachment 22

Company **Assicurazioni Generali S.p.A.**

Year 2016

Income and unrealised gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds (item II.3)

## I. Investments relating to investment funds and market index

	Amounts	
<b>Income arising from:</b>		
Land and buildings .....	1	0
Investments in group companies and other companies in which a significant interest is held .....	2	25,696
Shares in common investment funds .....	3	2
Other financial investments .....	4	1,890
- of which income from debt securities ..... 5....		1,200
Other .....	6	15
<b>Total .....</b>	7	<b>27,603</b>
<b>Gains on the realisation of investments:</b>		
Surplus on the sale of land and buildings .....	8	0
Gains on invest. in group companies and other companies in which a significant interest is held .....	9	0
Gains on common investment funds .....	10	638
Gains on other financial investments .....	11	737
- of which debt securities ..... 12....		734
Other income .....	13	0
<b>Total .....</b>	14	<b>1,375</b>
<b>Unrealised gains .....</b>	15	<b>23,119</b>
<b>GRAND TOTAL .....</b>	16	<b>52,097</b>

## II. Investments relating to the management of pension funds

	Amounts	
<b>Income arising from:</b>		
Investments in group companies and other companies in which a significant interest is held .....	21	0
Other financial investments .....	22	0
- of which income from debt securities ..... 23....		0
Other assets .....	24	0
<b>Total .....</b>	25	<b>0</b>
<b>Profits on the realisation of investments:</b>		
Investments in group companies and companies where a significant interest is held .....	26	0
Profits on other financial investments .....	27	0
- of which debt securities ..... 28....		0
Other income .....	29	0
<b>Total .....</b>	30	<b>0</b>
<b>Unrealised gains .....</b>	31	<b>0</b>
<b>GRAND TOTAL .....</b>	32	<b>0</b>

Notes on the accounts - Attachment 23

Company

Assicurazioni Generali S.p.A.

Year 2016

Details of investment charges (items II.9 e III.5)

	Non-life	Life business	Total
<b>Investment management charges and other charges:</b>			
Charges referring to equities .....	1 2,470	31 6,869	61 9,339
Charges referring to investment in land and buildings .....	2 2,275	32 0	62 2,275
Charges referring to debt securities .....	3 1,629	33 3,474	63 5,103
Charges referring to shares in common investment funds .....	4 0	34 0	64 0
Charges referring to shares in common investments .....	5 0	35 0	65 0
Charges referring to other financial investments .....	6 56,227	36 76,503	66 132,730
Interests on deposits received from reinsurers .....	7 108	37 5,943	67 6,051
<b>Total .....</b>	8 <b>62,709</b>	38 <b>92,789</b>	68 <b>155,498</b>
<b>Value re-adjustments on investments referring to:</b>			
Land and buildings .....	9 1,209	39 0	69 1,209
Shares and participations in group comp. and other companies .....	10 58,003	40 0	70 58,003
Debt securities issued by group companies and other companies .....	11 0	41 0	71 0
Other equities .....	12 606	42 4,560	72 5,166
Other debt securities .....	13 9,200	43 6,381	73 15,581
Other financial investments .....	14 8,002	44 0	74 8,002
<b>Total .....</b>	15 <b>77,020</b>	45 <b>10,941</b>	75 <b>87,961</b>
<b>Losses on the realisation of investments:</b>			
Losses on the sale of land and buildings .....	16 0	46 0	76 0
Losses on equities .....	17 844	47 0	77 844
Losses on debt securities .....	18 0	48 157	78 157
Losses on other financial investments .....	19 62,171	49 170	79 62,341
<b>Total .....</b>	20 <b>63,015</b>	50 <b>327</b>	80 <b>63,342</b>
<b>GRAND TOTAL .....</b>	21 <b>202,744</b>	51 <b>104,057</b>	81 <b>306,801</b>

Notes on the accounts - Attachment 24

Company **Assicurazioni Generali S.p.A.**

Year **2016**

Investment charges and unrealised losses relating to investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds (item II.10)

I. Investments relating to investment funds and market index

	Amounts	
<b>Charges arising from:</b>		
Land and buildings .....	1	0
Investments in group comp. and other companies in which a significant interest is held .....	2	0
Shares in common investment funds.....	3	0
Other financial investments .....	4	-1
Other activities.....	5	141
<b>Total .....</b>	6	<b>140</b>
<b>Losses on the realisation of investments:</b>		
Losses on the sale of land and buildings .....	7	0
Losses on investments in group companies and other companies in which a significant interest is held .....	8	0
Losses on common investment funds .....	9	275
Losses on other financial investments .....	10	9
Other losses.....	11	1
<b>Total .....</b>	12	<b>285</b>
<b>Unrealised losses.....</b>	13	<b>9,746</b>
<b>GRAND TOTAL .....</b>	14	<b>10,171</b>

II. Investments relating to the pension funds management

	Amounts	
<b>Charges arising from:</b>		
Investments in group comp. and other companies in which a significant interest is held .....	21	0
Other financial investments .....	22	0
Other activities.....	23	0
<b>Total .....</b>	24	<b>0</b>
<b>Losses on the realisation of investments:</b>		
Losses on investments in group companies and other companies in which a significant interest is held .....	25	0
Losses on other financial investments.....	26	0
<b>Total .....</b>	27	<b>0</b>
<b>Unrealised losses .....</b>	28	<b>0</b>
<b>GRAND TOTAL .....</b>	29	<b>0</b>

Company

**Assicurazioni Generali S.p.A.**

Summary layout of technical account

	Lob 01		Lob 02	
	Accident		Health	
<b>Direct business gross of reinsurance</b>				
Written premiums .....	+	1 3,074	1 21,552	
Change in the provision for unearned premiums (+ o -) .....	-	2 98	2 -1,078	
Claims incurred .....	-	3 3,781	3 14,936	
Change in other technical provisions (+ o -) .....	-	4 0	4 0	
Balance of other technical income and charges (+ o -) .....	+	5 -2	5 0	
Operating expenses .....	-	6 36	6 6,197	
<b>Balance on the technical account for direct business (+ o -) .....</b>		<b>7 -843</b>	<b>7 1,497</b>	<b>A</b>
<b>Balance of reinsurance ceded (+ o -) .....</b>		<b>8 -139</b>	<b>8 -1,789</b>	<b>B</b>
<b>Net balance of accepted business (+ o -) .....</b>		<b>9 11,045</b>	<b>9 -985</b>	<b>C</b>
Change in the equalisation provision (+ o -) .....		10 0	10 0	<b>D</b>
Allocated investment return transf. from the non-technical account .....		11 3,765	11 1,827	<b>E</b>
<b>Net balance of accepted business (+ o -) .....</b>		<b>12 13,828</b>	<b>12 550</b>	<b>(A + B + C - D + E)</b>

	Lob 07		Lob 08	
	Cargo		Fire and natural events	
<b>Direct business gross of reinsurance</b>				
Written premiums .....	+	1 5,505	1 18,024	
Change in the provision for unearned premiums (+ o -) .....	-	2 419	2 4,338	
Claims incurred .....	-	3 5,138	3 18,820	
Change in other technical provisions (+ o -) .....	-	4 0	4 0	
Balance of other technical income and charges (+ o -) .....	+	5 0	5 316	
Operating expenses .....	-	6 1,349	6 4,140	
<b>Balance on the technical account for direct business (+ o -) .....</b>		<b>7 -1,401</b>	<b>7 -8,958</b>	<b>A</b>
<b>Balance of reinsurance ceded (+ o -) .....</b>		<b>8 799</b>	<b>8 -778</b>	<b>B</b>
<b>Net balance of accepted business (+ o -) .....</b>		<b>9 -437</b>	<b>9 -2,318</b>	<b>C</b>
Change in the equalisation provision (+ o -) .....		10 0	10 92	<b>D</b>
Allocated investment return transf. from the non-technical account .....		11 1,050	11 3,867	<b>E</b>
<b>Net balance of accepted business (+ o -) .....</b>		<b>12 11</b>	<b>12 -8,279</b>	<b>(A + B + C - D + E)</b>

	Lob 13		Lob 14	
	General liability		Credit	
<b>Direct business gross of reinsurance</b>				
Written premiums .....	+	1 54,499	1 0	
Change in the provision for unearned premiums (+ o -) .....	-	2 1,557	2 -1	
Claims incurred .....	-	3 32,871	3 -5	
Change in other technical provisions (+ o -) .....	-	4 0	4 0	
Balance of other technical income and charges (+ o -) .....	+	5 -268	5 -1	
Operating expenses .....	-	6 11,826	6 11	
<b>Balance on the technical account for direct business (+ o -) .....</b>		<b>7 7,977</b>	<b>7 -6</b>	<b>A</b>
<b>Balance of reinsurance ceded (+ o -) .....</b>		<b>8 -3,621</b>	<b>8 0</b>	<b>B</b>
<b>Net balance of accepted business (+ o -) .....</b>		<b>9 23,203</b>	<b>9 734</b>	<b>C</b>
Change in the equalisation provision (+ o -) .....		10 0	10 -2	<b>D</b>
Allocated investment return transf. from the non-technical account .....		11 12,843	11 20	<b>E</b>
<b>Net balance of accepted business (+ o -) .....</b>		<b>12 40,402</b>	<b>12 750</b>	<b>(A + B + C - D + E)</b>

## Notes on the accounts - Attachment 25

Year 2016

by branch - Non-life business -Italian portfolio

Lob 03	Lob 04	Lob 05	Lob 06
Motor, other classes	Trains	Aircrafts	Watercrafts
1 8,174	1 309	1 3,231	1 8,154
2 1,503	2 -30	2 -24	2 121
3 4,102	3 0	3 2,132	3 6,238
4 0	4 0	4 0	4 0
5 0	5 -7	5 -22	5 0
6 95	6 4	6 548	6 2,004
7 2,474	7 328	7 553	7 -209
8 1,123	8 0	8 -416	8 -143
9 258	9 -88	9 158	9 2,327
10 0	10 0	10 0	10 0
11 906	11 19	11 270	11 992
12 4,761	12 259	12 565	12 2,967

Lob 09	Lob 10	Lob 11	Lob 12
Other damage	Motor TPL	Aviation TPL	Watercrafts TPL
1 20,622	1 88	1 3,425	1 0
2 4,148	2 -36	2 -50	2 0
3 11,098	3 171	3 350	3 63
4 0	4 0	4 0	4 0
5 -10	5 -10	5 -3	5 0
6 4,093	6 5	6 795	6 3
7 1,273	7 -62	7 2,327	7 -66
8 5,574	8 -6	8 -100	8 -3
9 3,998	9 -14,068	9 52	9 5
10 0	10 0	10 0	10 0
11 1,998	11 2,186	11 255	11 92
12 12,843	12 -11,950	12 2,534	12 28

Lob 15	Lob 16	Lob 17	Lob 18
Suretyship	Miscell. financial loss	Legal expenses	Assistance
1 2,941	1 9,173	1 3	1 63
2 2,617	2 1,587	2 1	2 -35
3 0	3 1,231	3 -20	3 -24
4 0	4 0	4 0	4 0
5 0	5 -9	5 0	5 0
6 104	6 2,135	6 2	6 6
7 220	7 4,211	7 20	7 116
8 248	8 -1,911	8 0	8 -6
9 2,129	9 4,139	9 109	9 0
10 0	10 0	10 0	10 0
11 284	11 241	11 35	11 6
12 2,881	12 6,680	12 164	12 116

Notes on the accounts - Attachment 26  
Year 2016

Company Assicurazioni Generali S.p.A.

Summary layout of technical accounts of non-life business

Italian portfolio

	Direct insurance		Reinsurance		Risks retained Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Risks accepted 3	Retrocessions 4	
Written premiums .....	1	11	21	31	41
Change in the provision for unearned premiums (+ o -) .....	2	12	22	32	42
Claims incurred .....	3	13	23	33	43
Change in other technical provisions (+ o -) .....	4	14	24	34	44
Balance of other technical income and charges (+ o -) .....	5	15	25	35	45
Operating expenses .....	6	16	26	36	46
<b>Technical balance (+ o -) .....</b>	7	17	27	37	47
Change in the equalisation provision (+ o -)					48
Allocated investment return transf. from the non-technical account	9		29		49
<b>Balance on the technical account (+ o -) .....</b>	10	20	30	40	50



## Notes on the accounts - Attachment 27

Year 2016

Company Assicurazioni Generali S.p.A.

## Life insurance - Summary layout of technical accounts by branch - Italian portfolio

	Life	Marriage and birth	Unit linked
	Lob 01	Lob 02	Lob 03
<b>Direct business gross of reinsurance</b>			
Written premiums	80,764	0	0
Claims incurred	115,461	0	50
Change in mathematical provision and in other technical provisions (+ o -)	-9,157	0	6,067
Balance of other technical income and charges (+ o -)	0	0	8,098
Operating expenses	5,272	0	1
Allocated investment return transferred to the non-technical account (*)	74,058	0	99
			12,669
<b>Balance of direct business gross of reinsurance(+ o -)</b>	<b>43,246</b>	<b>0</b>	<b>-1,544</b>
<b>Balance of reinsurance ceded (+ o -)</b>	<b>4,263</b>	<b>0</b>	<b>-7</b>
<b>Net balance of accepted business (+ o -)</b>	<b>213,229</b>	<b>0</b>	<b>-65</b>
<b>Balance of direct business gross of reinsurance(+ o -)</b>	<b>260,738</b>	<b>0</b>	<b>-1,616</b>
<b>Direct business gross of reinsurance</b>			
Written premiums	24,052	414	0
Claims incurred	-15,882	4,735	0
Change in mathematical provision and in other technical provisions (+ o -)	35,361	471	0
Balance of other technical income and charges (+ o -)	-1,803	0	0
Operating expenses	3,421	2	0
Allocated investment return transferred to the non-technical account (*)	2,304	7,960	0
			0
<b>Balance of direct business gross of reinsurance(+ o -)</b>	<b>1,653</b>	<b>3,166</b>	<b>0</b>
<b>Balance of reinsurance ceded (+ o -)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net balance of accepted business (+ o -)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance of direct business gross of reinsurance(+ o -)</b>	<b>1,653</b>	<b>3,166</b>	<b>0</b>

(\*) Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Accounts

Notes on the accounts - Attachment 28  
Year 2016

## Assicurazioni Generali S.p.A.

Company

## Summary layout of technical accounts of life business

## Italian portfolio

	Direct insurance		Reinsurance		Risks retained Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Risks accepted 3	Retrocessions 4	
Written premiums .....	105,280 <sup>11</sup>	26,886 <sup>21</sup>	281,188 <sup>31</sup>	1,314 <sup>41</sup>	358,268
Cost of claims .....	110,381 <sup>12</sup>	27,458 <sup>22</sup>	778,473 <sup>32</sup>	0 <sup>42</sup>	861,396
Change in mathematical provision and in other technical provisions(+ o -) .....	34,773 <sup>13</sup>	511 <sup>23</sup>	-433,191 <sup>33</sup>	0 <sup>43</sup>	-398,929
Balance of other technical income and charges (+ o -) .....	-1,802 <sup>14</sup>	0 <sup>24</sup>	-103 <sup>34</sup>	0 <sup>44</sup>	-1,905
Operating expenses .....	8,794 <sup>15</sup>	3,173 <sup>25</sup>	22,811 <sup>35</sup>	858 <sup>45</sup>	27,574
Allocated investment return transferred to the non-technical account (*) .....	96,991		300,628		397,619
<b>Balance on the technical account (+ o -) .....</b>	<b>46,521<sup>17</sup></b>	<b>-4,256<sup>27</sup></b>	<b>213,620<sup>37</sup></b>	<b>456<sup>47</sup></b>	<b>263,941</b>

(\*) Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Accounts

Notes on the accounts - Attachment 29

Company **Assicurazioni Generali S.p.A.** Year **2016**

Summary layout of technical accounts of non-life and life business - Foreign portfolio

Section I: Non Life Business

		Total lines of business	
<b>Direct business gross of reinsurance</b>			
Written premiums .....	+	1	242,353
Change in the provision for unearned premiums (+ o -) .....	-	2	12,856
Claims incurred .....	-	3	109,409
Change in other technical provisions (+ o -) .....	-	4	0
Balance of other technical income and charges (+ o -) .....	+	5	658
Operating expenses .....	-	6	64,760
<b>Balance on the technical account for direct business (+ o -) .....</b>	<b>A</b>	<b>7</b>	<b>55,986</b>
<b>Balance of reinsurance ceded (+ o -) .....</b>	<b>B</b>	<b>8</b>	<b>-47,562</b>
<b>Net balance of accepted business (+ o -) .....</b>	<b>C</b>	<b>9</b>	<b>48,552</b>
Change in the equalisation provision (+ o -) .....	<b>D</b>	10	0
Allocated investment return transferred from the non-technical account .....	<b>E</b>	11	92,351
<b>Balance on the technical account for direct business (+ o -) .....</b>		<b>12</b>	<b>149,327</b>
			<b>(A+B+C-D+E)</b>

Section II: Life Business

		Total lines of business	
<b>Direct business gross of reinsurance</b>			
Written premiums .....	+	1	381,041
Claims incurred .....	-	2	68,999
Change in mathematical provision and in other technical provisions(+ o -) .....	-	3	264,970
Balance of other technical income and charges (+ o -) .....	+	4	19,435
Operating expenses .....	-	5	64,413
Allocated investment return transferred to the non-technical account (1) .....	+	6	24,947
<b>Balance of direct business gross of reinsurance(+ o -) .....</b>	<b>A</b>	<b>7</b>	<b>27,041</b>
<b>Balance of reinsurance ceded (+ o -) .....</b>	<b>B</b>	<b>8</b>	<b>-2,941</b>
<b>Net balance of accepted business (+ o -) .....</b>	<b>C</b>	<b>9</b>	<b>73,233</b>
<b>Balance on the technical account (+ o -) .....</b>		<b>10</b>	<b>97,333</b>
			<b>(A+B+C-D+E)</b>

(1) 'Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Accounts

Notes on the accounts - Attachment 30  
Year 2016

Company **Assicurazioni Generali S.p.A.**

Layout of the links with Group companies and companies where a significant interest is held

I: Income

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
<b>Investment income</b>						
Income from land and buildings	1 0 2 0	0	3 0	4 0	5 0	6 0
Income from equities	7 0 8 1,827,102	0	9 0	10 18,418	11 7,532	12 1,853,052
Income from debt securities	13 0 14 61	0	15 0	16 0	17 899	18 960
Interests on loans	19 0 20 33,168	0	21 0	22 0	23 0	24 33,168
Income from other financial investments	25 0 26 24	0	27 0	28 0	29 0	30 24
Interests on deposits with ceding companies	31 0 32 245,905	0	33 0	34 15	35 0	36 245,920
<b>Total</b>	37 0 38 2,106,260	0	39 0	40 18,433	41 8,431	42 2,133,124
<b>Unrealised income and gains on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds</b>						
<b>Other income</b>						
Interests on credits	43 0 44 25,696	0	45 0	46 0	47 0	48 25,696
Interests on credits	49 0 50 4,886	0	51 0	52 0	53 0	54 4,886
Interests on credits	55 0 56 27,193	0	57 0	58 0	59 0	60 27,193
Interests on credits	61 0 62 102,168	0	63 0	64 0	65 0	66 102,168
<b>Total</b>	67 0 68 134,247	0	69 0	70 0	71 0	72 134,247
<b>Profits on realisation of investments (*)</b>	73 0 74 1,999	0	75 0	76 0	77 0	78 1,999
<b>Extraordinary income</b>	79 0 80 46,878	0	81 0	82 0	83 0	84 46,878
<b>GRAND TOTAL</b>	85 0 86 2,315,080	0	87 0	88 18,433	89 8,431	90 2,341,944

Layout of the links with Group companies and companies where a significant interest is held  
II: Charges

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
<b>Charges on investments and passive interests:</b>						
Investment charges .....	91 0 92 10,854 93 0 94 0 95 0 96 10,854					
Interests on subordinated liabilities .....	97 0 98 11,754 99 0 100 0 101 0 102 11,754					
Interests on deposits from reinsurers .....	103 0 104 0 105 0 106 0 107 0 108 0					
Interests on debits from direct insurance operations .....	109 0 110 0 111 0 112 0 113 0 114 0					
Interests on debits from reinsurance operations .....	115 0 116 9,854 117 0 118 0 119 0 120 9,854					
Interests on debits towards banks and financial institutions .....	121 0 122 3 123 0 124 0 125 0 126 3					
Interests on mortgages .....	127 0 128 0 129 0 130 0 131 0 132 0					
Interests on other debits .....	133 0 134 74,733 135 0 136 0 137 0 138 74,733					
Losses on credits .....	139 0 140 0 141 0 142 0 143 0 144 0					
Administration charges and charges for third parties .....	145 0 146 27,193 147 0 148 0 149 0 150 27,193					
<b>Total .....</b>	151 0 152 43,892 153 0 154 97 155 462 156 44,451	157 0 158 178,283 159 0 160 97 161 462 162 178,842				
<b>Unrealised charges and losses on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds .....</b>	163 0 164 0 165 0 166 0 167 0 168 0					
<b>Losses on realisation of investments (*) .....</b>	169 0 170 15 171 0 172 0 173 0 174 15					
<b>Extraordinary charges .....</b>	175 0 176 1,526 177 0 178 0 179 0 180 1,526					
<b>GRAND TOTAL .....</b>	181 0 182 179,824 183 0 184 97 185 462 186 180,383					

(\*) with reference to the counterpart in the operation

Notes on the accounts - Attachment 31  
Year 2016

Company Assicurazioni Generali S.p.A.

## Summary layout of direct business premiums written

	Non-life		Life		Total	
	Affiliates	FoS	Affiliates	FoS	Affiliates	FoS
Written premiums:						
in Italy .....	1 41,201	5 199	11 10,558	15 0	21 51,759	25 199
in other EU countries .....	2 114,064	6 3,347	12 94,722	16 0	22 208,786	26 3,347
in third countries .....	3 242,353	7 27	13 381,041	17 0	23 623,394	27 27
<b>Total .....</b>	4 <b>397,618</b>	8 <b>3,573</b>	14 <b>486,321</b>	18 <b>0</b>	24 <b>883,939</b>	28 <b>3,573</b>

Notes on the accounts - Attachment 32

Company **Assicurazioni Generali S.p.A.** Year **2016**

Layout of costs with regard to staff, administrators and auditors

I: Staff costs

	Non-life business		Life business		Total	
<b>Employees' costs:</b>						
Italian portfolio:						
- Wages .....	1	152,458	31	3,275	61	155,733
- Social contributions .....	2	43,828	32	1,142	62	44,970
- Severance payments and other obligations .....	3	8,921	33	221	63	9,142
- Other employee costs .....	4	9,825	34	61	64	9,886
<b>Total .....</b>	5	<b>215,032</b>	35	<b>4,699</b>	65	<b>219,731</b>
Foreign portfolio:						
- Wages .....	6	40,715	36	21,561	66	62,276
- Social contributions .....	7	10,414	37	6,172	67	16,586
- Other employee costs .....	8	3,311	38	2,878	68	6,189
<b>Totale .....</b>	9	<b>54,440</b>	39	<b>30,611</b>	69	<b>85,051</b>
<b>Grand total</b>	10	<b>269,472</b>	40	<b>35,310</b>	70	<b>304,782</b>
<b>Costs of non subordinate workforce:</b>						
Italian portfolio .....	11	9,031	41	119	71	9,150
Foreign portfolio .....	12	401	42	3	72	404
<b>Total .....</b>	13	<b>9,432</b>	43	<b>122</b>	73	<b>9,554</b>
<b>Total cost of workforce .....</b>	14	<b>278,904</b>	44	<b>35,432</b>	74	<b>314,336</b>

II: Details of items entered

	Non-life business		Life business		Total	
Investments charges .....	15	323	45	1,096	75	1,419
Costs of claims .....	16	192,004	46	1,764	76	193,768
Other acquisition costs .....	17	16,129	47	5,099	77	21,228
Other administration costs .....	18	30,379	48	21,979	78	52,358
Administrative charges and charges for third parties .....	19	223,474	49	4,125	79	227,599
Holding costs .....	20	0	50	0	80	0
<b>Total .....</b>	21	<b>462,309</b>	51	<b>34,063</b>	81	<b>496,372</b>

III: Average number of staff

	Number	
Managers .....	91	266
Employees .....	92	1,669
Salaried .....	93	0
Others .....	94	15
<b>Total .....</b>	95	<b>1,950</b>

IV: Administrators and auditors

	Number	Wages due		
Administrators .....	96	13	98	4,013
Auditors .....	97	3	99	350





**Securities and urban**

**real estate**

**on which revaluation  
have been**

## Securities on which revaluations have been carried out (Art. 10 of Law 19/3/1983 n. 72)

(values in euro)

Name	Entered value 2016	Monetary revaluations	Other revaluations
ASEGURADORA GENERAL SA	1,168,742	25,578	-
GENERALI (SCHWEIZ) HOLDING AG	611,395,858	85,639	-
GENERALI FRANCE	529,486,198	110,443	502,204
<b>Total</b>	<b>1,142,050,797</b>	<b>221,660</b>	<b>502,204</b>

## Urban real estate on which revaluations have been carried out

Place ITALY	Total book values at 31/12/2016 <sup>(*)</sup>	(Art. 10 of Law 19/3/83 n. 72)	
		Monetary revaluations	Other revaluations
BARLETTA	266,082	11,517.00	366,050
BOLOGNA	3,285,281	-	4,499,215
BUSTO ARSIZIO	277,110	23,756.00	464,515
CALTAGIRONE	89,275	-	65,067
CALTANISSETTA	99,012	6,881.00	122,469
CASALECCHIO DI RENO	188,043	13,189.00	174,214
CASORIA	128,639	9,086.00	235,396
CATANIA	256,072	-	58,172
CATANZARO	306,922	-	387,942
CORSICO	247,382	22,746.00	488,864
FABRIANO	1,811,731	-	1,529,568
FERMO	217,872	-	296,271
FIGLINE VALDARNO	306,811	17,552.00	594,504
FOGGIA	1,197,455	930.00	2,237,135
FOLIGNO	941,368	16,828.00	591,561
FUCECCHIO	198,098	-	267,018
LATINA	326,607	26,004.00	363,491
MATERA	201,424	10,770.00	293,961
MELEGNANO	294,550	22,450.00	450,438
MONSELICE	257,335	19,291.00	274,227
MUGGIA	721,719	-	-
PADUA	16,511,563	308,881.00	13,805,894
PERUGIA	79,262	-	111,393
PESCARA	732,364	-	1,123,300
PISTOIA	1,307,490	-	1,145,810
RAGUSA	356,829	-	274,118
REGGIO DI CALABRIA	405,897	-	391,385
REGGIO NELL'EMILIA	1,375,515	-	2,727,637
ROMA	52,588,922	-	39,588,421
SARZANA	148,437	7,006.00	218,351
SASSARI	128,638	18,722.00	155,838
SERIATE	89,152	-	141,501
SIGNA	217,701	14,689.00	327,729

\*

total book value includes as amount of Euro 1.696.197  
for work in progress

Place ITALY	Total book values at 31/12/2016 <sup>(1)</sup>	(Art. 10 of Law 19/3/83 n. 72)	
		Monetary revaluations	Other revaluations
TARANTO	148,450	25,055.00	83,778
TERRACINA	148,444	13,773.00	218,641
TRAPANI	118,846	-	79,562
TREVIGLIO	217,784	9,936.00	326,621
TRIESTE	2,884,810	-	4,696,432
VENICE	1,147,964	50,109.00	1,031,994
VERONA	2,195,285	-	2,413,108
VOLTERRA	148,528	-	144,443
<b>TOTAL ITALY</b>	<b>92,570,665</b>	<b>649,171</b>	<b>82,766,033</b>

## Urban real estate on which revaluations have been carried out

Place FOREIGN COUNTRY	Total book values at 31/12/2016	(Art. 10 Legge 19/3/83 n. 72)	
		Monetary revaluations	Voluntary Revaluations
GREAT BRITAIN - LONDON	565,074	-	670,973
FRANCE - PARIS	1,810,667	-	75,567
MAROCCO - CASABLANCA	993,358	232,929	676,022
EGYPT - CAIRO	2,722,303	64,328	11,757,511
LEBANON - BEIRUT	9,383,020	12,865	5,281,190
<b>TOTAL ABROAD</b>	<b>15,474,422</b>	<b>310,123</b>	<b>18,461,262</b>

### SUMMARY (in euro)

BUILDINGS IN CITIES ITALY	92,570,665	649,171	82,766,033
BUILDINGS IN CITIES ABROAD	15,474,422	310,123	18,461,262
<b>GRAND TOTAL</b>	<b>108,045,087</b>	<b>959,294</b>	<b>101,227,295</b>





# Attestation of the Financial Statements

persuant to the provisions of Article 154-bis  
of Legislative Decree 58 of February, 1998  
and Consob regulations 11971 of May 14, 1999





Attestation of the financial statements pursuant to the provisions of art. 154-bis, paragraph 5, of legislative decree 58 of february 24, 1998 and art. 81-ter of consob regulation no. 11971 of 14 may 1999 and following amendments and integrations

1. The undersigned, Philippe Donnet, in his capacity as Managing Director and Group CEO, and Luigi Lubelli, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A. and Group CFO, having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree No. 58 dated 24 February 1998, hereby certify:
  - the adequacy in relation to the characteristics of the Company and
  - the effective implementationof the administrative and accounting procedures for the preparation of the financial statements over the course of the period from 1 January to 31 December 2016.
2. The adequacy of the administrative and accounting procedures in place for preparing the financial statements as at 31 December 2016 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.
3. The undersigned further confirm that:
  - 3.1 the financial statements as at 31 December 2016:
    - a) are prepared in compliance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with the provisions of the Italian Civil Code, of Legislative Decree No. 173 of 26 May 1997, of Legislative Decree No. 209 of 7 September 2005 and with applicable provisions, regulations and circular letters issued by ISVAP (now IVASS);
    - b) correspond to the related books and accounting records;
    - c) provide a true and fair representation of the financial position of the issuer;
  - 3.2 the management report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertain situations to which it is exposed.

Milan, 15 marzo 2017

Philippe Donnet  
*Managing Director and Group CEO*

Luigi Lubelli  
*Manager in charge of preparing  
the Company's financial reports and Group CFO*

ASSICURAZIONI GENERALI S.p.A.

ASSICURAZIONI GENERALI S.p.A.







Board of

# Auditors'

Report



## Statutory Auditors' Report to the General Meeting of Assicurazioni Generali S.p.A. called to approve the Financial Statements as at 31 December 2016 pursuant to s. 153 of Legislative Decree 58/1998

Dear Shareholders,

in compliance with s. 153 of Legislative Decree no. 58 of 24 February 1998 (CFBA) and the indications contained in Consob notice no. 1025564 of 6 April 2001, as amended, and having regard to the code of conduct recommended by the National Accountants' and Bookkeepers' Council, the Board of Statutory Auditors of Assicurazioni Generali S.p.A. reports on the supervisory activities conducted during the 2016 financial year.

### 1. Activities of the Board of Statutory Auditors during the financial year ending on 31 December 2016 (*point 10 of Consob Notice no. 1025564/01*)

The Board of Statutory Auditors (BSA) performed the activities for which it is responsible during the 2016 financial year by holding 35 meetings, with an average duration of about two hours thirty minutes.

The BSA also:

- attended the 16 meetings of the Board of Directors (BoD);
- attended the 13 meetings of the Risk and Control Committee (RCC);
- attended the 4 meetings of the Related-Party Transactions Committee (RPTC) (formerly the Related-Party Transactions Sub-Committee (RPTSC));
- attended, in the person of its Chairman or another statutory auditor, the 4 meetings of the Remuneration Committee (RemCom) and the 6 meetings of the Appointments and Remuneration Committee (ARC), set up in May 2016, with specific reference to subjects involving remuneration;
- attended, in the person of its Chairman or another statutory auditor, the 10 meetings of the Investment Committee (InvCom).
- 

In addition to the above activities, in the course of its activity plan, the Board of Statutory Auditors, among other things:

- obtained a report on the proceedings of the Appointments and Corporate Governance Committee (replaced, from May 2016, by two committees, the Corporate Governance and Social and Environmental Sustainability Committee (CGS) and the Appointments and Remuneration Committee (ARC)), which met 5 times in the first 4 months of the year, until its replacement;
- held meetings with, and obtained information from

the Group Audit Manager, the Group Compliance Manager, the Risk Management Manager, the Group Actuarial Manager, the Group Financial Crime Manager, the Manager in Charge of Preparation of the Company's Financial Reports, Group General Counsel and the Corporate Affairs Manager, and the managers of the Company's functions affected by the supervisory activities of the BSA at various times;

- met members of the Surveillance Body instituted pursuant to Legislative Decree no. 231/2001 for a useful exchange of information;
- pursuant to ss. 151.1 and s.151.2 of the CFBA, held meetings and exchanged information with the supervisory bodies of the main subsidiaries (Generali Italia S.p.A., Generali Investment Europe S.p.A., Banca Generali S.p.A., Generali France Assurances and Generali Deutschland Holding AG);
- in the course of the statutory dealings between the Board of Statutory Auditors and the External Auditors, held periodic meetings with the external auditors EY S.p.A., at which data and information relevant to the performance of their respective duties were exchanged.

### 2. Transactions having a significant impact on the economic, financial and assets position. Other noteworthy events (*point 1 of Consob Notice no. 1025564/01*)

The BSA monitored compliance by the Company with the legislation and the Articles of Association and observance of the principles of correct administration, with special reference to transactions having a significant impact on the economic, financial and assets position, by regularly attending meetings of the Board of Directors and examining the documentation supplied.

In this context, the BSA received information from the Managing Director and the Board of Directors about the activities performed and transactions with a significant impact on the economic, financial and assets position conducted by the Company, including through directly or indirectly controlled companies.

On the basis of the information provided, the BSA reasonably concluded that the said transactions can be deemed to comply with the legislation, the Articles of Association and principles of sound management, and that they do not appear to be manifestly imprudent, rash or in conflict with the resolutions passed by the General Meeting, or such as to prejudice the integrity of the Company's assets.

In particular, the BSA was informed about transactions in which Directors declared an interest, on their own account or on behalf of third parties, and has no comments to make about the compliance of the corresponding resolutions with the legislation and regulations.

The most significant events involving the Company and the Group in 2016 are also reported on in the Directors' Report and the Integrated Annual Report. They include the following events.

- On 26 January 2016, Group CEO Mario Greco announced that he was not available to serve a further term of office as Managing Director. On 9 February 2016 the Board of Directors approved the termination by mutual consent of Mario Greco's contract with the Company.
- In March 2016 IVASS (the Insurance Companies Supervision Institute), following an application for authorisation submitted by Assicurazioni Generali S.p.A., authorised the use, as from 1 January 2016, of a partial internal model for the calculation of the consolidated Group Solvency Capital Requirement and the Solvency Capital Requirements of its main Italian and German insurance companies, the French non-life companies and Czech company Ceska Pojistovna, a.s.
- On 17 March 2016, the Board of Directors co-opted Philippe Donnet, granting him executive powers and appointing him Group CEO. The Board of Directors also appointed Group CFO Alberto Minali as the Company's General Manager.
- On 22 April 2016 the Company increased the share capital to € 1,559,883,538, by way of implementation of the Long-Term Incentive Plan approved by the General Meeting on 30 April 2013.
- On 28 April 2016 the General Meeting elected the new Board of Directors, to hold office for three financial years, until the approval of the financial statements as at 31 December 2018. The Board of Directors also appointed, for the three-year period 2016-2018, Gabriele Galateri di Genola as Company Chairman, Francesco Gaetano Caltagirone and Clemente Rebecchini as Vice-Chairmen, and Philippe Donnet as Managing Director and Group CEO.
- In May 2016 Generali issued a subordinated bond amounting to a total of € 850 million, aimed at institutional investors. The issue, which concluded on 8 June 2016, is designed to refinance the subordinated debt.
- In June 2016, subsidiary Generali Finance B.V. exercised an early repayment option on two subordinated bonds, for € 1,275 million and £ 700 million.
- On 28 November 2016 the Board of Directors examined the voluntary Public Offer made by Banca Monte dei Paschi di Siena S.p.A. (BMPS) to purchase subordinated instruments issued or guaranteed by it, with the obligation for the proceeds to be reinvested in new BMPS shares. The Board of Directors approved the conversion, authorising the Group CEO to convert the Company's exposure to BMPS subordinated debt to which the offer relates to BMPS shares; however, the conversion operation did not reach a successful conclusion, as announced by Banca Monte dei Paschi di Siena S.p.A. on 22 December 2016.
- On 12 December 2016 the Board of Directors appointed as Country Manager for Italy Marco Sesana, who maintains his position as Managing Director of Generali Italia. The Board of Directors also appointed Timothy Ryan as the new Group Chief Investment Officer (CIO), with effect from 9 January 2017.

The most significant transactions performed after the year end included the following:

- On 23 January 2017 the Company purchased the voting rights to 505 million Intesa Sanpaolo shares, namely 3.01% of the share capital, by means of a stock loan.
- On 25 January 2017 the Board of Directors resolved to terminate the contract of employment of General Manager and Group CFO Alberto Minali, with effect from 31 January 2017, with an agreement drawn up in accordance with the Group's remuneration policies. Also on 25 January 2017, the Board of Directors appointed Luigi Lubelli (previously Group Head of Corporate Finance) as Group CFO and Manager in Charge of Preparation of the Company's Financial Reports. Luigi Lubelli also became a member of the Group Management Committee (GMC). As a result of these decisions, all the first-level company functions that reported to the General Manager and Group CFO were required to report directly to the Group CEO (for further details, see paragraph 4 "*Organisational structure of the Company and the Group*").
- Also on 25 January 2017, the Board of Directors resolved to grant the Investment Committee responsibilities relating to examination of strategic operations. As from that date, therefore, the Investment Committee's name changed to "*Investment and Strategic Operations Committee*", and its composition partly changed.

- On 8 February 2017 subsidiary Generali Finance B.V. exercised the option of early repayment of the perpetual subordinated bond issued by it on 8 February 2007. Refinancing of the subordinated debt has already been completed, with the subordinated bond issue that concluded on 8 June 2016 for a total of € 850 million, aimed at institutional investors.
- On 17 February 2017 the Company purchased 510 million ordinary shares of Intesa Sanpaolo S.p.A., namely 3.04% of its share capital, and began the procedure for terminating the said stock loan. At the same time, Generali performed a transaction in collateralised derivative instruments to hedge the whole of the economic risk associated with the purchase of the said shares.

As regards the ongoing litigation relating to former company executives Giovanni Perissinotto and Raffaele Agrusti, the Board of Statutory Auditors has received periodic updates on the progress of the proceedings at meetings of the Board of Directors.

### 3. Related-party and intercompany transactions. Atypical and/or unusual transactions (*points 2 and 3 of Consob Notice no. 1025564/01*)

The Company has “*Related-Party Transaction Procedures*” (“*RPT Procedures*”), adopted in compliance with Consob Regulation 17221/2010, as amended, and s. 2391-*bis* of the Civil Code, which are also applicable to transactions performed by subsidiaries.

These procedures underwent a first update in December 2013 and a new update on 17 March 2016, as illustrated below.

In 2015 the Board of Statutory Auditors, as part of its supervisory and monitoring activities, requested the conduct of an in-depth study of the RPT Procedures and controls for identification and management of related-party transactions in the Generali Group. The Company therefore conducted the required analyses, which concluded in the early months of 2016, with the aid of the Group Audit Function, which in turn obtained assistance from an external legal adviser.

The external legal adviser expressed the opinion that the procedural structure complied on the whole with the applicable legislation, and was in line with the best practices found on the market. However, some suggestions were made by the legal adviser, with a view to further refinement of the procedures.

The Group Compliance Function, having examined the suggestions made by the legal adviser and the Group Audit Function, drew up a proposal for amendment of the RPT Procedures and the internal operating regulation of the RPT Sub-Committee, as it was then called. The said proposals were approved by the RPT Sub-Committee on 9 March 2016, after consulting the Board of Statutory Auditors, and then submitted to and approved by the Board of Directors on 17 March 2016.

The Group Audit Function in turn expressed an overall assessment of adequacy of the organisational structure and architecture of the main phases of related-party transaction management process, formulating some suggestions for continuous improvement of processes, and a concrete plan of management actions was agreed on the basis of the said suggestions.

In 2016, the BSA regularly monitored the actual implementation of the said management plan, receiving periodic updates from the Group Audit Function. All the measures specified in the action plan were completed by February 2017, apart from a single planned measure currently being finalised.

In the last financial year the Board of Statutory Auditors also requested the Group Audit Function to include, among the activities for the first half-year of the 2017 Plan, a specific audit of specific aspects of the concrete operation of the RPT Procedures in the parent company and its subsidiaries, including the operation of the Related-Party Transactions Committee and compliance of the preliminary activities performed by the internal functions in support of the said Committee with the Company's procedures.

This activity was added to the Audit Plan, and duly commenced; it will be monitored by the BSA in the ambit of the periodic updates planned with the Group Audit Function.

Finally, the Related-Party Transactions Committee requested an external adviser to analyse some questions relating to relations between the Related-Party Transactions Committee and the other Board Committees; this activity indicated the advisability of a refinement to the RPT Procedures and the Regulation of the Board of Directors and the Board Committees to ensure better interaction between the various Board Committees and a complete flow of information to the Related-Party Transactions Committee. The new text of the RPT Procedures, incorporating the refinements suggested by the external adviser, was approved by the Board of Directors on 15 February 2017, after obtaining a favourable opinion from the Related-Party Transactions Committee. On the same date, the Board of Directors also approved the corre-

sponding amendments to the Regulation of the Board of Directors and the Board Committees.

In view of the factors set out above, the Board of Statutory Auditors concludes that the Company's RPT Procedures comply with Consob Regulation 17221/2010, as amended.

The annual Financial Report illustrates the economic and asset-related effects of the related-party transactions, and describes the most significant relationships.

No operations classified as major transactions pursuant to the above-mentioned Procedures were submitted for the attention of the Related-Party Transactions Committee during the 2016 financial year, nor were any urgent related-party transactions performed.

With regard to intercompany transactions during the year, the supervisory activities of the BSA indicate that they were performed in accordance with the annual guidelines approved by the Board of Directors, as required by ISVAP Regulation no. 25 of 27 May 2008, and subsequently by IVASS Regulation no. 30 of 26 October 2016. The main intercompany activities, with payment at market prices or at cost, refer to operations conducted in relation to reinsurance and coinsurance agreements, administration and management of securities and real estate, claims management and settlement, IT and administrative services, loans and guarantees, and personnel loans. The said services allowed the rationalisation of the operational functions and a better level of services.

The BSA also concluded that the information provided by the Board of Directors in the draft financial statements relating to intercompany and related-party transactions was adequate.

As far as we are aware, no atypical and/or unusual transactions were conducted.

#### 4. Organisational structure of the Company and the Group (*point 12 of Consob Notice no. 1025564/01*)

The organisational structure of the Company and the Group and its developments are described in detail in the Corporate Governance and Share Ownership Report. The Group's organisational structure is confirmed in its Functions, with a matrix model of Business Units and Group Head Office (GHO) Functions; the latter act as strategic policy, guidance and coordination structures for the business units.

The organisational governance is ensured by integration and coordination mechanisms between the Business Units and the Group Head Office functions, represented by:

- the Group Management Committee (GMC), namely the group of top management executives which discusses the main strategic decisions;
- the Quarterly Business Review processes, whereby local businesses establish their objectives in line with the global strategy;
- three main cross-functional committees that support the Group CEO in guiding the Group's strategic decisions: the Balance Sheet Committee, Finance Committee and Product & Underwriting Committee;
- the Functional Guidelines and Functional Councils, through which functional coordination is implemented at global level;
- a matrix system of reporting lines.

Some organisational changes in the organisational structure of Group Head Office and the Group Management Committee took place in 2016, as described in the Corporate Governance and Share Ownership Report. The main changes included the following:

- in March 2016, the Board of Directors appointed Philippe Donnet as Group CEO and Alberto Minali as General Manager and Group CFO, also approving the consequent updates to the Group's organisational structure. In particular, the Board of Directors granted all powers and responsibilities for the management of the Company and the Group to the new Group CEO. The General Manager and Group CFO was granted powers in the Strategy & Business Development, Insurance & Reinsurance, Finance Operations, Marketing and Data areas, to be exercised in accordance with the guidelines established by the Board of Directors and the Group CEO;
- in May 2016, a new position called CEO Global Business Lines & International was instituted, to which Frédéric de Courtois was appointed;
- the Group Insurance and Reinsurance Function was renamed Group Chief Insurance Office, managed by Valter Trevisani, who became a member of the Group Management Committee;
- with effect from 1 December 2017, the Board of Directors appointed as Country Manager for Italy Marco Sesana (who maintains his position as Managing Director and General Manager of Generali Italia). Marco Sesana also became a member of the Group Management Committee;



- with effect from 9 January 2017, the Board of Directors appointed Timothy Ryan as new Group Chief Investment Officer, and he also became a member of the Group Management Committee.

Further organisational changes were made during the early months of the 2017 financial year, including the following:

- at the end of January 2017, Alberto Minali left the Group as a result of the decision taken by the Board on 25 January 2017 to terminate the contract of employment of the General Manager and Group CFO. The office of General Manager specified in the Articles of Association was left vacant for the time being. As a result of those decisions, all the first-level company functions that reported to the General Manager were required to report directly to the Group CEO;
- on 25 January 2017 Luigi Lubelli was appointed Group Chief Financial Officer, and became a member of the Group Management Committee in that capacity;
- the review and reinforcement of the Group Head Office functions was completed;
- the Group Compliance Function commenced its resource strengthening programme, which is due to be completed by the end of the 2017 financial year.

The Board of Statutory Auditors, by obtaining information from the managers of the relevant company functions, monitored the adequacy of the overall organisational structure of the Company and the Group as well as the adequacy of the instructions issued by the Company to its subsidiaries pursuant to s. 114.2 of the CFBA, to rapidly obtain the information required to meet the statutory communication obligations

From examination of the reports of the supervisory bodies of the subsidiaries, and/or the information sent by them to the BSA following specific requests, no information emerged that requires inclusion in this report.

## 5. Internal Control and Risk Management System, administrative accounting system and financial reporting process (*points 13 and 14 of Consob Notice no. 1025564/01*)

### 5.1. Internal Control and Risk Management System

The main characteristics of the internal control and risk

management system are described in the Corporate Governance and Share Ownership Report.

The Company has an internal regulatory system applicable to the whole Group, called the Generali Internal Regulation System (GIRS). That system is structured on three levels:

- Group Policy, approved by the Board of Directors;
- Group Guidelines, approved by the Group CEO or the managers of the Control Functions;
- Group Operating Procedures, approved by the relevant functions of Group Head Office.

The company functions operate in accordance with an organisational model based on three levels of control:

- the managers of the operational areas (risk owners);
- the functions of the second level of control, in particular Group Risk Management, Group Compliance and the Group Actuarial Function;
- Group Audit.

The Group CEO also holds the position of director responsible for the internal control and risk management system.

The Company monitored legislative developments during the year, activated compliance checking plans and continued its ongoing reinforcement of the procedural structure, as described in the parent company's Risk Report and Financial Statements. The internal control and risk management system policies are also adopted by the main subsidiaries, having regard to the specific legislation in each country in which the Group operates, and any special features of the business. These policies are continuously updated.

As regards risk assessment, including prospective risks, in accordance with Regulation 20/2008 and the IVASS Letter to the Market of 15 April 2014, and with the "ORSA (Own Risk Solvency Assessment) Policy" approved by the Company as an integral part of the Risk Management Policy, the Group ORSA Report as at 31 December 2015 was submitted to IVASS in June 2016. The "Main Risk Self-Assessment" process, designed to identify the main risks with a view to establishing the major impacts in terms of the Group's profits, liquidity profile and capital position deriving from each scenario, was also adopted by the Risk Management Function. That process is continuously developing, and the project involving integration of operational risks into the said process was commenced (*inter alia*) in 2016.

On 7 March 2016, IVASS authorised the use of the "Partial Internal Model" for the calculation of the Solvency Capital Requirement of the Group and its main Italian

and German insurance companies, the French non-life insurance company and Czech company Ceska Pojistovna A.s. In October 2016, the Company submitted an application to the Board of Regulators to make some amendments to the said Internal Model, to take effect from 31 December 2016, and to extend the Internal Model to French life insurance company Generali Vie. By resolution dated 28 February 2017, IVASS authorised, with effect from 31 December 2016, the extension of the sphere of application of the Group Internal Model to Generali Vie, and the calculation of its Solvency Capital Requirement, and substantial amendments to the Partial Internal Model used to calculate the consolidated Group Solvency Capital Requirement and the Solvency Capital Requirements of the insurance and reinsurance companies already included in the sphere of application of the Internal Model.

The implementation of the Remediation Plan agreed with IVASS during the preliminary process regarding the said application is proceeding as planned by the Group Risk Management Function. This implementation is monitored by the Risk and Control Committee and the Board of Directors; the Board of Statutory Auditors in turn has received regular updates on the matter as a result of its attendance at meetings of the Risk and Control Committee and the Board of Directors.

The Company recently sent the Remediation Plan to IVASS, updated with some further actions, as a result of the request for additional documentation sent by the Regulator in December 2016, following the analyses conducted by the Board of Regulators during the year.

In that context of constant development and reinforcement of controls, in accordance with the applicable industry regulations, the Board of Statutory Auditors has constantly monitored the adequacy of the internal control and risk management system of the Company and its Group. In particular, the BSA:

- i) took note of the favourable opinion of the adequacy of the internal control and risk management system issued by the Board of Directors after consulting the Risk and Control Committee;
- ii) examined the summary document regarding the assessment of the adequacy and efficacy of the internal control and risk management system drawn up by the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions;
- iii) obtained information about the development of the corresponding organisational structures and the activities performed by the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions, partly by attendance at the meetings of

the Risk and Control Committee and discussions with the managers concerned;

- iv) examined the reports on the activities of the Group Compliance, Group Risk Management and Group Actuarial Functions submitted to the Risk and Control Committee and the Board of Directors;
- v) examined the half-yearly reports of the Group Audit Manager;
- vi) examined the Audit Plan drawn up by the Group Audit Function, which further developed methodological aspects of risk-based planning, and accepted some of the BSA's suggestions on the subject;
- vii) observed that the Audit Plan approved by the Board of Directors had been complied with, and received information about the audit results;
- viii) obtained information about the activities of the Surveillance Body instituted by the Company in compliance with Legislative Decree no. 231/2001, by means of specific reports and update meetings regarding the activities performed by it;
- ix) obtained information from the managers of the respective company functions;
- x) exchanged information with the supervisory bodies of the subsidiaries, as required by ss. 151.1 and 151.2 of the CFBA;
- xi) obtained information about the development of the Group's regulatory system, in particular the Company's structure of policies, regulations, guidelines and procedures designed to ensure compliance with the specific regulations by the insurance industry and listed companies (including, on the subject of market abuse, management of privileged information, internal dealing and related-party transactions).

As regards the latter aspect, in July 2016 the Board of Directors approved the "Group Policy Control Framework" which is designed, among other things, to monitor the Group Policy implementation process at local level.

In the course of its supervisory activities relating to the internal control and risk management system, the BSA, since first taking office, has always paid particular attention to the aspects of compliance with the anti-money laundering legislation.

The BSA, in liaison with the statutory audit committees of the subsidiaries concerned, has constantly monitored the actual implementation of the action plan adopted by the Company in this respect and submitted by it to the Regulator, in relation to the issues that emerged in earlier years, which were illustrated in the reports issued pursuant to s. 153 of the CFBA for the

2014 and 2015 financial years. This plan involved a broader scope of action relating to anti-money laundering and anti-terrorism measures, including the adoption of a new Group Policy ("Group Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF) Policy") and the consequent activities required for its concrete implementation in each company belonging to the Group, having regard to the different and diversified legislative situations.

When the plan had been substantially completed, the Group Compliance Officer confirmed that the procedures approved by the local companies were fully in line with the terms of the Group Anti-Money Laundering Policy, and also stated that the procedures adopted adequately monitor the risk, while taking account of some formal refinements which are still in progress. As regards Italy, which forms the subject of a specific programme of measures, the Board of Statutory Auditors of Generali Italia S.p.A. confirmed that such plan has also been substantially completed.

In 2016, the Group Compliance Function also coordinated the definition of the key controls in the process of management of insurance intermediaries designed to mitigate the risks correlated with anti-money laundering and counter-terrorism financing (having regard to the Fourth European Directive, which comes into force in 2017), and the international sanctions and related-party transactions.

Having regard to the summary document submitted to the Risk and Control Committee and the Board of Directors by the managers of the Control Functions and the IT management, the Company planned dedicated projects relating to IT subjects with a view to gradual strengthening of the related controls.

The Control Functions also found variations in some cases in the actual timing of implementation and the dates initially scheduled for completion of the action plans at the end of the audit activities. The Risk and Control Committee and the Board of Directors agreed on the importance of drawing the management's attention to the need for action plans to be completed by the scheduled dates, and informing those bodies of the reasons for any delays and rescheduling of the corresponding deadlines.

The said actions and projects will be implemented by the Director in charge of the internal control and risk management system, and regularly monitored by the Board of Statutory Auditors.

In the light of all the above information and having regard to the above-mentioned areas requiring attention, no factors emerged from the analyses conducted or the information obtained that could lead this BSA to consider the Company's internal control and risk management system as not adequate as a whole.

In any event, in view of the evolutionary nature of any internal control system, the Company has already planned specific updates for 2017, as part of the process of ongoing improvement of the efficacy of the system pursued by it.

In particular, during the current year, the Board of Directors and the Risk and Control Committee have already begun actions involving further reinforcement of the internal control system to take account of the new requirements which will become applicable pursuant to the European money-laundering, data protection, insurance distribution and Packaged Retail Investment-based Insurance Products (PRIIPS) legislation.

## 5.2. Administrative accounting system and financial reporting process.

As regards the administrative accounting system and the financial reporting process, the Board of Statutory Auditors monitored (*inter alia*) the Company's activities designed to assess their adequacy continuously.

This objective was pursued by the Company by adopting a "financial reporting model" consisting of a set of principles, rules and procedures designed to guarantee an adequate administrative and accounting system.

The Corporate Governance and Share Ownership Report describes the main characteristics of the model, as defined by the Manager in Charge of Preparation of the Company's Financial Reports, who is supported by the Financial Reporting Risk structure.

No significant deficiencies in the internal control system relating to the financial reporting process emerged from the report issued by the External Auditors pursuant to s. 19.3 of Legislative Decree 39/2010. That report was discussed and analysed at information exchanges between the Board of Statutory Auditors and the External Auditors.

In September 2016, consistently with the evolution of the applicable legislation, the Company decided to modify its quarterly financial reporting, as from the third quarter of 2016, by producing a more concise representation of its business, focusing on relevant information.

## 6. Other activities performed by the Board of Statutory Auditors

In addition to the matters described above, the Board of Statutory Auditors performed further specific periodic checks in accordance with the statutory and regulatory provisions applicable to the insurance industry.

In particular the BSA, partly by attending meetings of the Risk and Control Committee:

- monitored compliance with the investment policy guidelines resolved on, following the issue of ISVAP Regulation no. 36 of 31 January 2011, by the Board of Directors on 13 May 2011, and updated in 2012, 2013, 2014, 2015 and finally in September 2016, after IVASS Regulation no. 24 of 6 June 2016 came into force;
- checked transactions in derivative financial instruments in accordance with the guidelines and limitations issued by the Board of Directors, and checked that the Company had duly submitted periodic communications to IVASS;
- analysed the administrative procedures adopted for handling, safekeeping and accounting of financial instruments, checking the instructions issued to depositaries regarding periodic despatch of statements of account with suitable indications of any encumbrances;
- checked that the assets destined for covering the technical reserves were free of encumbrances and fully available;
- checked on correspondence with the register of assets destined to cover the technical reserves.

In the Notes to the Financial Statements, the Company supplied a report on share-based payment agreements, in particular the incentive plans based on equity instruments allocated by the parent company and other companies belonging to the Group.

## 7. Organisational and management model pursuant to Legislative Decree no. 231/2001

The Board of Statutory Auditors has perused and obtained information about the organisational and procedural activities conducted pursuant to Legislative Decree 231/2001, as amended, regarding the administrative liability of organisations. The main aspects connected with the organisational and procedural activities conducted by the Company pursuant to Legislative Decree 231/2001

are illustrated in the “*Corporate Governance and Share Ownership Report*”.

No noteworthy facts and/or circumstances emerged from the information communicated by the Surveillance Body regarding the activities performed.

## 8. Ratification of the Corporate Governance Code, Composition of the Board of Directors, and remuneration (point 17 of Consob Notice no. 1025564/01)

The Company adheres to the Corporate Governance Code issued by the Corporate Governance Committee promoted by Borsa Italiana S.p.A.. This BSA has evaluated the procedures for concrete implementation of the Code in question, with reference to the principles and application criteria, and has no observations to make.

The Board of Statutory Auditors notes that the Board of Directors has evaluated the operation, size and composition of the Board of Directors and the Board Committees, with the support of a leading firm of consultants.

The Board of Statutory Auditors has also checked on the correct application of the criteria and process initiated by the Board of Directors to assess the independence of directors classed as “independent”; it also established that its own independence requirements were met.

With reference to the aspects connected with evaluation process by the directors in establishing that directors meet the independence requirements, the activities commenced in 2015, following requests for analysis and action by this BSA, as illustrated in the report issued pursuant to s. 153 of the CFBA relating to the prior financial year, continued in 2016. In particular, the updated Regulation of the Board of Directors and the Board Committees, which introduced some innovations into the procedure for establishing whether directors meet the independence requirement as defined in the CFBA and the Corporate Governance Code, was approved on 15 June 2016.

In that context, bearing in mind that the Board of Directors conducts its own assessments of whether the independence requirement is met on the basis of all the information available to the Company from any source, specific supplementary declarations were defined, which were used upon the appointment of the new Board of Directors in April 2016, in order to obtain from Directors declaring themselves as independent precise, accurate information about the existence of any commercial, financial or professional relations, relations involving

self-employment, employment or other pecuniary or professional relations, which are relevant as defined in the Corporate Governance Code and the CFBA.

Specific quantitative criteria predefined to evaluate the significance of the said relations/dealings were also formalised in the Regulation of the Board of Directors and the Board Committees, in line with the best market practices and the recommendations set out in art. 3 of the Corporate Governance Code.

To provide the Board of Directors, after examination by the Corporate Governance and Social and Environmental Sustainability Committee, with the completest possible information in readiness for the independence assessments, the activities for the formulation of internal procedures and operational guidelines for the assessment process and the implementation of systematic procedures for the collection of relevant information, expressly requested by the Board of Statutory Auditors, continued in 2016.

In particular, the Corporate Affairs Function has drafted and is in the process of finalising an operating procedure designed to ensure, by means of formal processes, information flows from the various Company functions involved to the Board of Directors and the Corporate Governance and Social and Environmental Sustainability Committee. The said procedure also governs the procedures for delivery to the bodies responsible for independence assessments of relevant information already collected by the Company and the Group, even for other purposes, primarily those managed by the Group Compliance Function in the ambit of the RPT Procedures.

In addition, as requested by the BSA, the necessary amendments were also made to the Regulation of the Board of Directors and the Board Committees to enable it to attend meetings of the Corporate Governance and Social and Environmental Sustainability Committee, which performs preliminary activities in readiness for the independence assessment by the Board of Directors.

The BSA notes that the Board of Directors has adopted a specific top management succession policy and plan. The BSA has no comments to make about the consistency of the remuneration policy with the recommendations of the Corporate Governance Code and its compliance with ISVAP Regulation no. 39 of 9 June 2011.

Finally, the BSA notes that on 6 July 2016 the Board of Directors resolved to submit for approval by the next General Meeting, pursuant to s. 114-bis of the CFBA, a special share plan in favour of the Managing Director/ Group CEO.

## 9. External Auditors (*points 4, 7, 8 and 16 of Consob Notice no. 1025564/01*)

The firm EY S.p.A. was appointed as External Auditors to audit the financial statements of Assicurazioni Generali S.p.A. and the consolidated financial statements of the Group; during the 2016 financial year the said External Auditors checked that the Company's accounts were properly kept and transactions properly recorded in the books of account.

On 30 March 2017 the External Auditors issued the reports required by ss. 14 and 16 of Legislative Decree 39/2010 relating to the financial statements and the consolidated financial statements of the Group as at 31 December 2016. The said reports indicate that the financial statements were drawn up clearly, and truthfully and correctly represent the assets and financial situation, profit and cash flows for the year ending on that date, in accordance with the related standards and rules.

The Manager in Charge of Preparation of the Company's Financial Reports and the Managing Director and Group CEO issued the declarations and certifications required by s. 154-bis of the CFBA with reference to the financial statements and the consolidated financial statements of Assicurazioni Generali S.p.A. as at 31 December 2016.

The BSA monitored, within the terms of its remit, the general layout of the financial statements and the consolidated financial statements in accordance with the legislation and specific regulations governing drafting of insurance companies' financial statements. The BSA notes that the consolidated financial statements of the Assicurazioni Generali Group were drawn up in compliance with the IAS/IFRS International Accounting Standards issued by the IASB and approved by the European Union, in compliance with EU Regulation no. 1606 of 19 July 2002 and the CFBA, and Legislative Decree 209/2005 as amended. The consolidated financial statements were drawn up as required by ISVAP Regulation no. 7 of 13 July 2007 as amended, and contain the information required by Consob Notice no. 6064293 of 28 July 2006. The Notes to the Financial Statements illustrate the evaluation criteria used, and provide the information required by the applicable legislation.

The Management Report included in the draft financial statements of the parent company illustrates the business trend, indicating current and prospective developments, and the Group's development and reorganisation process.

The Board of Statutory Auditors also declares that it was consulted, together with the External Auditors, by the Risk and Control Committee in the course of the evaluations falling within that Committee's remit, together with the Manager in Charge of Preparation of the Company's Financial Reports, regarding the correct use of the accounting standards and the uniformity of their use for the purposes of preparing the consolidated financial statements.

On 30 March 2017, EY S.p.A. issued its report pursuant to s. 19.3 of Legislative Decree 39/2010. No issues which need to be drawn to your attention emerge from that report.

The BSA also held meetings with the managers of External Auditors EY S.p.A. pursuant (*inter alia*) to s. 150.3 of the CFBA, during which useful exchanges of data and information relevant to the performance of their respective tasks took place, and no noteworthy facts or situations emerged. In that context, in the ambit of the supervision referred to in s. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors also obtained information from EY S.p.A. regarding the planning of its auditing activities.

The BSA examined the further tasks/services commissioned from External Auditors EY S.p.A. and companies belonging to its network. Their fees are set out in detail in the Notes to the Financial Statements, to which the reader is referred.

Having regard to the declaration of confirmation of its independence issued by EY S.p.A. as required by s. 17.9 of Legislative Decree no. 39/2010, and the nature of the tasks commissioned from it and the companies belonging to its network by Assicurazioni Generali S.p.A. and the Group, no situations were found that prejudiced the independence of the External Auditors or any grounds for incompatibility pursuant to the applicable legislation.

During the 2016 financial year, in view of art. 5.4 of Regulation EU 537/2014, which will be applicable from the 2017 financial year, the BSA drew up a specific procedure for approval of the commissioning of non-auditing services allowed by the legislation to the External Auditors and companies belonging to its network. As requested by the BSA, on 1 January 2017 the Company adopted the specific "Guideline for the assignment of non-audit services to auditors".

## 10. Opinions issued by the Board of Statutory Auditors during the financial year (*point 9 of Consob Notice no. 1025564/01*)

During the year, the Board of Statutory Auditors also issued the opinions, comments and certifications required by the applicable legislation.

In particular, the Board of Statutory Auditors expressed a favourable opinion, pursuant to s. 2386.1 of the Civil Code, of the appointment by co-opting of Philippe Donnet at the meeting of the Board of Directors held on 17 March, having examined the process followed in this respect by the Company and its Committees. On that occasion, it also issued a favourable opinion of the proposed resolution pursuant to s. 2389 of the Civil Code regarding the remuneration of the new Managing Director/Group CEO.

On the same occasion, the BSA also issued a favourable opinion of the resolution to increase the share capital for the purposes of the 2013 LTI Plan.

Again in the first few months of 2016, the BSA expressed a favourable opinion of the remuneration of the Group Audit Manager (meeting of 2015 targets and setting of 2016 targets) and the Audit Plan for 2016.

In May 2016, after the renewal of the Board of Directors for the three-year period 2016-2018 resolved on by the General Meeting on 28 April 2016, the Board of Statutory Auditors expressed a favourable opinion of the proposed remuneration of the Chairman of the Board of Directors and the proposed fee payable to members of the Board Committees. In July 2016 it also expressed a favourable opinion of the Group CEO's remuneration.

During the 2016 financial year the BSA also regularly commented on the Half-Year Reports on complaints prepared by the Group Audit Manager in accordance with ISVAP Regulation no. 24 of 19 May 2008, as amended. The reports did not highlight any particular problems or organisational deficiencies. The BSA also checked that the Company sent the reports and associated comments by the BSA promptly to IVASS.

With reference to the first few months of 2017, at the meeting of the Board of Directors held on 25 January 2017, the Board of Statutory Auditors expressed, pursuant to s. 154-*bis*.1 of the CFBA and art. 40.2 of the Company's Articles of Association, a favourable opinion of the proposed appointment of Luigi Lubelli as new Manager in Charge of Preparation of the Company's Financial Reports.

At the meeting of the Board of Directors held on 15 February 2017, the Board of Statutory Auditors expressed a favourable opinion of the remuneration of the Group Audit Manager (meeting of 2016 targets and setting of 2017 targets) and the Audit Plan for 2017.

### 11. Complaints pursuant to s. 2408 of the Civil Code. Omissions, reprehensible actions or irregularities found *(points 5, 6 and 18 of Consob Notice no. 1025564/01)*

The Board of Statutory Auditors received no complaints during the 2016 financial year apart from the three complaints received in the first quarter of the year, already illustrated in the Report issued pursuant to s. 153 of CFBA by this BSA on 4 April 2016, in preparation for the General Meeting held on 28 April 2016.

No complaints pursuant to s. 2408 of the Civil Code were received in the first few months of the 2017 financial year. No reprehensible actions, omissions or irregularities requiring reports to the Regulators emerged from the supervisory activities performed.

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On the basis of all the factors set out in this Report, the Board of Statutory Auditors finds no reason to object to the approval of the financial statements of Assicurazioni Generali S.p.A. for the financial year ending on 31 December 2016, as submitted to you by the Board of Directors, and expresses a favourable opinion of the proposed dividend distribution, partly funded by the profit for the year and partly from the special reserve formed by the profits of the preceding years.

Trieste, 31 March 2017

#### Board of Statutory Auditors

Carolyn Dittmeier, Chair  
Lorenzo Pozza  
Antonia Di Bella







Independent Auditor's

# Report



Independent auditor's report  
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010  
and with article 102 of Legislative Decree n. 209, dated 7 September 2005

(Translation from the original Italian text)

To the Shareholders of  
Assicurazioni Generali S.p.A.

#### Report on the financial statements

We have audited the accompanying financial statements of Assicurazioni Generali S.p.A. which comprise the balance sheet as at December 31, 2016, the income statement for the year then ended, and the related explanatory notes.

#### *Directors' responsibility for the financial statements*

The Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with Italian regulations governing financial statements.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Assicurazioni Generali S.p.A. as at December 31, 2016, and of its financial performance for the year then ended, in accordance with Italian regulations governing financial statements.

### Report on other legal and regulatory requirements

#### *Opinion on the consistency of the Management Report and of specific information of the Report on Corporate Governance and Share Ownership with the financial statements*

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion, as required by law, on the consistency of the Management Report and of specific information of the Report on Corporate Governance and Share Ownership, as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58/1998, with the financial statements. The Directors of Assicurazioni Generali S.p.A. are responsible for the preparation of the Management Report and of the Report on Corporate Governance and Share Ownership in accordance with the applicable laws and regulations. In our opinion, the Management Report and the specific information of the Report on Corporate Governance and Share Ownership are consistent with the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2016.

#### *Opinion pursuant to the article 102, paragraph 3 of Legislative Decree n. 209, dated 7 September 2005 of the non-life segment*

In performing the engagement assigned by Assicurazioni Generali S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the non-life technical provisions recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2016. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts. Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2016, are sufficient in conformity with the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.

#### *Opinion pursuant to the article 102, paragraph 3 of Legislative Decree dated 27 January 2010, n. 39 of the life segment*

In performing the engagement assigned by Assicurazioni Generali S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the life technical provisions recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December, 31 2016. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts. Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December, 31 2016, are sufficient in conformity with the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.



*Other aspects*

The determination of the technical provisions is a complex estimation process that involves many subjective variables for which any change thereof may have an effect on the results. For this reason, we developed a range of reasonably possible outcomes, distinctively for non-life and life segments, in order to take into consideration the uncertainty of these subjective variables. In assessing the sufficiency of the above-mentioned technical provisions, we tested that those reserves fall within such ranges.

Trieste, 30 March 2017

EY S.p.A.

Signed by: Paolo Ratti, Partner

*This report has been translated into the English language solely for the convenience of international readers*



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Since 2015, our new corporate website [generali.com](http://generali.com) has had a more agile and modern layout, a significant focus on the visual approach, a broader range of content on topics of international interest and a specific focus on the most interesting news about the Group.

The website was designed to be viewed on any device and developed based on the Group's web guidelines, which also meet the international standards defined by the Web Accessibility Initiative (WAI).

Editing  
**Group Integrated Reporting**

Coordination  
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& Public Affairs**

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