



GENERALI GROUP

2016 First Half Results

The like for like change of written premiums, life net inflows, APE and NBV is on equivalent terms (on equivalent exchange rates and consolidation area).

Agenda

I. Business Overview

Philippe Donnet – Group CEO

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II. 2015 Group Financials

Alberto Minali – General Manager & Group CFO

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I. Business Overview

Philippe Donnet – Group CEO page 4

The Group restored a solid foundation in recent years, with great success

Governance

- ▶ Group Management Committee established
- ▶ “One group” *modus operandi*
- ▶ Focused on core insurance business

Capital

- ▶ Resilient and strong capital position rebuilt

Profitability

- ▶ Significant improvement in Operating RoE
- ▶ Strong focus on technical excellence and costs
- ▶ Completed Italy Restructuring, Germany in progress

Customer and distributor centricity

- ▶ A more customer / distributor focused, innovative organisation
- ▶ Key investments and partnerships (e.g. Vitality, MyDrive)

In the current environment, we need to move faster

1

**Improve operating
performance**



2

**Long term value
creation**

Improve operating performance

Turnaround the operating machine

- **Simplify**, rationalize, digitalize, automate processes
- Committed to invest in **modernisation** and **transformation**
- More **aggressive** on **cost savings**

Improve our footprint

- **Focus resources** where we can have:
 - Relevant **size**
 - Good **profitability**

Enhance core insurance capabilities

- **Best in class** pricing, risk selection, claims management in P&C
- **Disciplined** product offering and inforce management in Life

Long term value creation

Rebalance portfolio structure

- **Diversification** of our profit sources, through **exploitation** of **profitable** opportunities in P&C, Health, Unit Linked, Protection; Increase fee based revenues

Innovation and customer/distributor focus

- Distinctive and innovative **products**
- Responsive to **customer** needs
- Maximise potential of our **distributors**

Brand

- Improve **visibility** and leverage **power** of our brand

We have the right team to deliver: Simpler, Smarter and Faster

**Execution will
differentiate us**

We must execute **faster**



- Obsessive attention to **efficiency**
- Higher vigilance on **performance**
- Increased effectiveness of **reporting** lines
- Empowered **CEOs**

Final remarks

- Our strategy will be accelerated: execution will make the difference
- Full update and delivery proof points at upcoming Investor Day
- Our results and technical performance are solid: on track to deliver our promises

Agenda

II. 2016 First Half Group Financials

Alberto Minali – General Manager & Group CFO

- **Profit & Loss and Balance Sheet** page **11**
- Business review page **18**

Key First Half 2016 financials at a glance

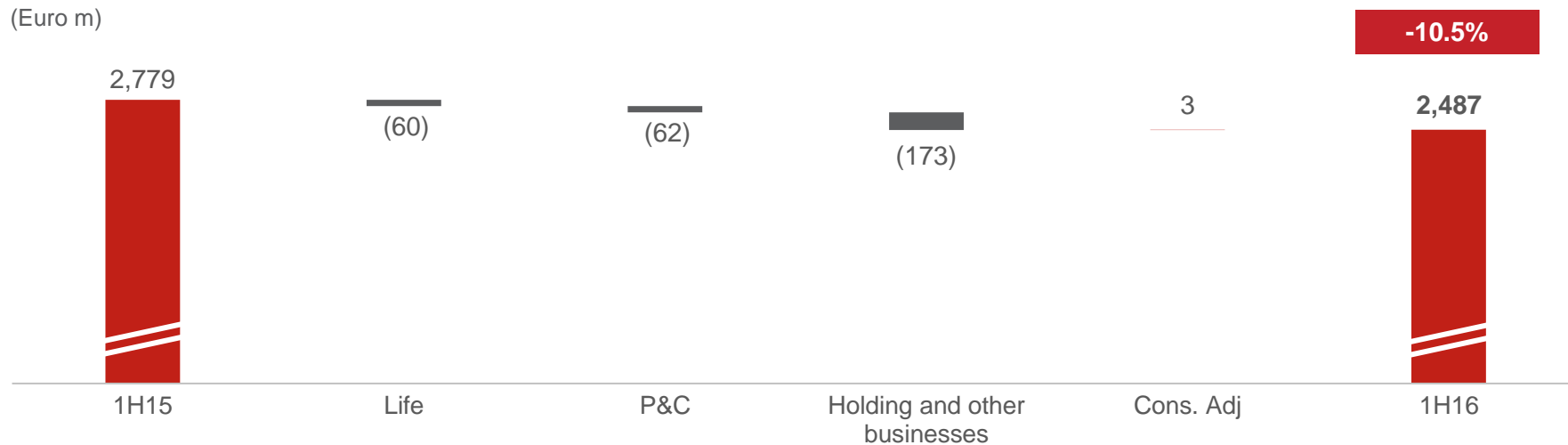
- **Operating Result:** Lower by 10.5%, mainly due to the decision to realise a lower level gains in current market conditions, compared to the relatively high level of last year. Strong technical performance in both Life and P&C
- **Net Result:** Follows the trend of the operating result (-9.9%)
- **Operating RoE:** Annualised operating RoE at 12.9%
- **Solvency II ratio (internal model view):** Resilient at 188% despite market volatility

	1H15	1H16	Δ	2Q15	2Q16	Δ
Operating result (Euro m)	2,779	2,487	-10.5%	1,453	1,323	-8.9%
Operating RoE ¹	14.1%	12.9%	-1.3%pts.	4.3%	3.8%	-0.5%pts.
Net result (Euro m)	1,307	1,178	-9.9%	626	590	-5.7%
EPS (Euro)	0.84	0.76	-9.9%	0.40	0.38	-5.7%
Shareholders' equity ²	23,565	24,562	+4.2%			
Solvency II ratio (internal model view) (%) ²	202%	188%	-14%pts.			

1. The annualized operating RoE is calculated on a rolling basis, as the sum of the last four quarter operating ROE ratios

2. Comparative data FY15

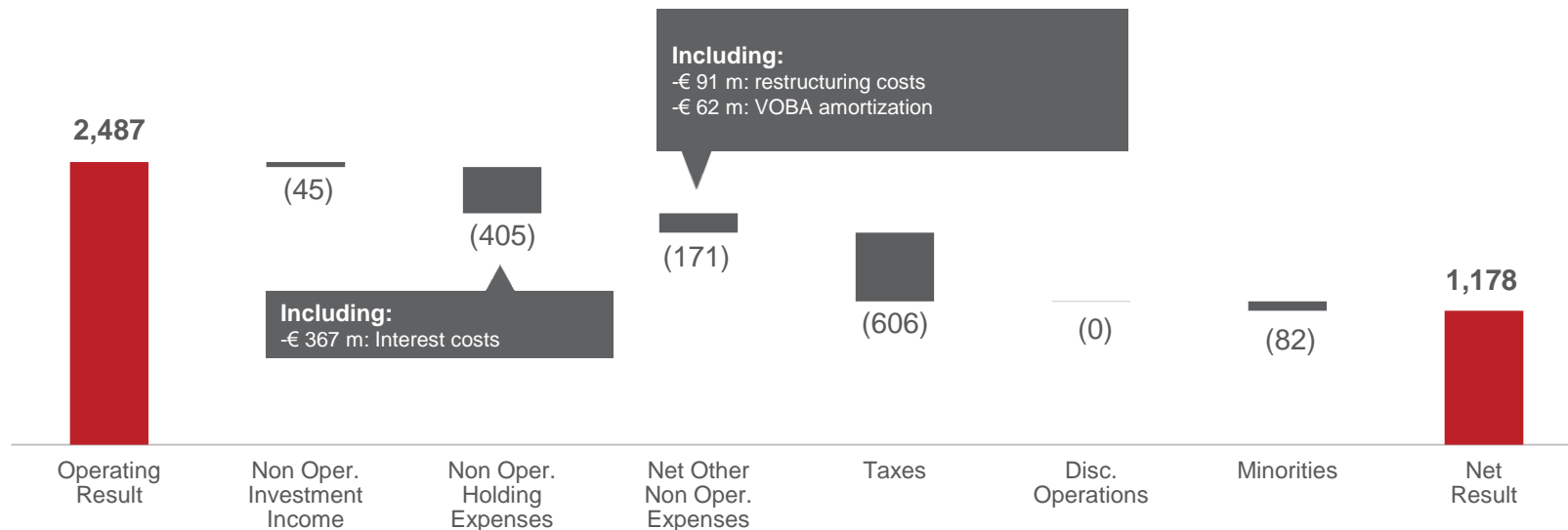
Operating result by segment



1H 16	1,653	1,042	(102)	(106)	2,487
1H 15	1,713	1,103	71	(109)	2,779
Δ	-3.5%	-5.6%	n.m.	-2.4%	-10.5%

From operating result to net profit

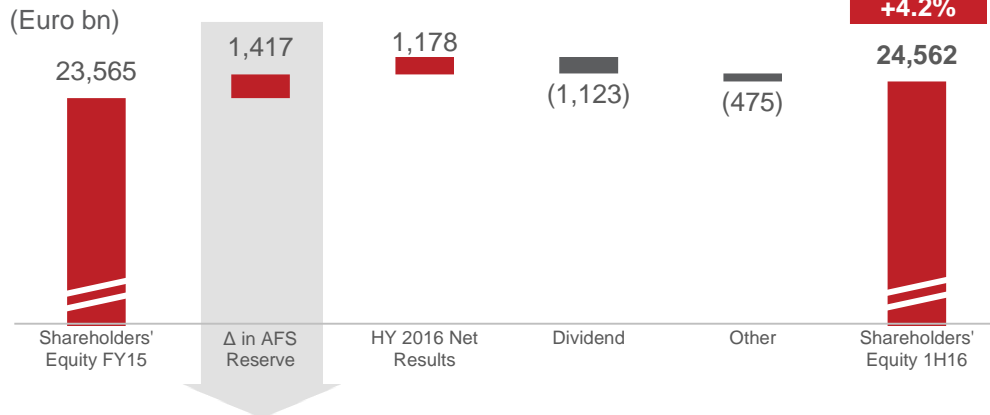
(Euro m)



	Operating Result	Non Oper. Investment Income	Non Oper. Holding Expenses	Net Other Non Oper. Expenses	Taxes	Disc. Operations	Minorities	Net Result
1H 16	2,487	(45)	(405)	(171)	(606)	-	(82)	1,178
1H 15	2,779	351	(367)	(468)	(757)	(82)	(149)	1,307
Δ	-10.5%	n.m.	+10.6%	-63.6%	-20.0%	n.m.	-44.6%	-9.9%

Shareholders' equity

Shareholders' equity rollforward

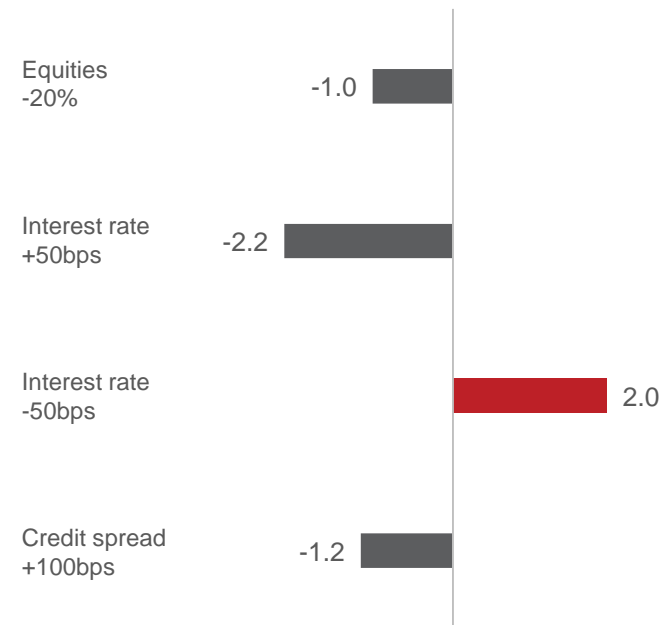


Change in AFS reserve



Shareholders' equity sensitivities

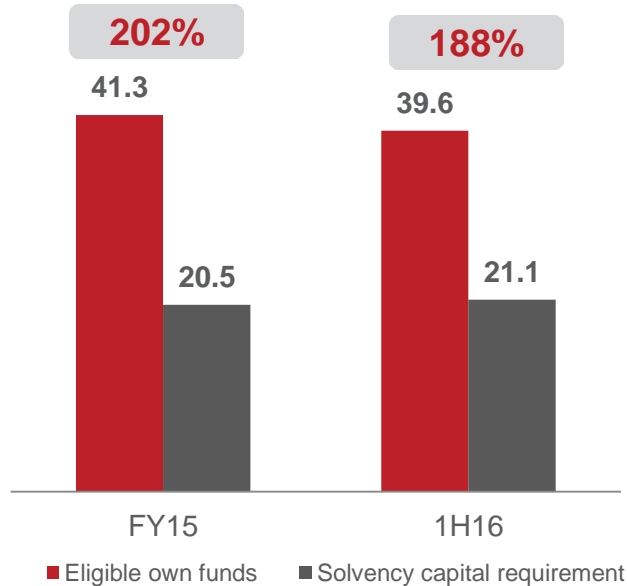
(Euro bn)



Solvency II: Internal Model View & Regulatory view

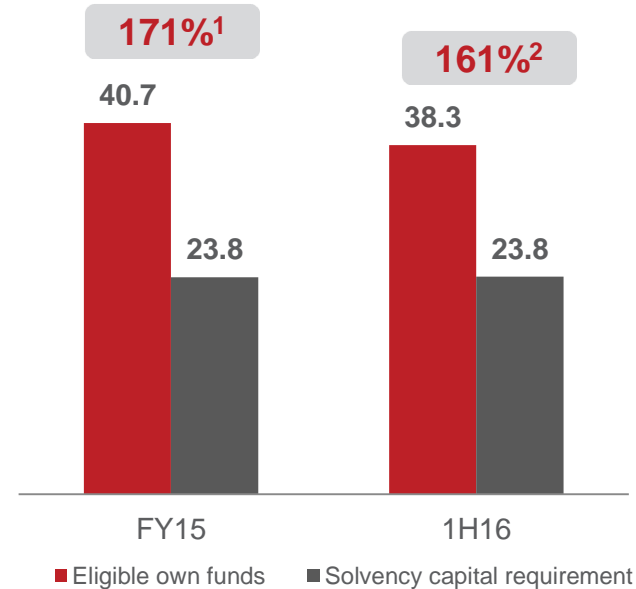
Eligible own funds vs. Required capital

(Internal model view, Euro bn)



Eligible own funds vs. Required capital





(Regulatory view, Euro bn)



1. Official Regulatory Ratio submitted to the Supervisor according to the timeline of SII Pillar III reporting process
2. Preliminary Regulatory Ratio

Solvency II: Internal Model View

Resilient development in a volatile market, with strong organic capital generation

	Excess Own Funds ¹ (Euro bn)		Solvency II ratio (%)
FY 2015	20.9		202%
Perimeter & FX	0.0		+0%pts.
Normalised capital generation	1.5		+8%pts.
Variiances and other movements	(3.9)		-22%pts.
1H 2016	18.5		188%

1. Eligible Own Funds in excess of Solvency Capital Requirement (full internal model view)

Agenda

II. 2016 First Half Group Financials

Alberto Minali – General Manager & Group CFO

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■ **Business review** page **18**

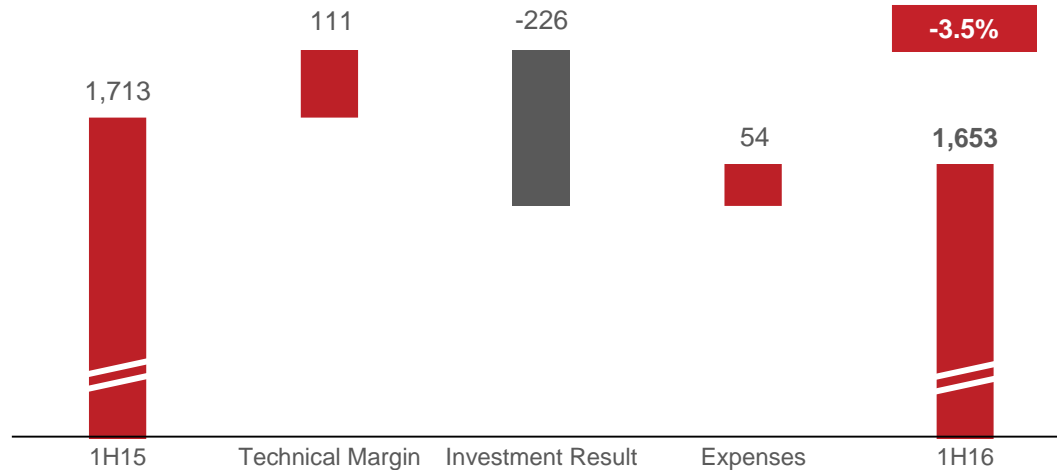
Life key financial indicators

(Euro m)

	1H15	1H16	LFL Δ	2Q15	2Q16	LFL Δ
Gross written premiums	26,906	25,816	-3.5%	13,240	12,385	-5.8%
Net inflows	8,200	7,523	-7.3%	3,894	2,977	-22.5%
Life operating result	1,713	1,653	-3.5%	890	897	+0.8%
Life operating ratio on investments (bps)	43	40	-3	22	21	-1
APE	2,707	2,571	-4.5%	1,278	1,250	-1.8%
New Business Value	474	656	+38.4%	152	295	+97.7%
Margin on APE (%)	17.5%	25.5%	+7.9%pts.	11.9%	23.6%	+11.7%pts.

Life Operating result by driver

(Euro m)



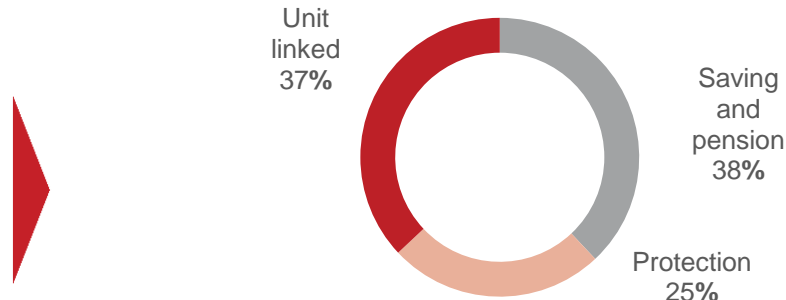
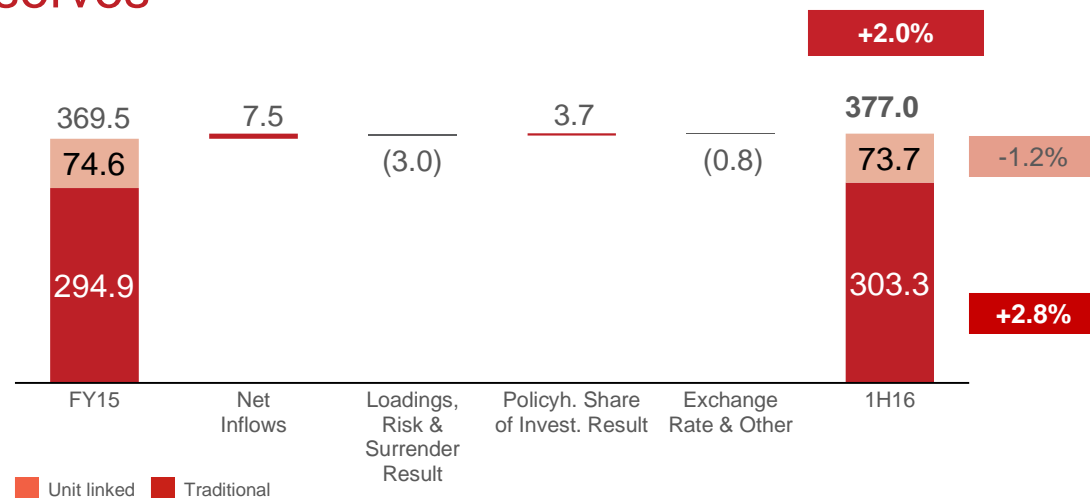
- Decreasing investment result due to lower net realized gains, down from the exceptionally high levels of 1H15
- Partially offset by improving technical margin and expense result

1H 16	2,979	1,149	(2,475)
1H 15	2,868	1,374	(2,529)
Δ %	+3.9%	-16.4%	-2.1%

Life inflows and technical reserves¹

(Euro m)

	1H15	1H16
Italy	3,919	3,948
France	721	332
Germany	2,031	1,468
CEE	240	265
EMEA	947	536
Americas	75	54
Asia	220	879
International	47	41
TOTAL	8,200	7,523



1. Including liabilities related to investment contracts

Life new business analysis

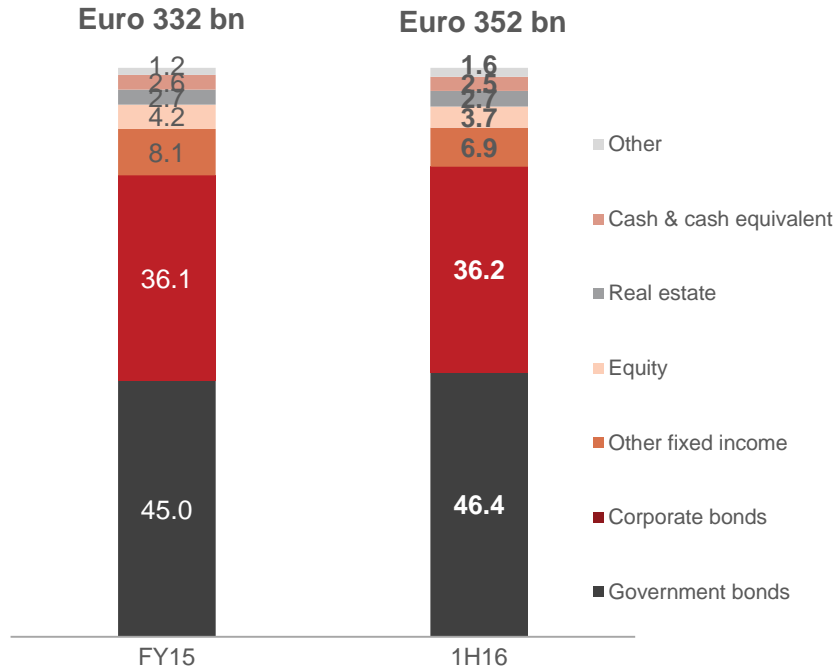
- APE decline (-4.5%), mainly due to the uncertain market situation, leading to a decrease of unit linked business (-23.2%) and a slight increase of saving business (+0.6%). Protection business reverses the trend of the first quarter registering an increase in the first half of 8.2%
- Strong improvement of NBM¹ (+7.9%pts.) driven by the Group products steering actions, the decrease of Euro area guarantees and, in respect of 1H15, an improved financial environment
- Further marked reduction of the level of guarantees (in Euro area from 0.60% at FY15 to 0.44% at 1H16)

(Euro m)	APE			NBV			MARGIN ON APE		
	1H15	1H16	LFL Δ	1H15	1H16	LFL Δ	1H15	1H16	LFL Δ
Italy	1,159	1,155	-0.3%	258	330	+28.0%	22.3%	28.6%	+6.3%pts.
France	535	477	-10.7%	18	54	+161.6%	3.4%	11.4%	+7.5%pts.
Germany	448	367	-18.1%	73	135	+84.4%	16.4%	36.8%	+20.5%pts.
CEE	87	70	-19.5%	21	23	+10.3%	23.6%	32.8%	+8.9%pts.
EMEA	348	279	-19.4%	83	96	+17.8%	23.8%	34.6%	+10.9%pts.
Americas & Asia	131	224	+86.4%	21	17	-13.5%	15.9%	7.4%	-8.5%pts.
TOTAL	2,707	2,571	-4.5%	474	656	+38.4%	17.5%	25.5%	+7.9%pts.

1. Starting from 2016 the New Business methodology has been aligned with Solvency II framework in terms of reference rate and Required Capital. This change has a positive impact on NBM (+0.6%).

Life investment breakdown and performance

Life segment general account (%)



Current returns

		Euro m	%
Fixed income	1H15	4,867	1.7
	1H16	4,805	1.6
Equity	1H15	220	1.6
	1H16	385	2.9
Real Estate ¹	1H15	300	3.0
	1H16	335	2.9
Total ¹	1H15	5,500	1.7
	1H16	5,614	1.6

1. Net of depreciation expenses

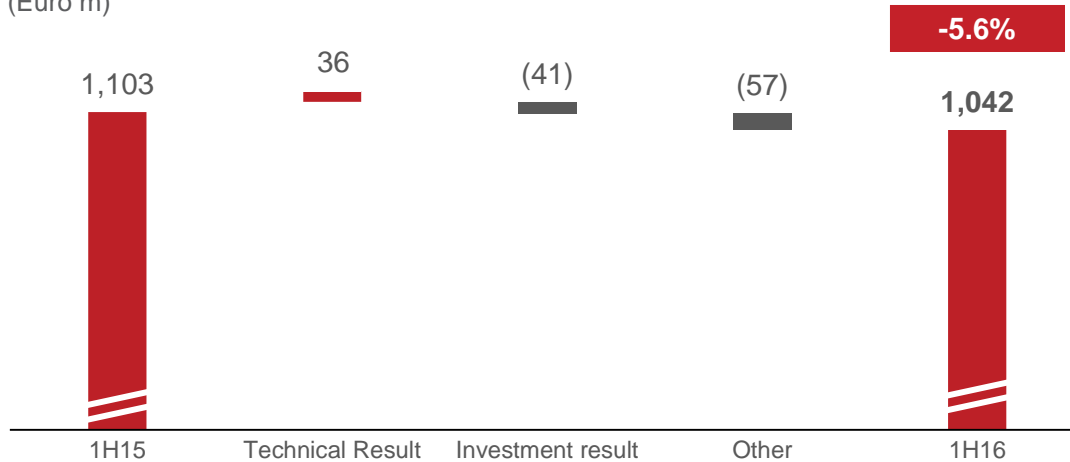
P&C key financial Indicators

(Euro m)

	1H15	1H16	LFL Δ	2Q15	2Q16	LFL Δ
Gross written premiums, of which:	11,266	11,131	+1.3%	4,783	4,820	+3.9%
Primary Motor	4,498	4,363	+2.3%	1,827	1,832	+6.9%
Primary Non Motor	6,391	6,359	+0.1%	2,767	2,762	+0.8%
Combined ratio (%)	92.6%	92.3%	-0.3%pts.	92.0%	92.7%	+0.7%pts.
Nat Cat impact (%)	1.4%	1.3%	-0.1%pts.	0.9%	2.6%	+1.7%pts.
P&C operating result	1,103	1,042	-5.6%	598	544	-9.1%

P&C Operating result by driver

(Euro m)



- Positive technical performance with a further improving combined ratio to 92.3% (-0.3%pts)
- Decreasing investment result due to lower interest rate environment
- Other component development mainly due to some non-recurring positive effects in 1H15

1H 16	681	488	(127)
1H 15	644	529	(70)
Δ %	5.6%	-7.8%	80.4%

P&C gross written premiums trends

(Euro m)

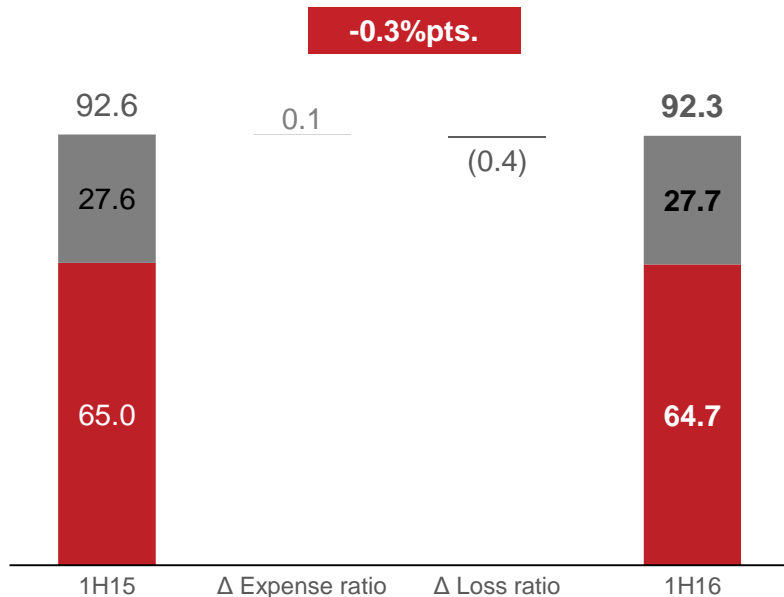
	1H15	1H16	LFL Δ
Italy	2,927	2,815	-3.8%
France	1,380	1,368	-0.9%
Germany	2,144	2,133	-0.5%
CEE	1,015	1,033	+2.3%
EMEA	2,585	2,640	+3.1%
Americas	597	462	+19.8%
Asia	59	78	+33.6%
International	559	602	+7.7%
Total	11,266	11,131	+1.3%

Overall premiums growth (+1.3%), mainly due to Motor (+2.3%):

- **Italy** declines -3.8% both in Motor (-6.1%, due to the exit of some large fleet contracts) and Non Motor (-2.3% due to both Accident & Health and SMEs)
- -0.9% decline in **France** due to both Motor (-0.8%, due to decreasing level of average premium) and Non Motor (-1.3%, soft market conditions in Commercial)
- **Germany** declines -0.5%, due to Non Motor (-1.3%, due to portfolio pruning activities) that more than offset the increase in Motor (+0.7%)
- **CEE** grows +2.3%, due a positive Motor (+4.3%) and a stable Non Motor (+0.1%)

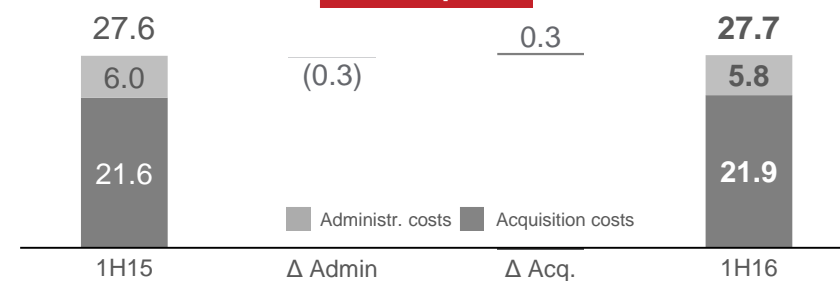
Combined ratio analysis

Combined ratio (%)

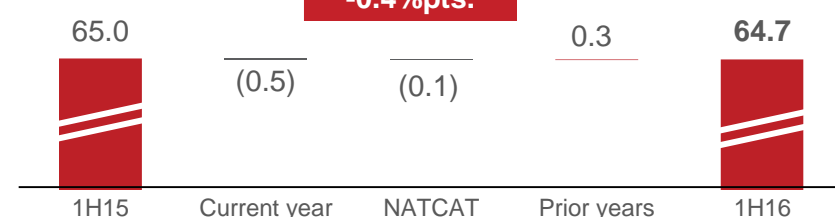


■ Expense ratio ■ Loss ratio

Expense ratio (%)



Loss ratio (%)



1H 16	67.8%	1.3%	-4.4%	64.7%
1H 15	68.3%	1.4%	-4.6%	65.0%

Combined ratio by country

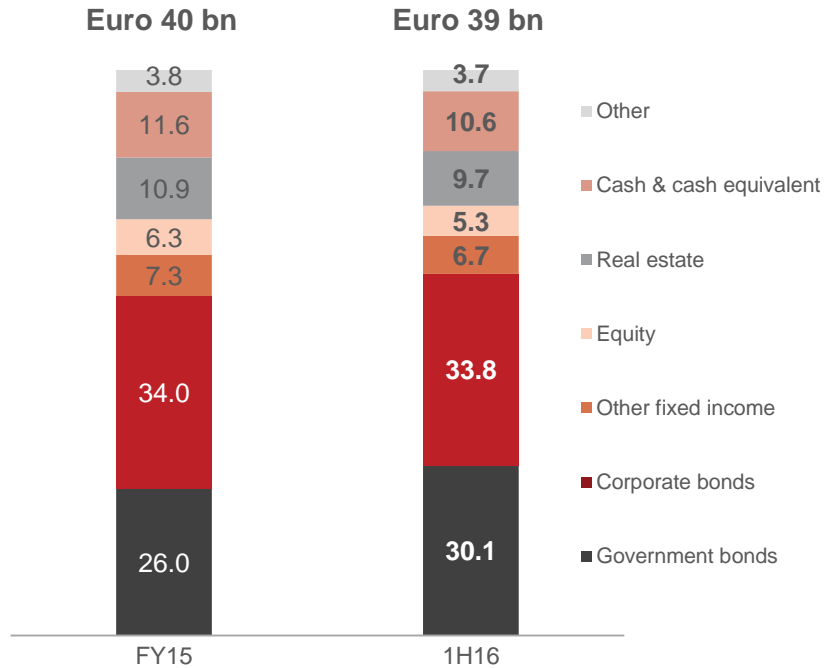
(%)

	1H15	1H16	LFL Δ
Italy	88.7%	88.6%	-0.1%pts.
France	99.2%	100.1%	+0.9%pts.
Germany	92.5%	91.4%	-1.1%pts.
CEE	85.4%	90.8%	+5.4%pts.
EMEA	94.1%	94.7%	+0.6%pts.
Americas	104.7%	101.5%	-3.2%pts.
Asia	92.7%	103.9%	+11.1%pts.
International Operations	88.6%	84.7%	-3.9%pts.
Total	92.6%	92.3%	-0.3%pts.

- Combined ratio stable in **Italy**, mainly thanks to the substantially absence of Nat Cat impact (in 1H15 the impact was 2.6%pts.)
- Combined ratio in **France** affected by Nat Cat losses in 2Q (+2.6%pts compared to 1H15)
- Strong improvement in **Germany**, despite higher Nat Cat, impact, due to positive developments both in Motor and Non Motor
- Combined ratio increase in **CEE** mainly due to negative market developments in Poland and Czech Republic, as well as higher Nat Cat impact (+0.6%pts in respect of 1H15)

P&C investment breakdown and performance

P&C segment general account (%)



Current returns

		Euro m	%
Fixed income	1H15	417	1.6
	1H16	399	1.5
Equity	1H15	76	2.2
	1H16	67	2.9
Real Estate ¹	1H15	131	3.1
	1H16	114	2.9
Total ¹	1H15	662	1.7
	1H16	605	1.5

1. Net of depreciation expenses

Focus on Holding & Other businesses segment

(Euro m)

	1H15	1H16	△	2Q15	2Q16	△
Financial	245	173	-29.6%	96	84	-12.9%
<i>of which Banca Generali¹</i>	172	84	-51.2%	57	44	-21.9%
Operating holding expenses	(251)	(238)	-5.2%	(135)	(126)	-6.5%
Other businesses ²	77	(37)	n.m.	56	(22)	n.m.
Total	71	(102)	n.m.	17	(64)	n.m.

1. Banca Generali's operating contribution as per Generali's view

2. Including pure financial holdings, international service activities and any other non-core businesses

Final remarks



- **Very strong technical results in both Life and P&C, showing the benefits of our strategy**



- **Solvency position proves resilient, at 188% despite the market turmoil**



- **On track to deliver our promises, despite the worsened environment**

Agenda

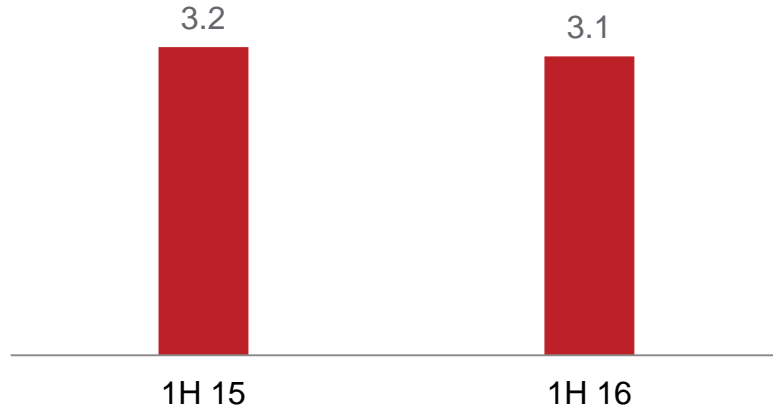
III. Backup

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 - Investments page **34**
 - Financial debt page **40**
 - Solvency 2 page **43**

1H16 Cost development

Group operating expense development (OpEx view)

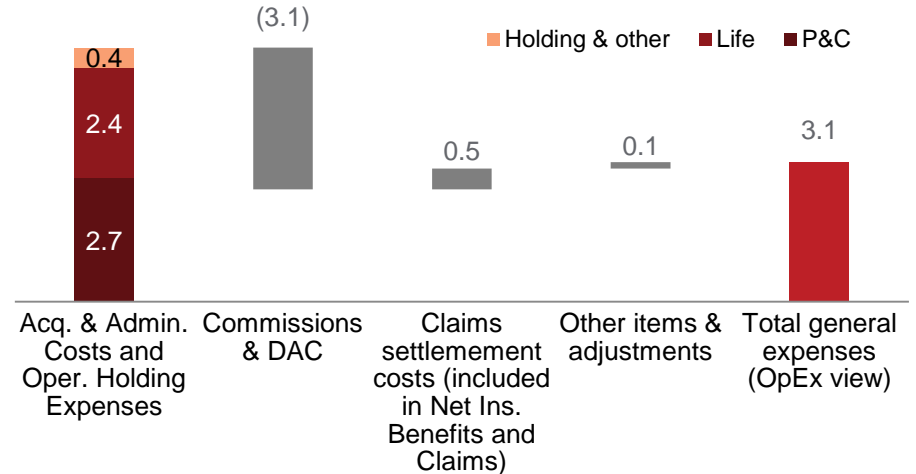
(Euro bn)



- Overall costs slightly decreased vs previous year and in line with Target

Reconciliation of general expenses from IFRS view to OpEx view

(1H16, Euro bn)



- Acquisition & Admin costs and Oper. Holding expenses, accounting view (per segmental operating profit analysis)
- Adjustments from accounting view
- Adjusted general expense base (OpEx view)

Agenda

III. Backup

Cost page **32**

• **Investments** page **34**

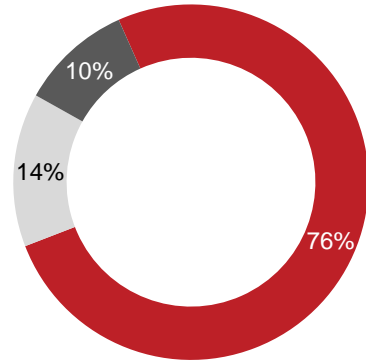
Financial debt page **40**

Solvency 2 page **43**

Assets under management

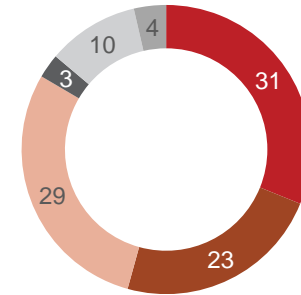
Total Portfolio: Euro 528 bn
(%)

- General account
- Unit Linked
- Third party investments



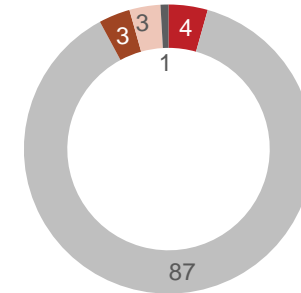
Breakdown by region and asset class
(%)

By Region



- Italy
- France
- Germany
- CEE
- EMEA
- RoW and other operations

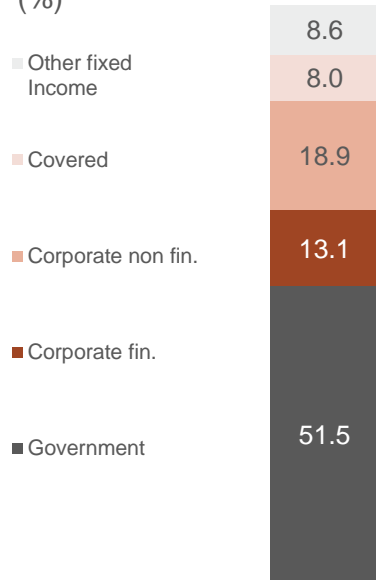
By Asset Class



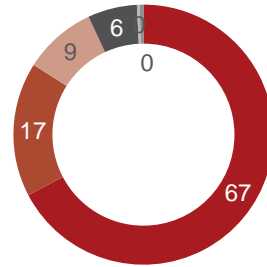
- Equity
- Fixed income
- Real estate
- Cash & Cash Equivalent
- Other

Fixed Income Portfolio

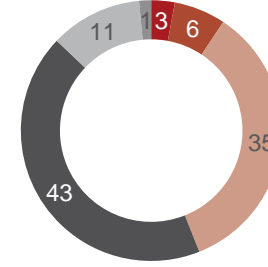
Total Portfolio Euro 350 bn (%)



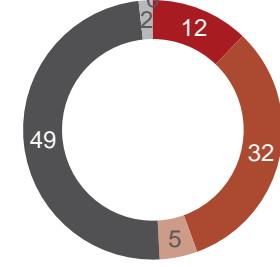
Covered Euro 28 bn (%)



Corporate Euro 112 bn (%)



Government Euro 180 bn¹ (%)



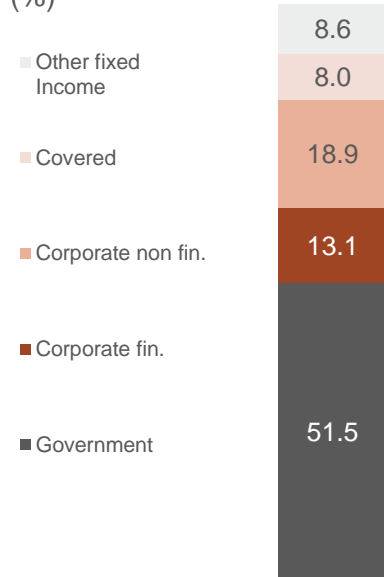
■ AAA ■ AA ■ A ■ BBB ■ Not Investment Grade ■ Not Rated

Bond duration	FY15	1H16
Life	8.0	8.6
P&C	5.0	5.4

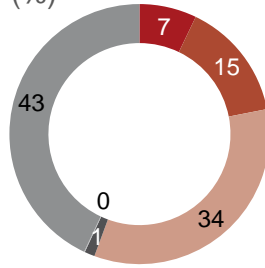
1. Italian government bond exposure is 80% of BBB

Fixed Income Portfolio by country

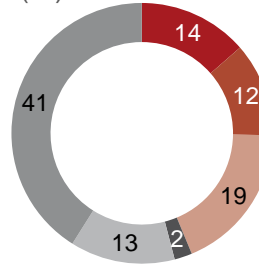
Total Portfolio
Euro 350 bn
(%)



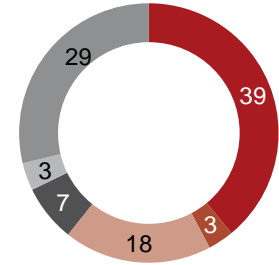
Covered
Euro 28 bn
(%)



Corporate
Euro 112 bn
(%)



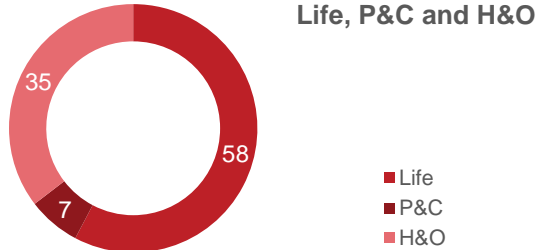
Government
Euro 180 bn
(%)



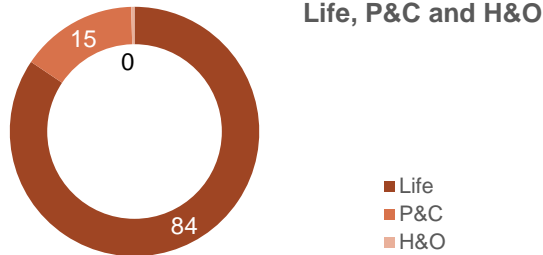
■ Italy ■ Germany ■ France ■ CEE ■ USA ■ Other

Equity & Equity-like

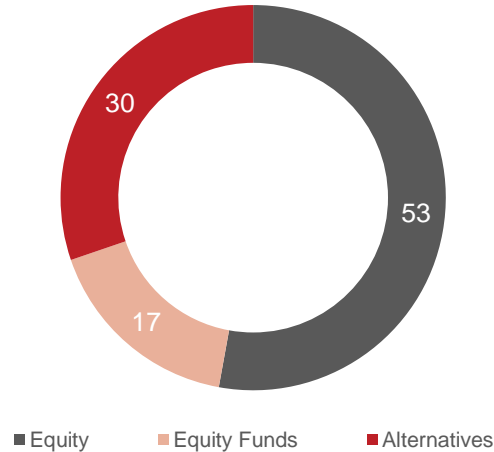
Alternative funds: Euro 5 bn
(%)



Equity funds: Euro 3 bn
(%)



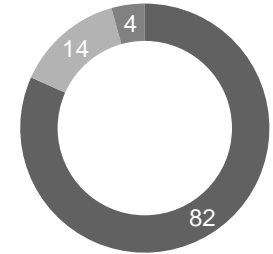
Total Portfolio: Euro 17 bn
(%)



Equity: Euro 9 bn
(%)

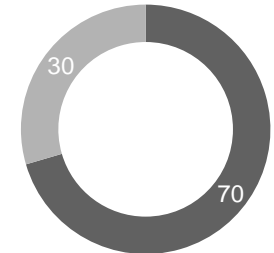
Life, P&C and Financial

- Life
- P&C
- H&O



Listed and Unlisted

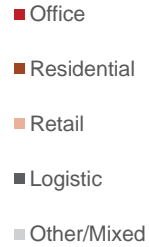
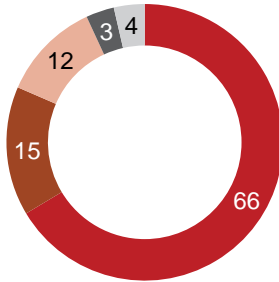
- Quoted
- Unquoted



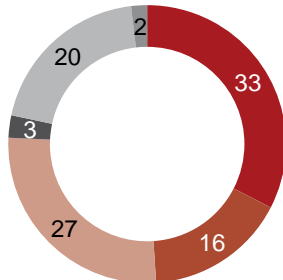
Asset Allocation: Real Estate

Total Portfolio: Euro 24 bn¹

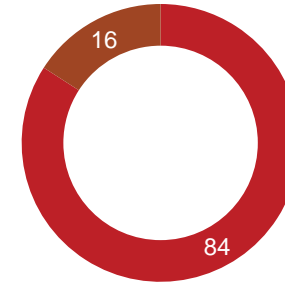
Breakdown
by use⁽²⁾
(%)



Breakdown
by country²
(%)



Breakdown
by utilization⁽²⁾
(%)



1. Data, at fair value, includes investment properties, own use assets, indirect investments and properties inventory

2. Detail, referred to direct investments in real estate only

Agenda

III. Backup

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• **Financial debt** page **40**

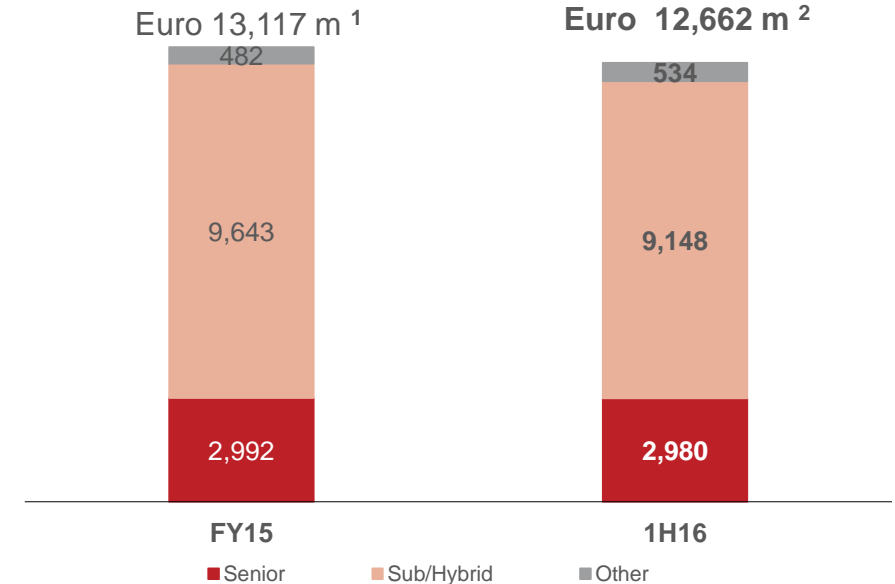
Solvency 2 page **43**

Focus on financial debt

Average cost & maturity of financial debt (%)

	FY15	1H16
Average cost (%)	5.65%	5.69%
Subordinated/Hybrid	6.13%	6.15%
Senior	4.17%	4.18%
Average maturity (years)	6.68	7.22

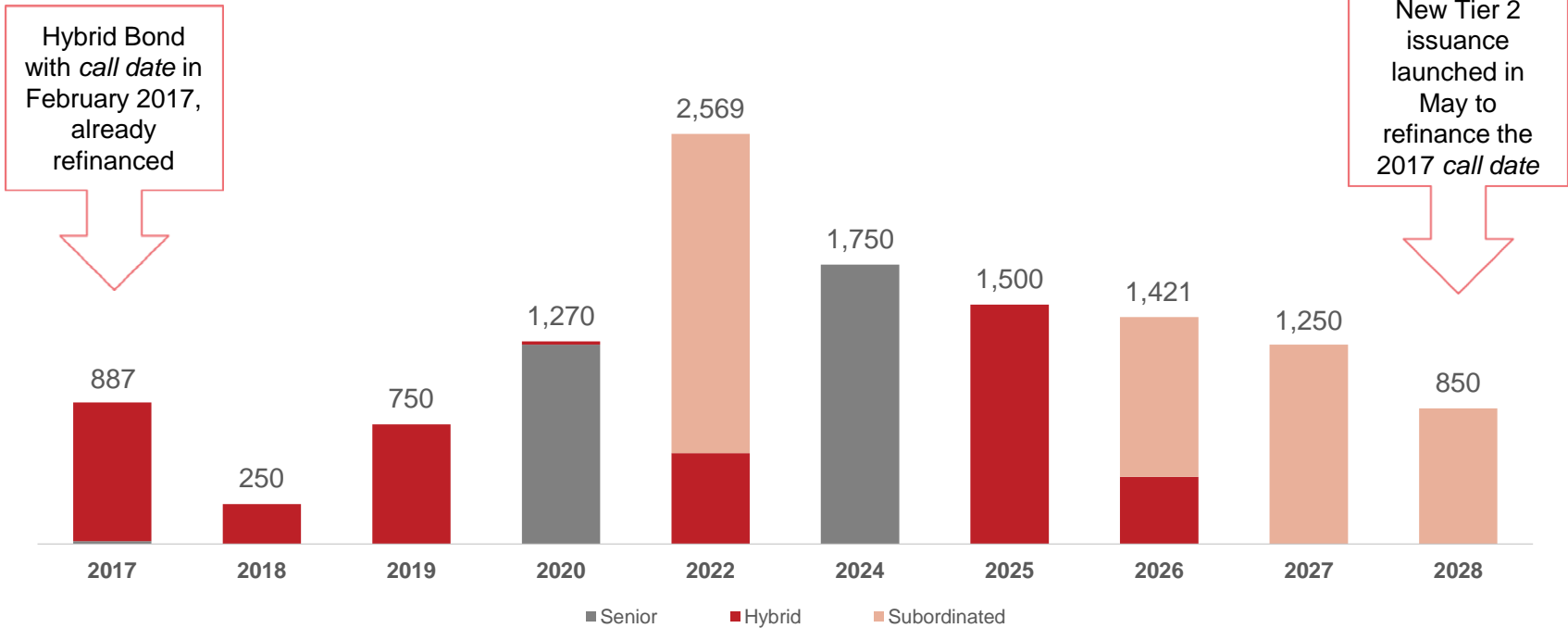
Total financial debt (Euro bn)



1. The amounts of financial debt includes the subordinated bond issued in October 2015, for a nominal amount of Euro 1.25 bn, to refinance June 2016 callable hybrid bonds
2. The amounts of financial debt includes the subordinated bond issued in June 2016, for a nominal amount of Euro 850 m, to refinance February 2017 callable hybrid bonds

Financial debt breakdown by expiry date/call date

(Euro m)



Agenda

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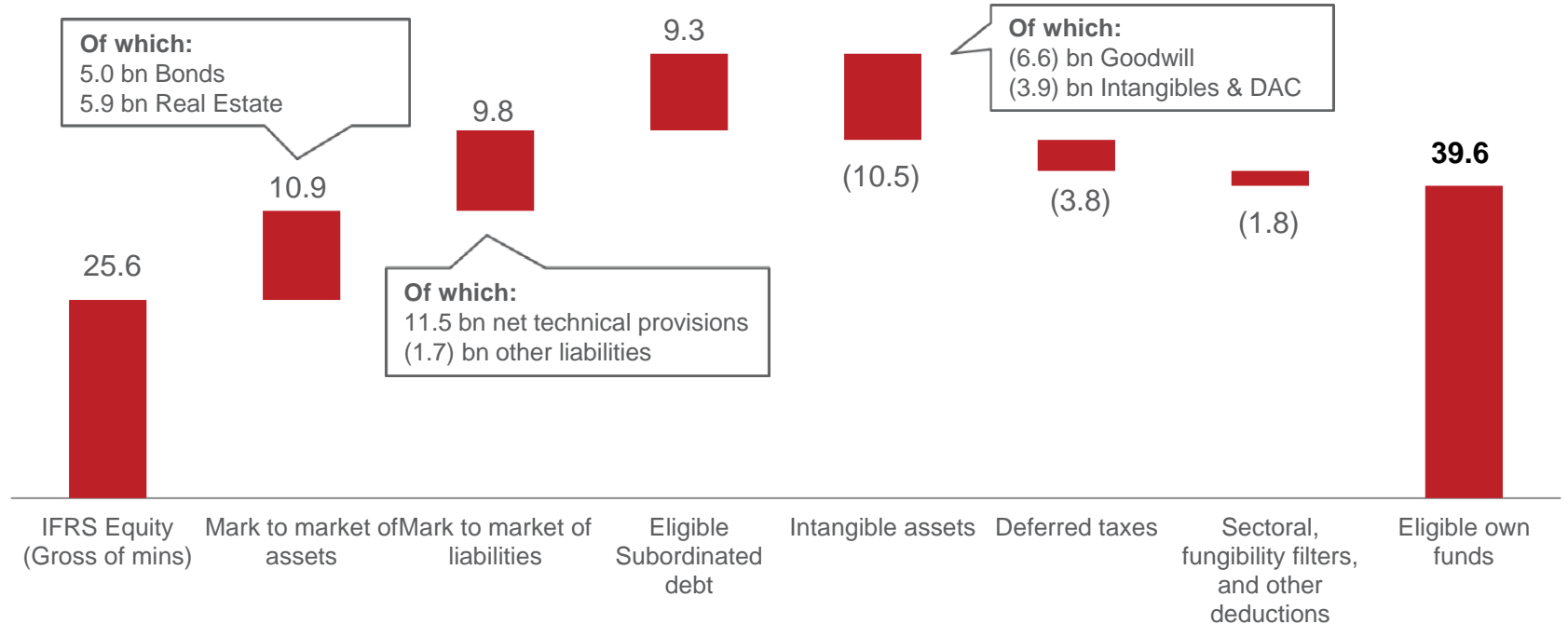
Financial debt page **40**

• **Solvency 2** page **43**

Reconciliation of IFRS equity to Solvency II Eligible Own Funds

Solvency II Eligible own funds

(1H16, Euro bn)



Disclaimer

Certain of the statements contained herein are statements of future expectations and other forward-looking statements.

These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties.

The user of such information should recognise that actual results, performance or events may differ materially from such expectations because they relate to future events and circumstances which are beyond our control including, among other things, general economic and sector conditions.

Neither **Assicurazioni Generali SpA** nor any of its affiliates, directors, officers employees or agents owe any duty of care towards any user of the information provided herein nor any obligation to update any forward-looking information contained in this document.

The manager charged with preparing the company's financial reports, Alberto Minali, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Financial Intermediation, that the accounting information contained in this presentation corresponds to document results, books and accounts records.

Next Events

10 November 2016
**9M 2016 results
reporting**

23 November 2016
Investor Day



2016

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Thank you



GENERALI GROUP

2016 First Half Results