



Consolidated results as at 30 September 2013<sup>1</sup>

07/11/2013

**PRESS  
RELEASE**

## **Net profit rises to € 1.6 billion (+40.4%)**

**Operating result € 3.4 billion (+6.2%) driven by P&C segment (+20.3%)**

**Total premiums € 49 billion (+0.6%) in a challenging macroeconomic environment**

**Solvency I 152% as of end of October. At the end of September was 143% (139% 1H13)**

Life: Solid operating result at € 2.1 billion (-2%), in an ongoing low interest rate environment, with a significant turnaround in the third quarter (+13.2% vs Q312)

- Life premiums € 32.8 billion (+0.9%) led by linked contracts (+10.5%). New business in terms of APE € 3.2 billion (+1.1%) with an increased New Business Margin at 20.9% (20.5% 9M12)
- Strong growth in Life net inflows to € 6.5 billion (€ 1.1 billion 9M12) with a marked improvement in all major markets

P&C: Sharp increase in operating result to € 1.3 billion (+20.3%) driven primarily by technical performance

- Combined ratio improves to 95.1% (-1.6 p.p.) despite greater impact (0.5 p.p.) from NatCat claims from events such as the recent floods in Central Europe
- Premiums stable at € 16.2 billion (+0.1%)

Financial segment: Operating result € 367 million (+14.8%)

## **Clemente Rebecchini named as Vice-Chairman**

The **Generali Group CEO Mario Greco** said: *“With the actions we have taken over the past months I am pleased to report a significant improvement to our capital position, with a Solvency I ratio currently above 150%. We are making good progress with the transformation of our Group and today’s results demonstrate that we are on track to reach our targets. Now we will work with even greater focus on improving our profitability. We will give a further update on the delivery against our strategic plan at our Investor Day on 27th November”.*

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<sup>1</sup> Change in premiums, net inflows and APE is calculated on a like-for-like basis (on equivalent exchange rates and consolidation area). Changes in operating results and own investments exclude Mexican companies and US life reinsurance business from the comparative period.

Milan. In a meeting chaired by Gabriele Galateri di Genola, the Assicurazioni Generali Board of Directors approved the consolidated results for the nine months to 30 September 2013.

The Group closed the first nine months of the year with a strong significant growth in **net profit to € 1,591 million (+40.4%)**, buoyed by solid premium income and operating performance, which was supported, in particular, by the growth of the P&C segment. The **aggregate operating result** rose to € 3,361 million, an increase of 6.2% (€ 3,292 mln 9M12).

The **P&C** operating result improved by 20.3% to € 1,339 million (€ 1,158 mln 9M12), benefiting from a better combined ratio of 95.1% (-1.6 p.p.), despite the larger impact of natural catastrophes of 0.5 percentage points. The result of prudent underwriting policies and an efficient claims management contributed to the excellent performance of this segment.

In the **Life** segment, although the market's low interest rates had an impact on the financial margin, the operating result remained sound at € 2,071 million (-2%; € 2,196 mln 9M12) and showed a significant turnaround in the third quarter (+13.2% from 3Q12). The performance of the segment's technical margin was positive, thanks to the focus on products with higher margins: The New Business Margin rose to 20.9% (20.5% 9M12).

The operating result of the **financial segment** improved by 14.8% to € 367 million thanks to greater net commission income and realised gains.

Despite continuing difficulties in the macroeconomic situation in many European countries, the Group reported growth in overall gross premiums to € 49 billion (+0.6%), assisted by its strength in distribution and new business initiatives in both segments. Life production increased to € 32,808 million (+0.9%), driven by unit-linked products (+10.5%) and protection covers (+1.1%). New business in terms of APE also improved, to € 3,211 million (+1.1%; € 3,184 mln 9M12). Life net inflows showed almost six-fold growth (from € 1,142 mln 9M12 to € 6,477 mln), thanks to lower outflows and good production performance. Premiums in the P&C segment were stable at € 16,245 million (+0.1%) with solid performance in motor lines (+0.4%).

The Group's excellent operating performance was accompanied by an improved capital position. Shareholders' equity was up to € 19,223 million (+1.1%; € 19,013 mln FY12). The **Solvency I** ratio at 30 September was up to 143% (139% 1H13); at the end of October the ratio was up to 152%, including the positive impact of 5 percentage points from the sale of Life reinsurance assets in the USA and minority interests in Mexico, completed after the quarter end.

Group overall **assets under management**, including third-party assets, increased to € 497 billion (+2.3%; € 490 bln FY12).

## OUTLOOK

In light of the action taken, despite the continuing uncertainties in the macroeconomic situation, consistently with its strategic goals the Group expects to report an improvement in its overall operating result for 2013 on a like-for-like basis, while continuing to strengthen capital and implement the strategic initiatives announced in January.

## LIFE SEGMENT

In the Life segment, the growth in annual premiums, which have higher margins, continued (+1.4%), while production of single-premium contracts was stable.

Looking at the individual markets, Germany registered an excellent performance, with premiums up 11.5%, driven largely by savings products (+23.2%), and in Italy, which reported growth of 6.4% due to the contribution of the traditional channel.

In France a sharp rise was recorded in premiums from linked products (+46.7%). Savings products were down 36.5% and general premiums fell by 22.8% (the production in the first part of 2012 benefitted from the exceptional measures taken to protect the savings portfolio).

The growth of unit-linked policies (+15.5%) kept premiums relatively stable in Central Eastern Europe (-1.6%), despite the fall in new business caused in part by the volatility of pension funds in Poland and the Czech Republic due to regulatory uncertainties.

New production in terms of APE rose by 1.1% due to excellent performance in Italy (+11.6%) and Germany (+15.6%). Overall, healthy improvements were reported in annual premiums (+1.5%) and in single premiums (+0.7%).

New Business Value was € 670 million (+7.3%).

The significant increase in Life net inflows, at € 6.5 billion, drove net technical reserves to € 320.9 billion.

Life Segment						
€ million	Gross premiums		APE		New Business Margin	
	30/09/2013	Δ 9M13/9M12	30/09/2013	Δ 9M13/9M12	30/09/2013	30/09/2012
Italy	9,220	+6.4%	1,235	+11.6%	17.8%	21.2%
France	5,883	-22.8%	573	-22.7%	13.2%	12.4%
Germany	11,278	+11.5%	724	+15.6%	24.9%	19.8%
CEE	1,172	-1.6%	126	-14.1%	44.5%	35.2%
Rest of Europe	4,260	+3.8%	440	-1.2%	25.7%	22.6%
Rest of the world	995	+18.0%	113	+2.3%	22.6%	40.7%
<b>Total</b>	<b>32,808</b>	<b>+0.9%</b>	<b>3,211</b>	<b>+1.1%</b>	<b>20.9%</b>	<b>20.5%</b>

## P&C SEGMENT

The positive trend in P&C premium income was driven above all by growth in motor lines (+0.4%). Looking at the individual markets, performance was exceptional in Germany (+4.4%) – due to motor lines (+7.9%) and non-motor lines (+2.1%) – in Austria (+2.3%) and in Switzerland (+0.6%). In Italy and in France, premiums slowed in line with the market.

With regard to country-by-country technical profitability, a significant improvement was reported in the combined ratio, particularly in Italy (-6.1 p.p.) and in the Central Eastern European countries, where the combined ratio improved by 1.1 p.p. to 89.3%, despite the recent floods in Central Europe, and was the best ratio of the Group. In Germany too, the combined ratio remained strong (95.9%, +1 p.p.), despite the 5.6 percentage point impact of flooding.

<b>P&amp;C Segment</b>				
€ mln	Gross premiums		Combined Ratio	
	30/09/2013	Δ	30/09/2013	Δ
Italy	4,690	-5.6%	91.5%	-6.1 pp
France	2,752	-5.6%	98.4%	-0.1 pp
Germany	2,804	+4.4%	95.9%	+1.0 pp
CEE	1,465	-1.1%	89.3%	-1.1 pp
Rest of Europe	3,541	+0.6%	95.8%	-0.5 pp
Rest of the World	993	+42.4%	105.7%	+8.0 pp
<b>Total</b>	<b>16,245</b>	<b>+0.1%</b>	<b>95.1%</b>	<b>-1.6 pp</b>

## FINANCIAL SEGMENT

Group asset management operations in the first nine months reflected an excellent performance, assisted by the contribution of Banca Generali. Third-party assets under management increased by 3.7% to € 100 billion. Thanks to higher commission income and an increase in realised gains on equities, the segment's operating result rose by 14.8% to € 367 million.

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## REBECCHINI APPOINTED AS VICE-CHAIRMAN

The Board of Directors has appointed Mr Clemente Rebecchini, member of the same Board, as Vice-Chairman of the Company. Mr Rebecchini is a member of the Risk and Control Committee and Investments Committee and has joined the Generali Board of Directors in 2012.

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## NOTE FOR EDITORS

The following documents are available on [www.generali.com](http://www.generali.com): pre-recorded video webcast with transcription, presentation for analysts, interim report.

The Analyst Call will be held at 12 noon (CET), with the Group CEO, Mario Greco, and the Group CFO, Alberto Minali.

Journalists can follow the event via webcast on [www.generali.com](http://www.generali.com) or by calling +39 06 8750 0876 (listen only).

The Generali corporate app offers the latest package of institutional information optimised for mobile devices. The app can be downloaded free from the Apple and Android stores.

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

Generali announces also the corporate calendar for the business year ending 31 December 2014:

Date	Event	Topics*
Wednesday 12 March 2014	<b>Board of Directors</b>	Approval of consolidated financial statements and draft separate financial statements for the year to 31 December 2013
Thursday 13 March 2014	<b>Results release</b>	
Wednesday 30 April 2014	<b>Annual General Meeting</b>	Approval of the 2013 separate financial statements
Wednesday 14 May 2014	<b>Board of Directors</b>	Approval of the quarterly report at 31 March 2014
Thursday 15 May 2014	<b>Results release</b>	
Wednesday 30 July 2014	<b>Board of Directors</b>	Approval of the half-year report at 30 June 2014
Thursday 31 July 2014	<b>Results release</b>	
Wednesday 5 November 2014	<b>Board of Directors</b>	Approval of the report to the 9 months at 30 September 2014
Thursday 6 November 2014	<b>Results release</b>	

\* Topics of material importance pursuant to article 2.6.2 of the Stock Exchange Regulation

The dates given above are provided purely as general indications: Any changes will be promptly announced to the market, using the channels used to distribute this statement. The information provided in this statement is also available on the company website [www.generali.com](http://www.generali.com).

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#### THE GENERALI GROUP

The Generali Group is one of Europe's largest insurance providers and the biggest European Life insurer, with 2012 total premium income of € 70 billion.

With 80,000 employees worldwide and 65 million clients in more than 60 countries, the Group occupies a leadership position on West European markets and an increasingly important place on markets in Central Eastern Europe and Asia.

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#### DEFINITIONS AND GLOSSARY

**Annual Premium Equivalent (APE)** = the sum of the initial premium on new annual-premium policies, plus one-tenth of premiums on new single-premium policies. This is the premium basis used to compute Life new business value.

**Combined Ratio** = loss ratio plus expense ratio: acquisition expenses + general expenses) divided by retained premiums.

**New Business Value** = expected present value, on issue, of future profits arising from new Life business in the period, net of the cost of capital.

**New Business Margin** = new production divided by APE.

**Operating Result** was obtained by reclassifying the components making up the pre-tax profit for the year in each line of business on the basis of the specific characteristics of each segment, and taking account of the recurring expenses of the holding.

In particular, all profit and loss items were considered, with the exception of net non-operating costs: results of discontinued operations, corporate restructuring costs, amortisation of portfolios acquired directly or through acquisition of control of insurance companies or companies in the financial sector (value of business acquired or VOBA) and other net non-recurring costs. The following are also considered as non-operating items: in the **Life segment**, realised gains and losses and net impairment losses on investments on which the policyholder's profit sharing is not based on; in the **Non-Life segment**, all realised gains and losses and net

impairment losses, including gains and losses of foreign currency; in the **Financial segment**, realised gains and losses and net impairment losses on strategic equity investments and investments. The total operating result does not include non-operating holding costs such as interest expense on borrowings and costs arising from implementation of parent company stock option plans and stock grants.

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The interim report is available in the Investor Relations section of the website [www.generali.com](http://www.generali.com)

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Attachments: Balance Sheet and Income Statement

## INCOME STATEMENT

(€ million)	30/09/2013	30/09/2012	3Q 2013	3Q 2012
1.1 Net earned premiums	44,893	45,847	13,730	14,197
1.1.1 Gross earned premiums	46,328	47,948	14,228	14,917
1.1.2 Earned premiums ceded	-1,435	-2,101	-498	-719
1.2 Fee and commission income and income from financial service activities	1,003	968	319	322
1.3 Net income from financial instruments at fair value through profit or loss	2,793	4,468	1,044	2,798
of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	2,279	3,409	689	2,116
1.4 Income from subsidiaries, associated companies and joint ventures	152	96	66	56
1.5 Income from other financial instruments and land and buildings (investment properties)	11,529	12,516	3,875	3,747
1.6 Other income	1,501	1,420	373	381
<b>1 TOTAL INCOME</b>	<b>61,871</b>	<b>65,316</b>	<b>19,408</b>	<b>21,501</b>
2.1 Net insurance benefits and claims	-45,782	-46,972	-14,445	-15,977
2.1.1 Claims paid and change in insurance provisions	-46,632	-48,407	-14,640	-16,496
2.1.2 Reinsurers' share	850	1,434	195	519
2.2 Fee and commission expenses and expenses from financial service activities	-411	-378	-136	-128
2.3 Expenses from subsidiaries, associated companies and joint ventures	-110	-16	-95	-11
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-2,363	-4,954	-646	-1,255
2.5 Acquisition and administration costs	-8,291	-8,615	-2,642	-2,761
2.6 Other expenses	-2,490	-2,182	-768	-705
<b>2 TOTAL EXPENSES</b>	<b>-59,447</b>	<b>-63,117</b>	<b>-18,732</b>	<b>-20,838</b>
<b>EARNINGS BEFORE TAXES</b>	<b>2,424</b>	<b>2,199</b>	<b>676</b>	<b>663</b>
<b>3 Income taxes</b>	<b>-689</b>	<b>-822</b>	<b>-109</b>	<b>-271</b>
<b>EARNINGS AFTER TAXES</b>	<b>1,735</b>	<b>1,377</b>	<b>567</b>	<b>392</b>
<b>4 RESULT OF DISCONTINUED OPERATIONS</b>	<b>60</b>	<b>-22</b>	<b>13</b>	<b>-49</b>
<b>CONSOLIDATED RESULT OF THE PERIOD</b>	<b>1,795</b>	<b>1,355</b>	<b>580</b>	<b>343</b>
<b>Result of the period attributable to the Group</b>	<b>1,591</b>	<b>1,133</b>	<b>510</b>	<b>291</b>
<b>Result of the period attributable to minority interests</b>	<b>205</b>	<b>222</b>	<b>70</b>	<b>52</b>
<b>EARNINGS PER SHARE:</b>				
Earnings per share (in €)	1.03	0.74	0.33	0.19
from continuing operation	1.01	0.75	0.33	0.21
Diluted earnings per share (in €)	1.03	0.74	0.33	0.19
from continuing operation	1.01	0.75	0.33	0.21

## BALANCE SHEET

(€ million)	30/09/2013	30/06/2013	31/12/2012
<b>1 INTANGIBLE ASSETS</b>	<b>9,658</b>	<b>9,694</b>	<b>9,902</b>
1.1 Goodwill	7,197	7,188	7,222
1.2 Other intangible assets	2,461	2,507	2,681
<b>2 TANGIBLE ASSETS</b>	<b>5,038</b>	<b>5,071</b>	<b>5,018</b>
2.1 Land and buildings (self used)	2,914	2,929	3,002
2.2 Other tangible assets	2,124	2,142	2,016
<b>3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS</b>	<b>5,145</b>	<b>5,324</b>	<b>5,624</b>
<b>4 INVESTMENTS</b>	<b>380,991</b>	<b>375,898</b>	<b>374,074</b>
4.1 Land and buildings (investment properties)	12,900	12,740	12,899
4.2 Investments in subsidiaries, associated companies and joint ventures	1,598	1,719	1,692
4.3 Held to maturity investments	3,980	4,155	7,538
4.4 Loans and receivables	63,663	65,534	71,063
4.5 Available for sale financial assets	228,104	220,745	212,546
4.6 Financial assets at fair value through profit or loss of which financial assets where the investment risk is borne by the policyholders and related to pension funds	70,744	71,004	68,337
	56,745	56,469	53,842
<b>5 RECEIVABLES</b>	<b>12,057</b>	<b>12,343</b>	<b>11,143</b>
5.1 Receivables arising out of direct insurance operations	8,732	9,005	8,230
5.2 Receivables arising out of reinsurance operations	926	852	976
5.3 Other receivables	2,400	2,486	1,938
<b>6 OTHER ASSETS</b>	<b>19,900</b>	<b>20,366</b>	<b>14,603</b>
6.1 Non-current assets or disposal groups classified as held for sale	5,163	5,287	15
6.2 Deferred acquisition costs	1,956	1,955	2,323
6.3 Deferred tax assets	2,810	2,679	2,624
6.4 Tax receivables	2,942	2,924	2,686
6.5 Other assets	7,029	7,521	6,956
<b>7 CASH AND CASH EQUIVALENTS</b>	<b>17,699</b>	<b>18,492</b>	<b>21,647</b>
<b>TOTAL ASSETS</b>	<b>450,489</b>	<b>447,188</b>	<b>442,011</b>



(€ million)	30/09/2013	30/06/2013	31/12/2012
<b>1 SHAREHOLDERS' EQUITY</b>	<b>21,070</b>	<b>20,303</b>	<b>21,726</b>
<b>1.1 Shareholders' equity attributable to the Group</b>	<b>19,223</b>	<b>18,433</b>	<b>19,013</b>
1.1.1 Share capital and reserves	15,919	15,945	16,843
1.1.2 Reserve for unrealized gains and losses through equity	1,714	1,408	2,076
1.1.3 Result of the period	1,591	1,081	94
<b>1.2 Shareholders' equity attributable to minority interests</b>	<b>1,847</b>	<b>1,869</b>	<b>2,713</b>
<b>2 OTHER PROVISIONS</b>	<b>1,636</b>	<b>1,501</b>	<b>1,471</b>
<b>3 INSURANCE PROVISIONS</b>	<b>340,735</b>	<b>338,043</b>	<b>336,369</b>
of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	43,691	43,102	41,068
<b>4 FINANCIAL LIABILITIES</b>	<b>62,898</b>	<b>62,708</b>	<b>63,907</b>
4.1 Financial liabilities at fair value through profit or loss	14,871	15,140	14,525
of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	13,025	13,307	12,602
4.2 Other financial liabilities	48,027	47,568	49,382
of which subordinated liabilities	7,577	7,539	7,833
<b>5 PAYABLES</b>	<b>8,565</b>	<b>8,671</b>	<b>8,033</b>
5.1 Payables arising out of direct insurance operations	3,352	3,391	3,314
5.2 Payables arising out of reinsurance operations	648	699	646
5.3 Other payables	4,566	4,581	4,073
<b>6 OTHER LIABILITIES</b>	<b>15,586</b>	<b>15,963</b>	<b>10,504</b>
6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	4,828	4,931	0
6.2 Deferred tax liabilities	2,462	2,590	2,996
6.3 Tax payables	1,736	1,470	1,639
6.4 Other liabilities	6,560	6,973	5,869
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>450,489</b>	<b>447,188</b>	<b>442,011</b>