



# GENERALI GROUP 2016 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. 2016 Group Financials

Luigi Lubelli – Group CFO

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## III. Backup

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# Agenda

## I. Business Overview

**Philippe Donnet – Group CEO** page 4

# Key messages

**Highest operating result ever**

**Strong cash generation and capital position supports 11% increase in dividends**

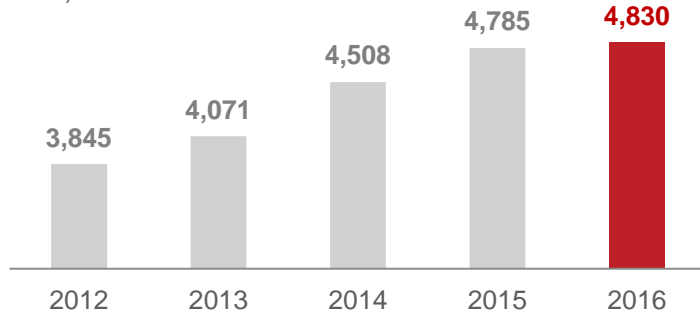
**Best in class performance and improving everywhere**

**Strong team in place, successfully accelerating the implementation of our plan**

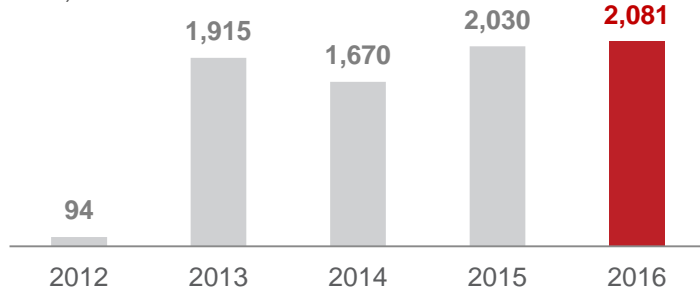
# 2016: Excellent performance in tough markets

## BEST OPERATING RESULT IN OUR HISTORY...

**OPERATING RESULT**  
(Euro m)

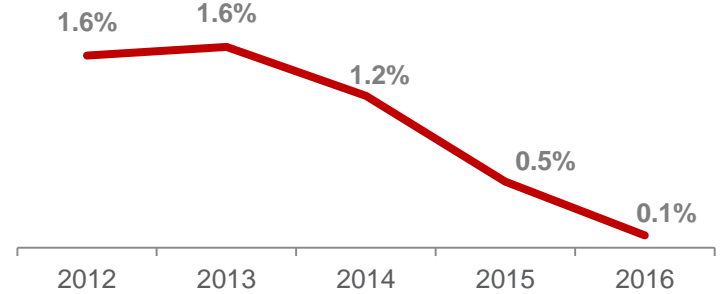


**NET RESULT**  
(Euro m)

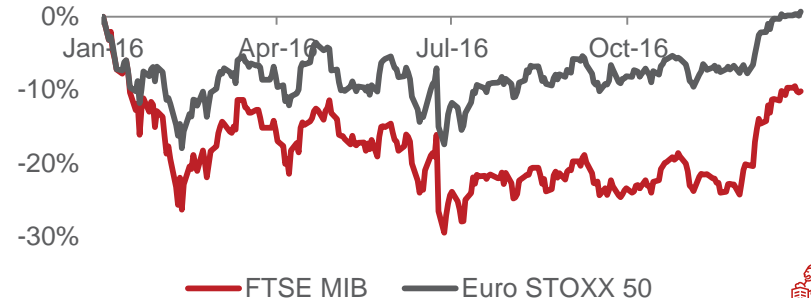


## ...DESPITE UNFAVOURABLE MARKETS

**10 YEAR GERMAN GOVT. BUND YIELD**  
(%, Average through year)



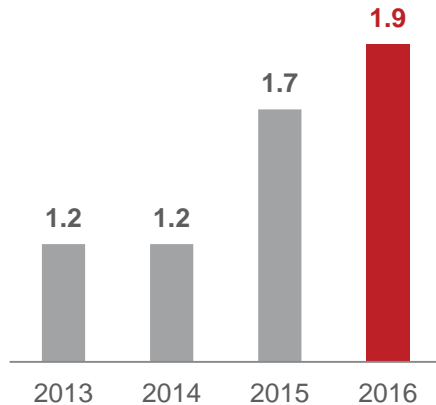
**EQUITY MARKET DEVELOPMENT**  
(% change from beginning of year)



# Increased dividend supported by cash generation and capital strength

## FURTHER GROWTH IN CASH GENERATION

NET OPERATING CASH GENERATION  
(Euro bn)



## STRONG CAPITALISATION

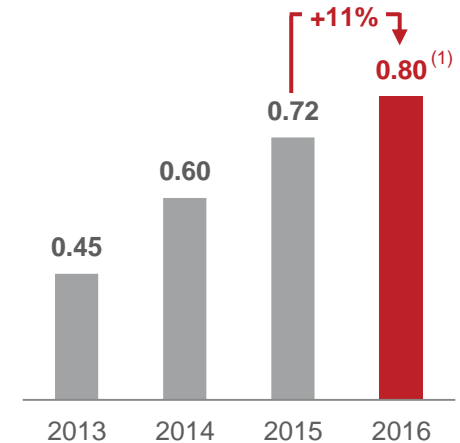
SOLVENCY II RATIO  
(%)

**194%**  
Economic View

**177%**  
Regulatory View

## INCREASING DIVIDEND

DIVIDEND PER SHARE  
(Euro)



<sup>(1)</sup> Proposed

# On track to deliver financial targets

## KEY MID-TERM FINANCIAL TARGETS

2015-2018

**> € 7 bn**

of cumulative Net Operating Cash (2015-2018)

**> € 5 bn**

of cumulative dividends (2015-2018)

**> 13%**

of Operating RoE on average (2015-2018)

## DELIVERY TO DATE

2015-2016

**€ 3.5 bn** ✓

Delivered cumulatively as at end 2016

**€ 2.4 bn** ✓

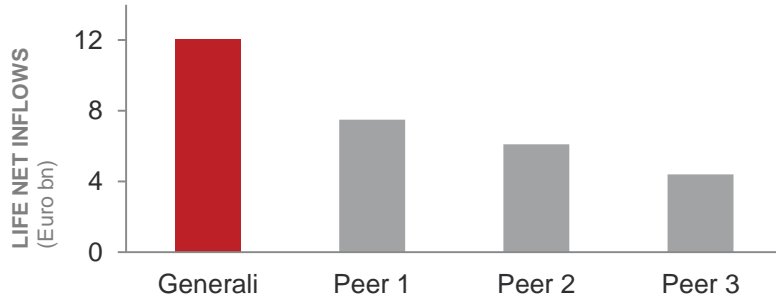
Delivered cumulatively as at end 2016

**13.8%** ✓

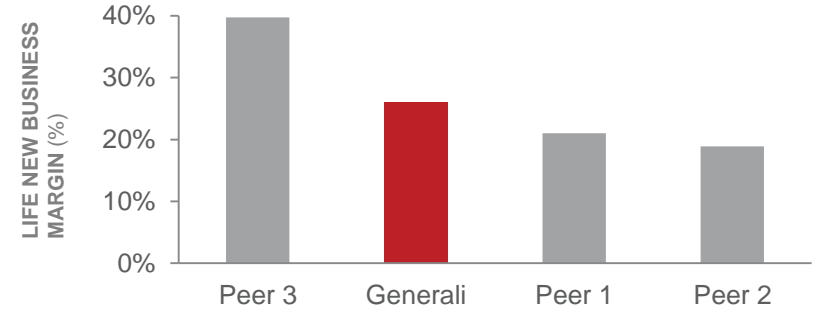
delivered on average by end 2016

# Best in class performance amongst peers

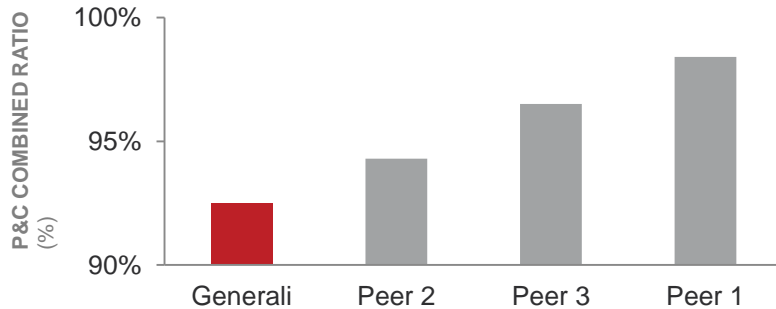
## LIFE NET INFLOWS ARE EXCELLENT...



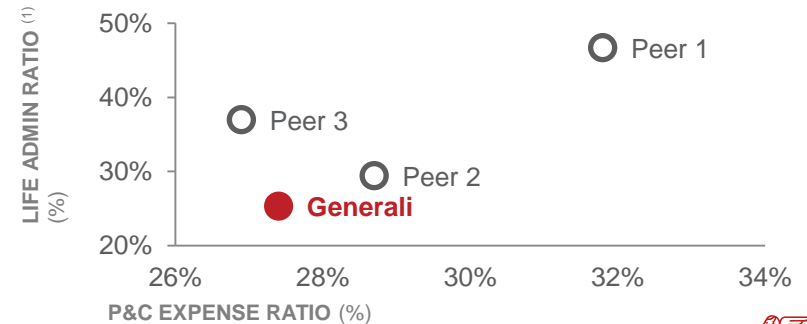
## ...WITH SOUND LEVELS OF PROFITABILITY



## P&C COMBINED RATIO IMPROVES, REMAINS BEST IN CLASS



## COST RATIOS CONFIRM LEADING EFFICIENCY



Peers for all charts: Allianz, AXA, Zurich. All data refers to FY2016

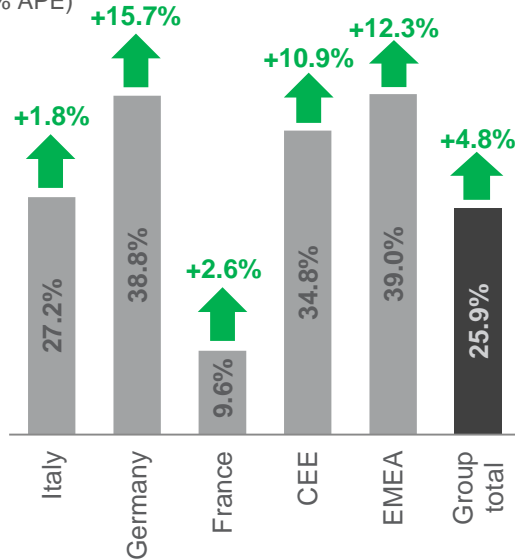
(1) Life Admin Ratio = Administrative costs / (Operating Result + Administrative costs)



# All business units showing positive momentum

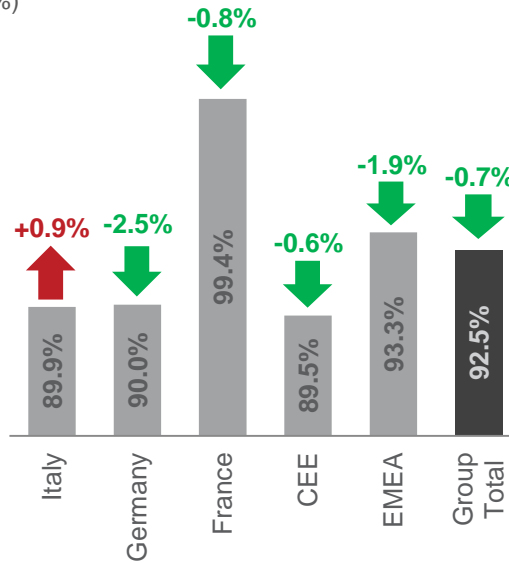
## INCREASING LIFE MARGIN

LIFE NEW BUSINESS MARGIN  
(% APE)



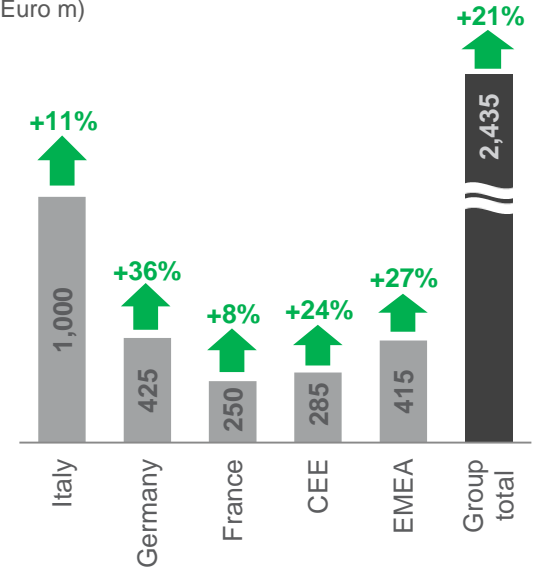
## EVEN BETTER COMBINED RATIO

COMBINED RATIO  
(%)

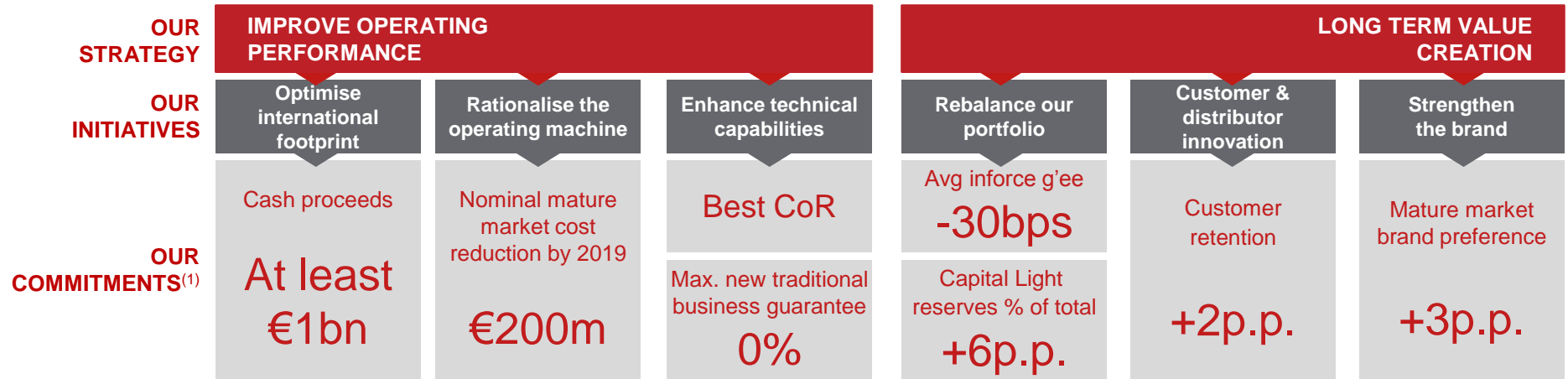


## STRONGLY GROWING CASH REMITTANCE

CASH REMITTED  
(Euro m)



# Our 2016 Investor Day commitments



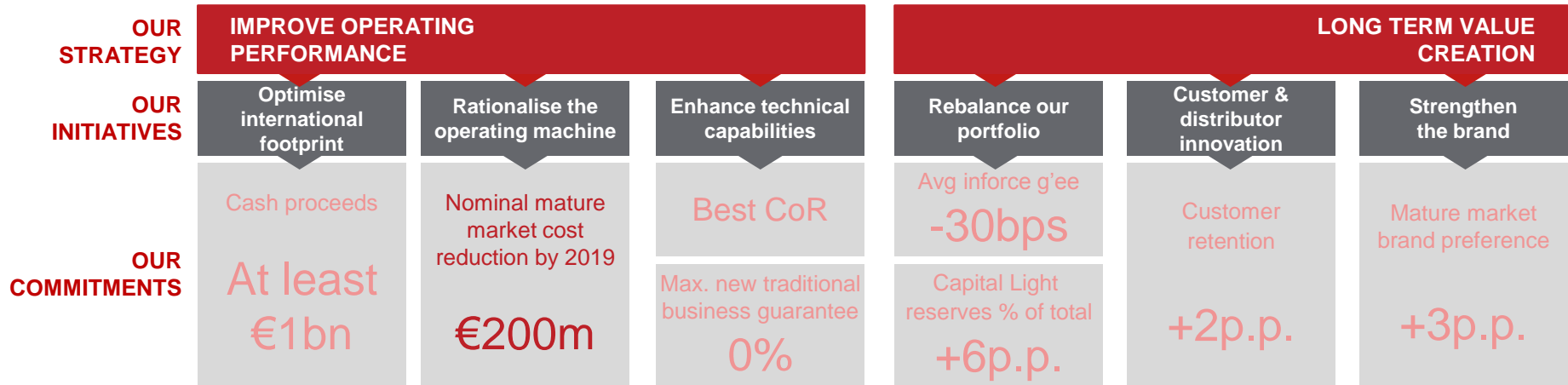
(1) New business / portfolio guarantee and reserve mix targets by end 2018. Customer retention and brand preference targets by end 2019

# 2016 demonstrates consistent progress towards our goals

OUR STRATEGY	IMPROVE OPERATING PERFORMANCE			LONG TERM VALUE CREATION		
	OUR INITIATIVES					
	Optimise international footprint	Rationalise the operating machine	Enhance technical capabilities	Rebalance our portfolio	Customer & distributor innovation	Strengthen the brand
	Cash proceeds	Nominal mature market cost reduction	Best CoR	Avg inforce g'ee	Customer retention	Mature market brand preference
OUR COMMITMENTS	At least €1bn	€200m	Max. new traditional business guarantee 0%	Capital Light reserves % of total +6p.p.	+2p.p.	+3p.p.
Achievements in 2016	Activated all processes	~€70m Reduction delivered in 2016	70bps CoR improvement NB Guarantee <sup>(1)</sup> -7bps	Inforce guarantee -7bps Capital light reserves +2p.p.	Increase in retention <sup>(2)</sup> +1.2p.p.	Brand preference +0.5p.p.

(1) On average of new business premium. (2) Weighted average covering 23 BUs

# We will deliver our cost target one year ahead of plan



- Revised ambition to achieve cost savings target one year early**

- Mature market cost reduction of €200m to €5.3bn to be delivered by FY2018 (previously: FY2019)

# A successful international insurance group

## Uniquely positioned in Europe



- ~90% of business from Europe, the largest profit pool in the world
- Top 5 in 10 European markets out of 20

## Strong proprietary distribution



- Largest European proprietary distribution network
- Strong Direct presence in many markets

## Excellent technical and operational capabilities



- Leading combined ratio
- Strong life margins with low guarantees
- Streamlined operations

## Momentum on innovation



- Leader in motor telematics
- Connected platform (car, home, health, life)
- Innovative partnerships

# Key messages

**Highest operating result ever**

**Strong cash generation and capital position supports 11% increase in dividends**

**Best in class performance and improving everywhere**

**Strong team in place, successfully accelerating the implementation of our plan**

# Agenda

## II. 2016 Group Financials

### Luigi Lubelli – Group CFO

- Profit & Loss and Balance Sheet

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Business review

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# Key 2016 financials at a glance



## VOLUMES

	FY15	FY16	Δ (LFL <sup>(1)</sup> )
Gross Written Premiums (Euro m)	74,165	<b>70,513</b>	-3.9%
Life	53,297	<b>49,730</b>	-6.3%
P&C	20,868	<b>20,783</b>	+2.1%
Life Net Inflows	14,920	<b>12,049</b>	-18.5%



## PROFITABILITY

Operating result (Euro m)	4,785	<b>4,830</b>	+0.9%
Operating RoE	14.0%	<b>13.5%</b>	-0.5 pts
Net result (Euro m)	2,030	<b>2,081</b>	+2.5%
New Business Margin	21.0%	<b>25.9%</b>	+4.8%pts
Combined Ratio	93.1%	<b>92.5%</b>	-0.7%pts



## CASH & DIVIDENDS

Net operating cash generation (Parent view, Euro m)	1,657	<b>1,877</b>	+13.3%
Dividend per share (Euro)	0.72	<b>0.80</b>	+11%



## CAPITAL

Shareholders' equity	23,565	<b>24,545</b>	+4.2%
Solvency II ratio (regulatory view) (%)	171%	<b>177%</b>	+6%pts
Solvency II ratio (internal model view) (%)	202%	<b>194%</b>	-8%pts



# Key 2016 financials at a glance – Main drivers



## VOLUMES

- **GROSS WRITTEN PREMIUMS** reflect disciplined product offering, and in a challenging environment for Unit Linked at the beginning of the year, more than offset by improving margins. Growth in P&C driven by Motor across many geographies



## PROFITABILITY

- **OPERATING RESULT** improves to its highest level ever, due to both Life and P&C. Improving technical results more than over-compensate pressure from declining investment income
- **OPERATING ROE** remains above target level, slightly lower vs. 2015 reflecting the growth in the equity base and temporarily higher interest costs due to pre-financing operations
- **NET RESULT** increases reflecting the higher operating performance



## CASH & DIVIDENDS

- **NET OPERATING CASH GENERATION** significantly higher, due to improved remittances from the operating companies to the parent
- **DIVIDEND PER SHARE** continues to grow, to Euro 0.80 per share, taking us a step further towards our 2018 target, and equivalent to a dividend yield of 5.6% based on year end closing price

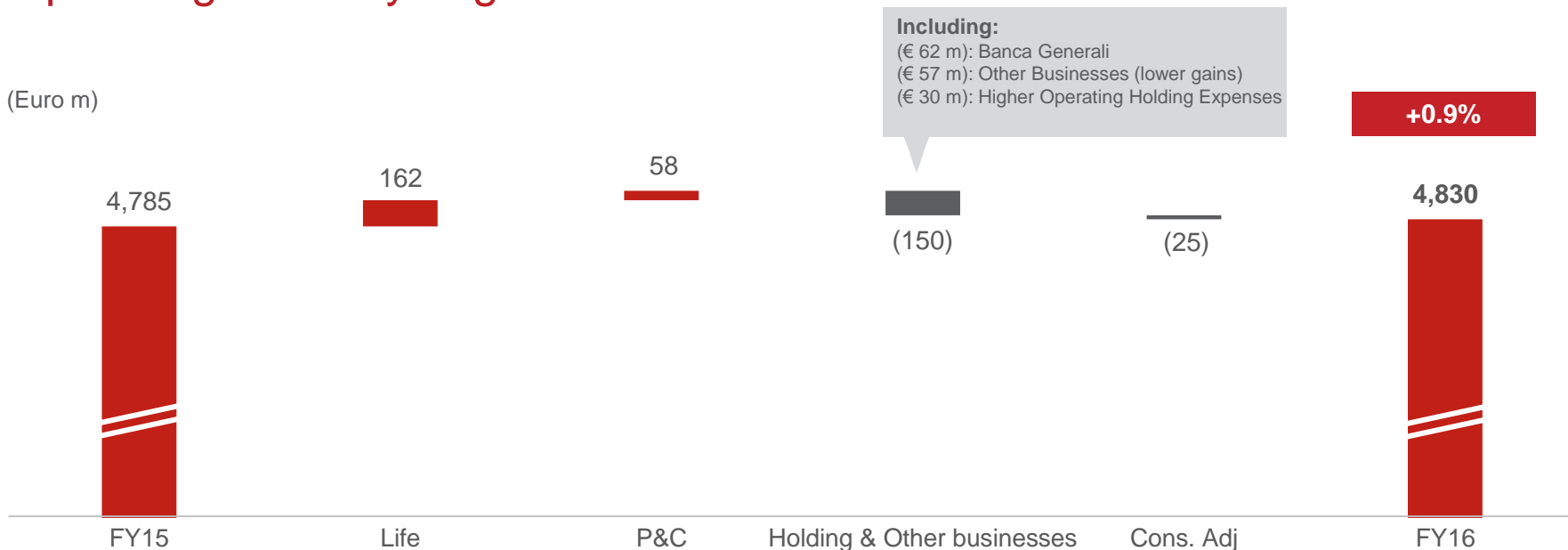


## CAPITAL

- **SOLVENCY II RATIO:** Regulatory Solvency II ratio improves, reflecting the successful application to bring the French Life business within the scope of the Internal model. The gap between this and the internal model view consequently significantly narrows, from 31p.p. to 17p.p

# Operating result by segment

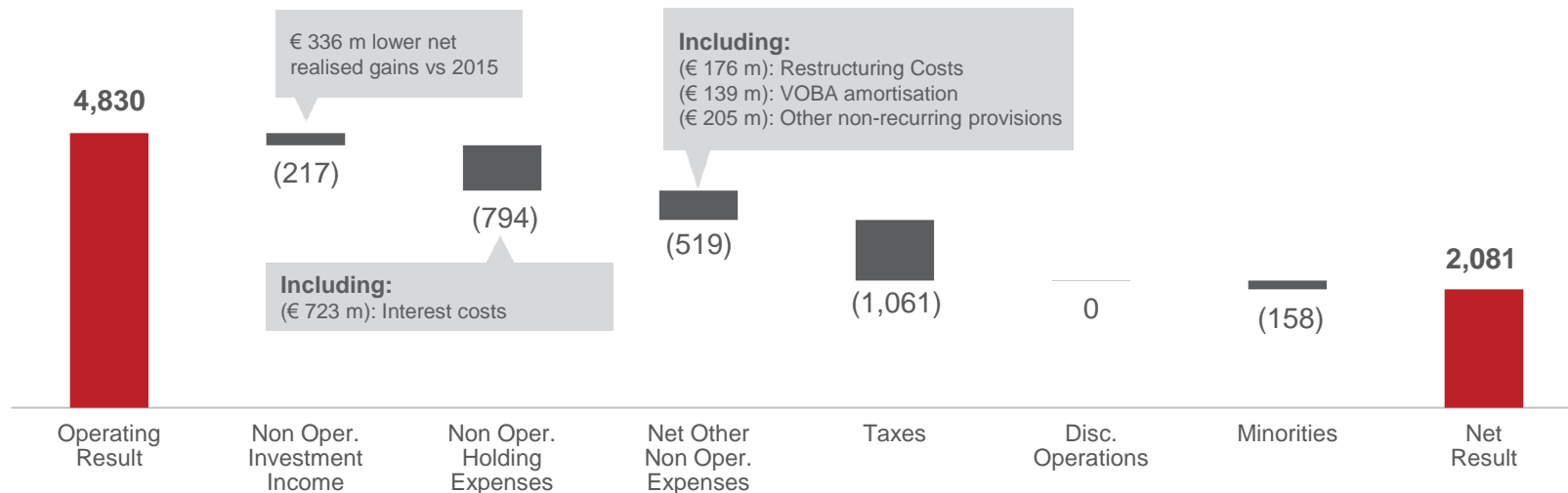
(Euro m)



<b>FY 16</b>	<b>3,127</b>	<b>2,044</b>	<b>(91)</b>	<b>(251)</b>	<b>4,830</b>
<b>FY 15</b>	2,965	1,987	59	(226)	4,785
<b>Δ</b>	+5.5%	+2.9%	n.m.	+11.1%	+0.9%

# From operating result to net profit

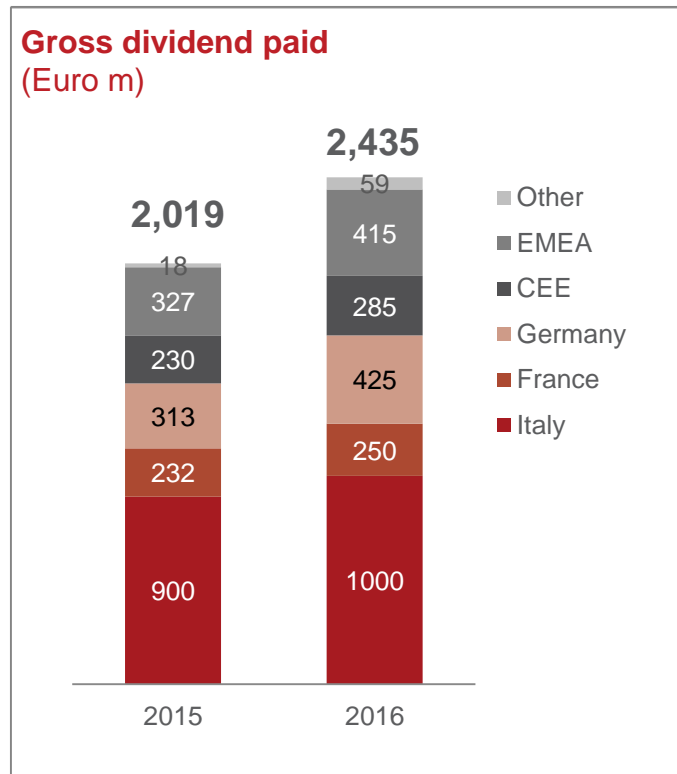
(Euro m)



	Operating Result	Non Oper. Investment Income	Non Oper. Holding Expenses	Net Other Non Oper. Expenses	Taxes	Disc. Operations	Minorities	Net Result
<b>FY 16</b>	<b>4,830</b>	<b>(217)</b>	<b>(794)</b>	<b>(519)</b>	<b>(1,061)</b>	<b>-</b>	<b>(158)</b>	<b>2,081</b>
<b>FY 15</b>	4,785	159	(764)	(712)	(1,173)	(35)	(229)	2,030
<b>Δ</b>	+0.9%	n.m.	+3.8%	-27.2%	-9.5%	n.m.	-31.0%	+2.5%

# Total dividends paid by operations

	Net Operating Result <sup>(1)</sup> (Euro m)	Operating Profit Coverage ratio	Gross dividend paid <sup>(3)</sup> (Euro m)
Italy	1,305	1.3x	1,000
France	455	1.8x	250
Germany	574	1.4x	425
CEE	376	1.3x	285
EMEA	672	1.6x	415
Other <sup>(2)</sup>	165	n/m	59
<b>Total dividends paid by operations:</b>			<b>2,435</b>



(1) Net Operating Result = Operating profit by country, after deduction of taxes at normal national rates, and minority interest.

(2) Excluding parent company reinsurance result

(3) The amounts indicate the remittance towards dividend payments expected from each country. Occasionally, for capital management purposes, liquidity may be upstreameed by other means, such as loan repayments

# Net Operating Cash Generation

## Net Operating Cash Generation

(Euro bn)

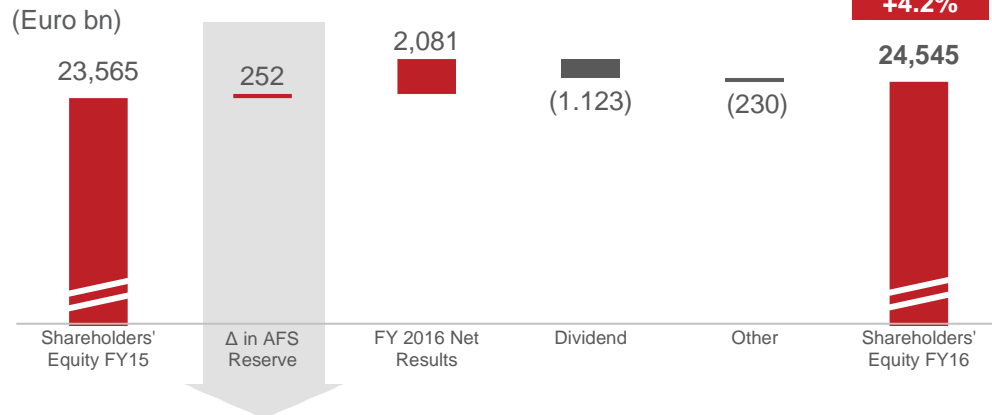
	2015	2016
Dividends paid by subsidiaries	2,019	2,435
Result of reinsurance <sup>(1)</sup>	336	171
Interest & holding expenses <sup>(1)</sup>	(698)	(730)
<b>Net Operating Cash generation</b>	<b>1,657</b>	<b>1,877</b>
Group dividend paid / proposed	1.1	1.2
<b>Coverage ratio</b>	<b>1.5x</b>	<b>1.5x</b>

- Strong momentum in dividends from all main countries
- 13% increase in Net Operating Cash generation, supporting growth in dividend paid
- Group dividend coverage ratio stable at 1.5x

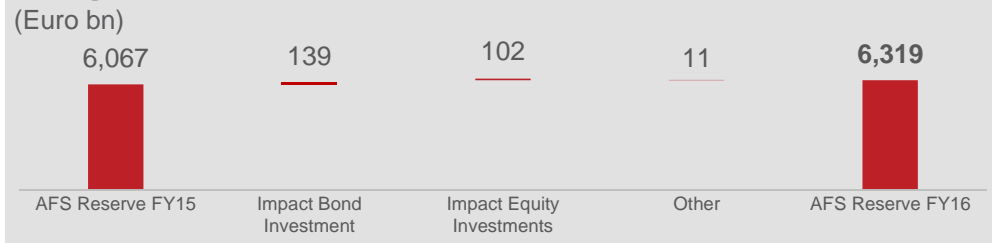
(1) Operating results, net of normalised taxes and minorities

# Shareholders' equity

## Shareholders' equity rollforward

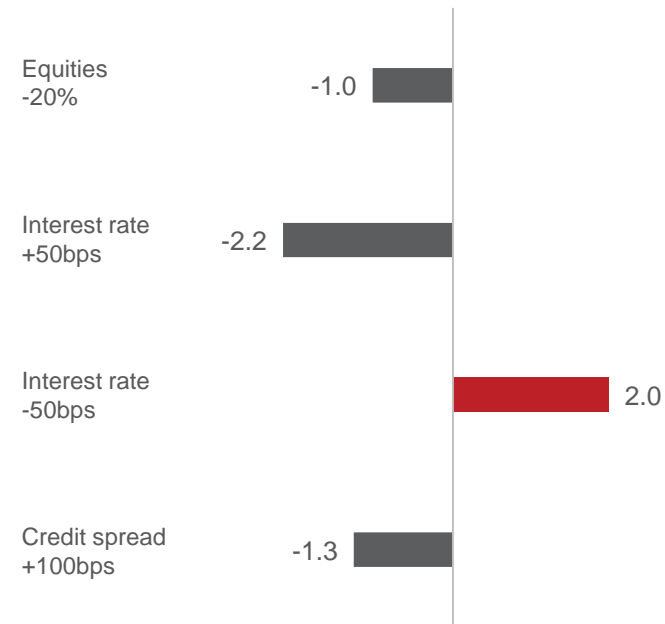


## Change in AFS reserve



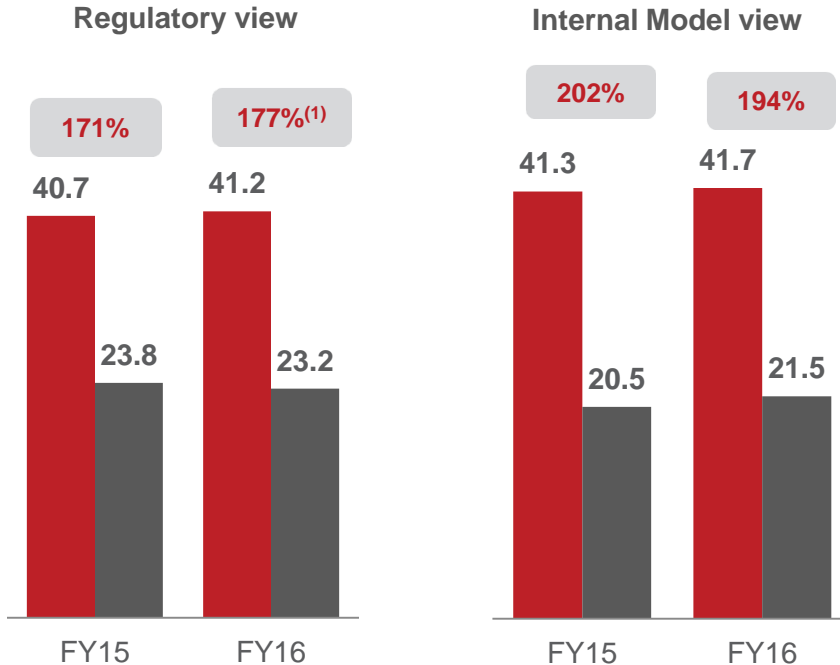
## Shareholders' equity sensitivities

(Euro bn)



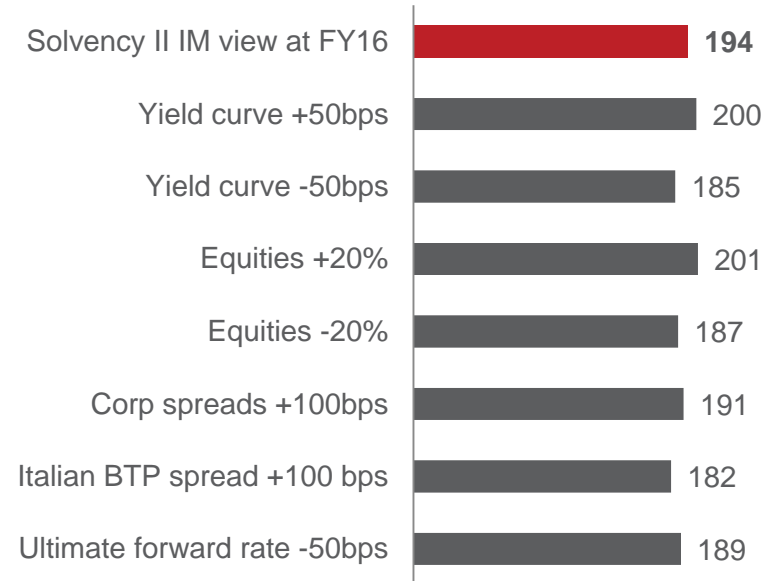
# Solvency II: Regulatory View & Internal Model View

## Eligible own funds vs. Required capital (Euro bn)



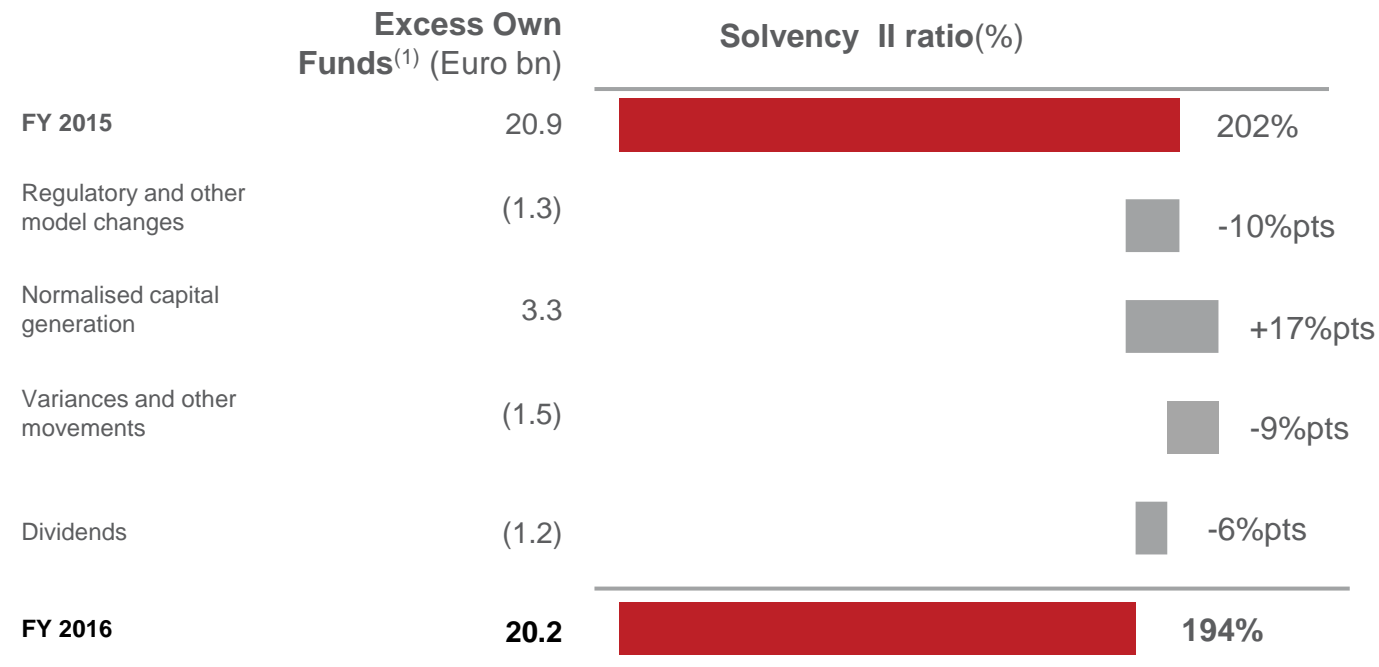
(1) Preliminary Regulatory Ratio

## Key sensitivities (Internal Model View) (%)



# Solvency II: Internal Model View

Strong development, driven by organic capital generation



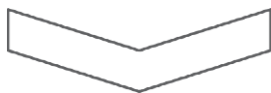
(1) Eligible Own Funds in excess of Solvency Capital Requirement (full internal model view)



# High quality capital mix

## Tiering of Solvency II Capital (FY16)

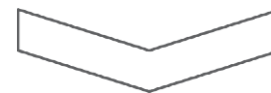
	Generali Regulatory view	
	Euro bn	% of total
Tier 1	35.6	86%
Unrestricted Tier 1	31.8	77%
Restricted Tier 1 (Hybrid)	3.7	9%
Tier 2	5.4	13%
Tier 3	0.2	0%
<b>Total Own Funds</b>	<b>41.2</b>	<b>100%</b>



Regulatory SCR covered 1.4x by  
Unrestricted Tier 1

## Applicable Solvency II limits (FY16)

	Solvency II limits	FY16 Generali Regulatory view
Restricted Tier 1	< 20% of total Tier 1	9% of total Tier 1
Tier 2 + Tier 3	< 50% of SCR	24% of SCR
Tier 3	< 15% of SCR	1% of SCR



Quality of capital far in excess of Solvency II  
requirements: **Euro ~10bn of headroom against  
maximum limits**

# Agenda

## II. 2016 Group Financials

### Luigi Lubelli – Group CFO

Profit & Loss and Balance Sheet

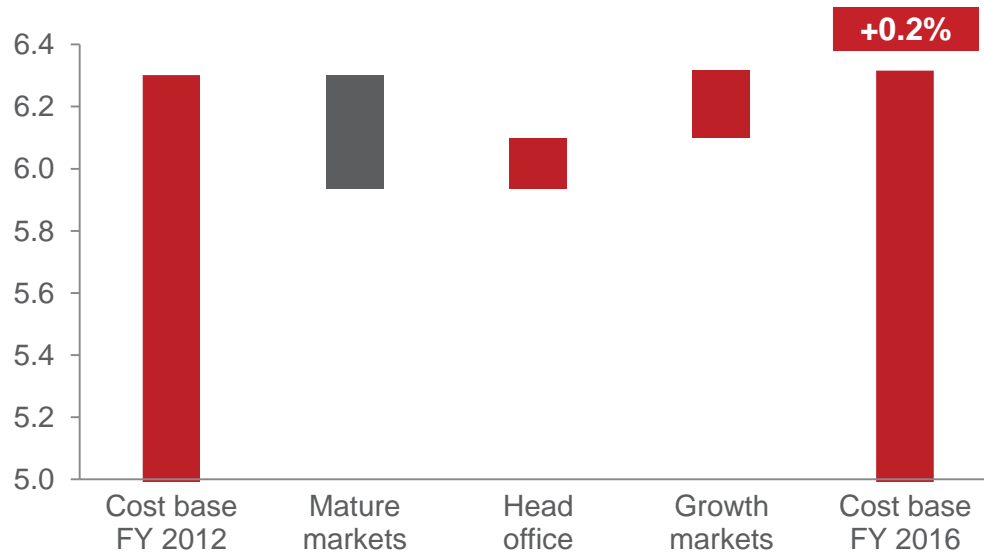
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■ **Business review**

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## Cost development – Delivery against 2013 target

### OpEX Cost development – full perimeter (Euro bn)

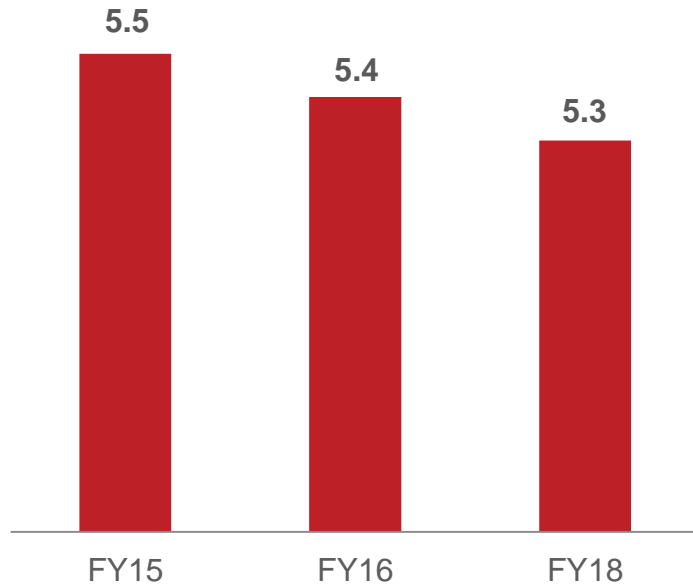


**We fully delivered against our 2013 commitment to:**

- Create €1bn of gross savings by 2016
- Keep nominal costs flat compared to the 2012 baseline, after funding inflation and investments

# In future, we will deliver nominal reductions in mature markets

## OpEX Cost development – Mature markets <sup>(1)</sup> (Euro bn)



- Significant **net reduction already achieved** across regions in mature markets
- **We will deliver one year early** our target of 200m reduction in mature markets to 5.3bn<sup>(2)</sup>

<sup>(1)</sup> Including Head Office; Like for Like view

<sup>(2)</sup> Original expectation as per November 2016 investor day was 5.3bn mature market OpEx in 2019. Now targeting achievement in 2018. Assuming constant currencies and perimeter.

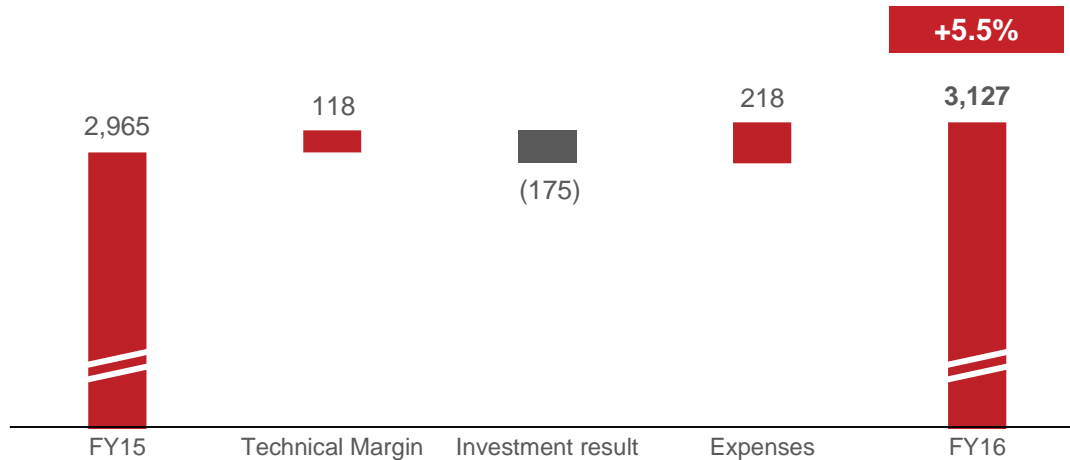
# Life key financial indicators

(Euro m)

	FY15	FY16	LFL $\Delta$
<b>VOLUMES</b>			
Gross written premiums	53,297	<b>49,730</b>	-6.3%
Net inflows	14,920	<b>12,049</b>	-18.5%
APE	5,210	<b>4,847</b>	-6.6%
<b>PROFITABILITY</b>			
Life operating result	2,965	<b>3,127</b>	+5.5%
Life operating ratio on investments (bps)	74	<b>74</b>	-
New Business Value	1,097	<b>1,256</b>	+14.6%
Margin on APE (%)	21.0%	<b>25.9%</b>	+4.8%pts

# Life Operating result by driver

(Euro m)



- The improving technical margin and expense result more than offset the in investment result, which declines as a consequence of lower realized gains (down from the exceptionally high levels of FY15) and higher impairments

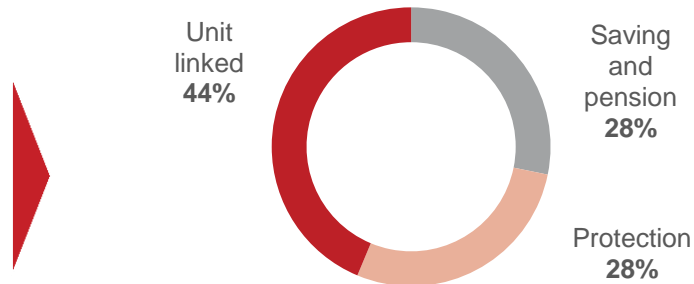
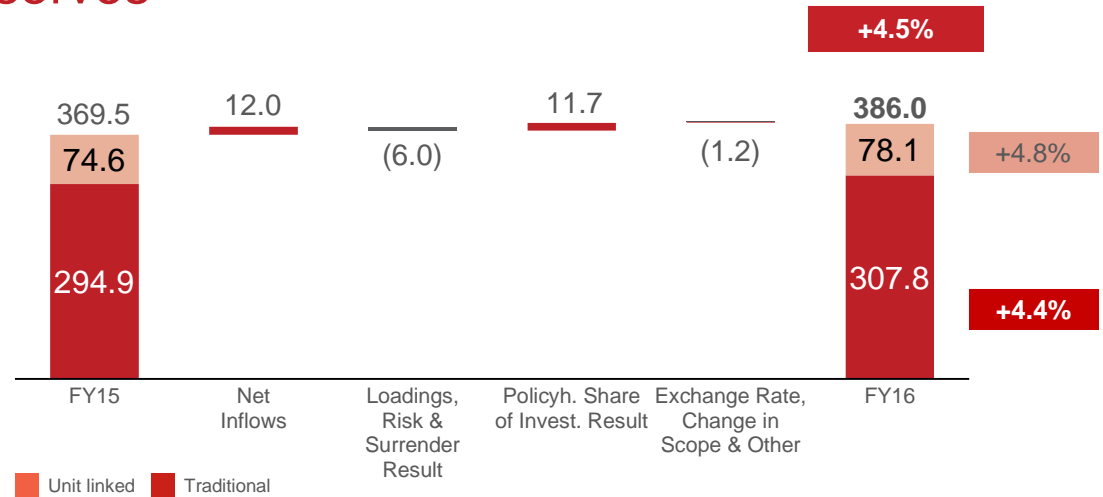
<b>FY 16</b>	<b>6,027</b>	<b>2,085</b>	<b>(4,985)</b>
FY 15	5,909	2,260	(5,204)
<b>Δ %</b>	<b>+2.0%</b>	<b>-7.7%</b>	<b>-4.2%</b>

# Life inflows and technical reserves<sup>(1)</sup>

(Euro m)

	FY15	FY16
Italy	7,646	7,197
France	1,147	438
Germany	2,997	1,560
CEE	589	501
EMEA	1,444	920
Americas	142	114
Asia	924	1,256
International	31	62
<b>TOTAL</b>	<b>14,920</b>	<b>12,049</b>

(1) Including liabilities related to investment contracts



## Life new business analysis

- APE slowdown (-6.6%) as a consequence of the planned reduction in saving business (-9.7%). Positive trend in the Protection business (+12.4%).
- Further significant reduction of guarantees (from 0.60% at FY15 to 0.43% at FY16 in Euro area based on APE)
- Despite the worsening of the economic scenario, the excellent business mix and the lowering of guarantees strongly improved NBM<sup>(1)</sup> (+4.8%pts.) leading NBV at 1,256 m (+14.6%)

(Euro m)	APE			NBV			MARGIN ON APE		
	FY15	FY16	LFL Δ	FY15	FY16	LFL Δ	FY15	FY16	LFL Δ
Italy	2,322	2,129	-8.3%	589	579	-1.8%	25.4%	27.2%	+1.8%pts
France	944	939	-0.4%	62	90	+37.0%	6.5%	9.6%	+2.6%pts
Germany	826	708	-14.2%	191	275	+44.3%	23.1%	38.8%	+15.7%pts
CEE	165	136	-16.8%	39	47	+21.2%	23.7%	34.8%	+10.9%pts
EMEA	645	544	-15.4%	174	212	+23.3%	27.0%	39.0%	+12.3%pts
Americas & Asia	308	391	32.8%	42	53	+33.2%	13.5%	13.5%	+0.0%pts
<b>TOTAL</b>	<b>5,210</b>	<b>4,847</b>	<b>-6.6%</b>	<b>1,097</b>	<b>1,256</b>	<b>+14.6%</b>	<b>21.0%</b>	<b>25.9%</b>	<b>+4.8%pts</b>

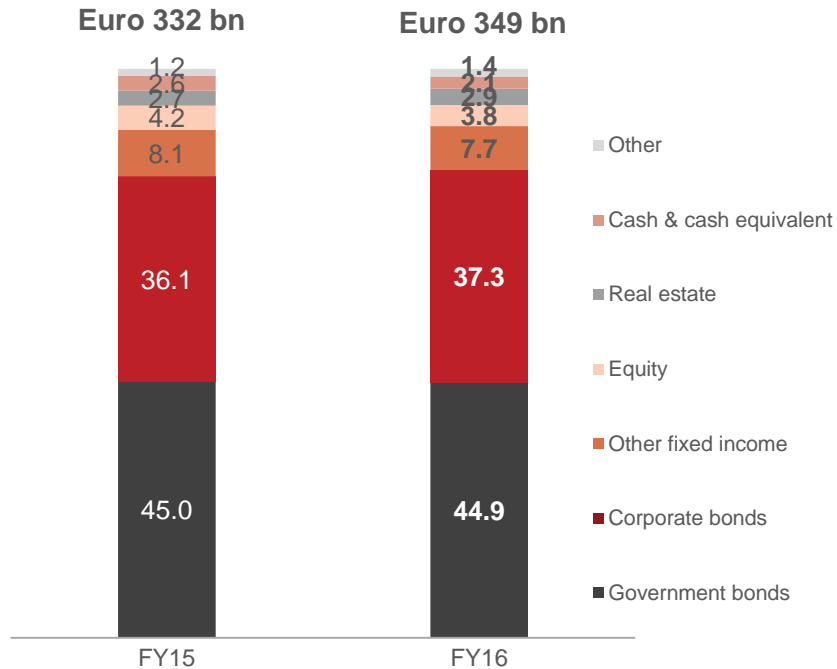
(1) Starting from 2016 the New Business methodology has been aligned with Solvency II framework in terms of Reference Rate and Required Capital. This change has a positive impact on NBM (+0.6%).



# Life investment breakdown and performance

## Life segment general account

(%)



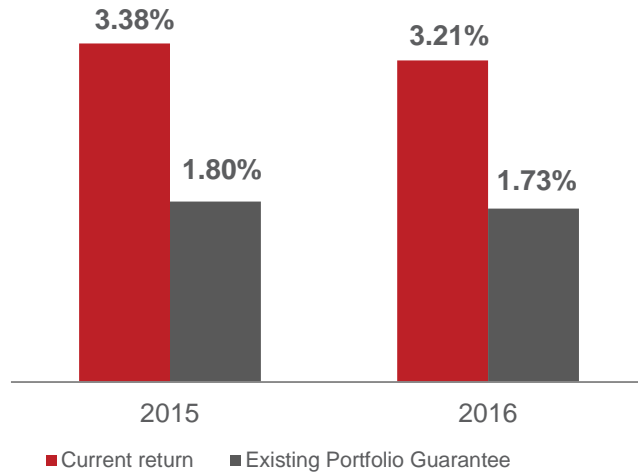
## Current returns

		Euro m	%
Fixed income	FY15	9,877	3.4
	<b>FY16</b>	<b>9,801</b>	<b>3.2</b>
Equity	FY15	416	3.0
	<b>FY16</b>	<b>520</b>	<b>3.9</b>
Real Estate <sup>(1)</sup>	FY15	526	5.5
	<b>FY16</b>	<b>543</b>	<b>5.7</b>
Total <sup>(1)</sup>	FY15	11,112	3.4
	<b>FY16</b>	<b>11,186</b>	<b>3.2</b>

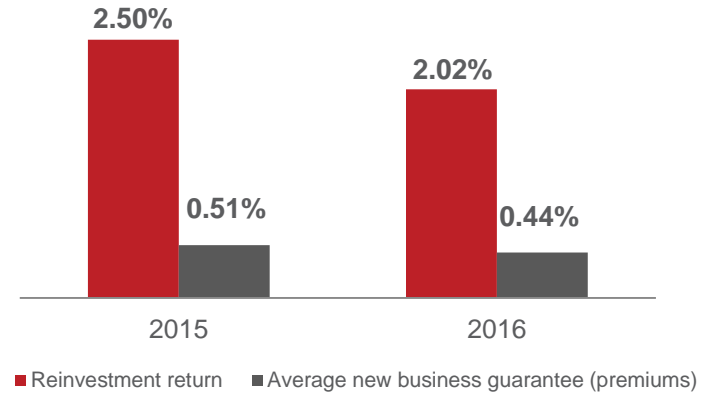
(1) Net of depreciation expenses

# Guarantees

Current return vs existing portfolio guarantee  
(%)



Reinvestment return vs average new business guarantee  
(based on premiums)  
(%)



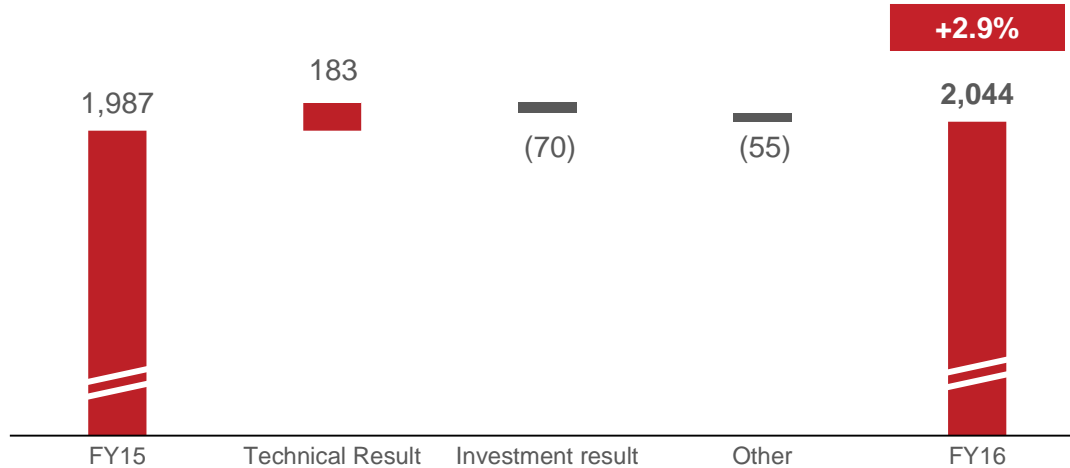
# P&C key financial Indicators

(Euro m)

	FY15	FY16	LFL $\Delta$
<b>VOLUMES</b>			
<b>Gross written premiums, of which:</b>	20,868	<b>20,783</b>	+2.1%
Primary Motor	8,129	<b>8,023</b>	+4.3%
Primary Non Motor	12,009	<b>12,009</b>	+0.5%
<b>PROFITABILITY</b>			
Combined ratio (%)	93.1%	<b>92.5%</b>	-0.7%pts
Nat Cat impact (%)	1.6%	<b>1.5%</b>	-0.1%pts
P&C operating result	1,987	<b>2,044</b>	+2.9%

# P&C Operating result by driver

(Euro m)



- Positive technical performance with an improved combined ratio to 92.5% (-0.7%pts.)
- Decreased investment result due to continued low interest rate environment
- Lower result from other reflects some one-off positive effects in 2015

<b>FY 16</b>	<b>1,396</b>	<b>945</b>	<b>(297)</b>
FY 15	1,213	1,015	(242)
Δ %	+15.0%	-6.9%	+22.8%

# P&C gross written premiums trends

(Euro m)	FY15	FY16	LFL $\Delta$ <sup>(1)</sup>	Of which: Primary Motor <sup>(2)</sup> LFL $\Delta$	Of which: Primary Non-Motor <sup>(2)</sup> LFL $\Delta$
Italy	5,947	5,701	-4.1%	-5.2%	-3.6%
France	2,538	2,514	-0.9%	-0.6%	-0.4%
Germany	3,608	3,651	+1.2%	+2.3%	+0.6%
CEE	1,976	2,041	+3.8%	+7.1%	+0.4%
EMEA	4,410	4,539	+3.4%	+4.8%	+3.2%
Americas	1,156	971	+27.1%	+33.7%	+6.2%
Asia	128	198	+54.6%	+31.3%	+15.5%
International	1,106	1,168	+5.6%	n.m.	+8.6%
<b>Total</b>	<b>20,868</b>	<b>20,783</b>	<b>+2.1%</b>	<b>+4.3%</b>	<b>+0.5%</b>

<sup>(1)</sup> Constant perimeter and exchange rates

<sup>(2)</sup> Direct premiums only – excluding reinsurance accepted

## Combined ratio by country

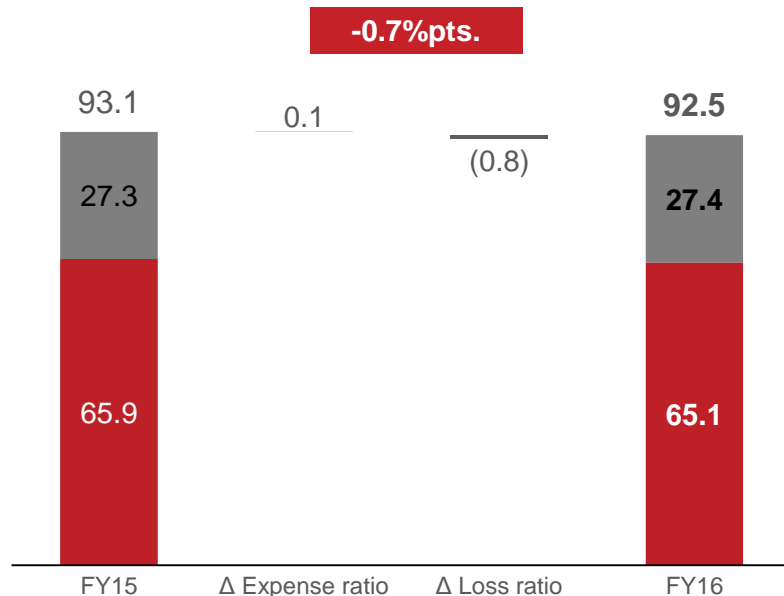
(%)

	FY15	FY16	△
Italy	89.1%	89.9%	+0.9%pts
France	100.2%	99.4%	-0.8%pts
Germany	92.4%	90.0%	-2.5%pts
CEE	90.1%	89.5%	-0.6%pts
EMEA	95.2%	93.3%	-1.9%pts
Americas	106.1%	102.7%	-3.5%pts
Asia	94.4%	100.5%	+6.1%pts
International Operations	85.9%	90.0%	+4.2%pts
<b>Total</b>	<b>93.1%</b>	<b>92.5%</b>	<b>-0.7%pts</b>

- Combined ratio at an excellent level in **Italy**, though higher than last year due to higher acquisition expenses (mainly linked to Non Motor) and a decline in average Motor premium
- Further improvement in **France**, returning to full year underwriting profitability in 2016
- Strong improvement in **Germany** thanks to better expense ratio (following restructuring actions) and lower Nat Cat losses (-0.3%pts. in respect of FY15)
- Combined ratio in **CEE** improves due to lower expense ratio (due to decreasing acquisition and administration costs)

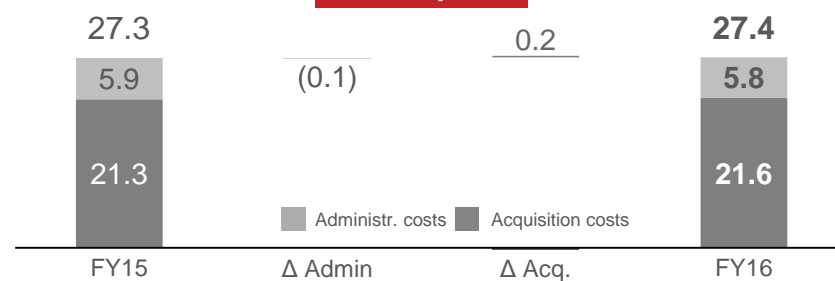
# Combined ratio analysis

## Combined ratio (%)

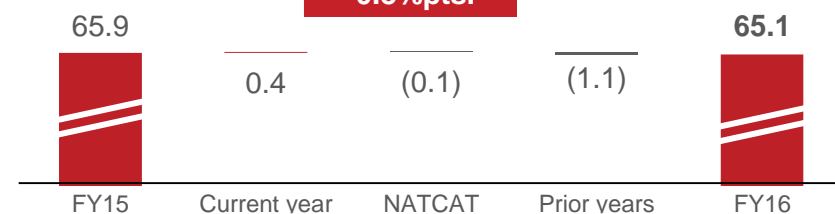


Expense ratio Loss ratio

## Expense ratio (%)



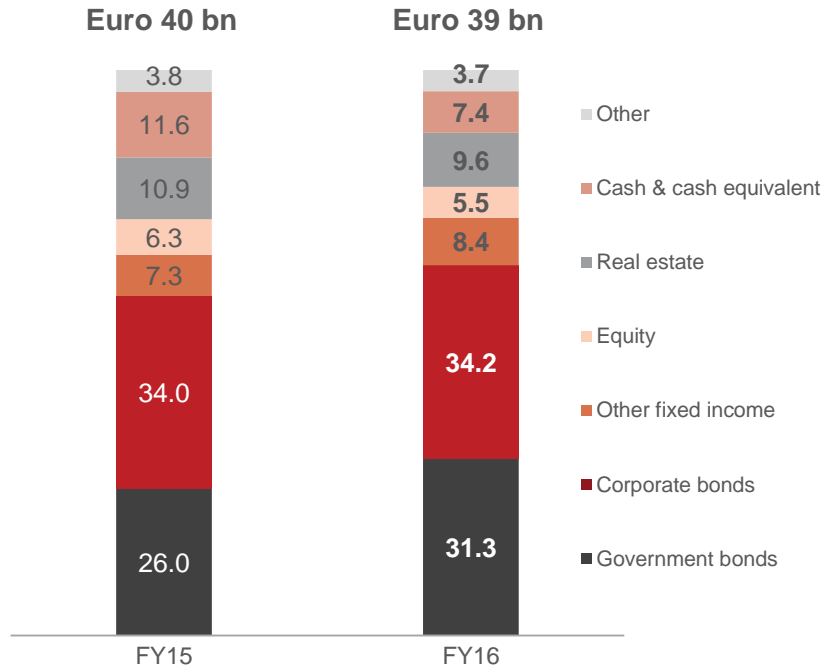
## Loss ratio (%)



FY 16	69.3%	1.5%	-5.7%	65.1%
FY 15	68.9%	1.6%	-4.6%	65.9%

# P&C investment breakdown and performance

## P&C segment general account (%)



## Current returns

		Euro m	%
Fixed income	FY15	856	3.2
	<b>FY16</b>	<b>819</b>	<b>2.9</b>
Equity	FY15	96	3.1
	<b>FY16</b>	<b>86</b>	<b>3.9</b>
Real Estate <sup>(1)</sup>	FY15	256	6.0
	<b>FY16</b>	<b>220</b>	<b>5.6</b>
Total <sup>(1)</sup>	FY15	1,267	3.2
	<b>FY16</b>	<b>1,195</b>	<b>3.0</b>

(1) Net of depreciation expenses



# Focus on Holding & Other businesses segment

(Euro m)

	FY15	FY16	△
Financial	434	370	-14.7%
<i>of which Banca Generali<sup>(1)</sup></i>	252	190	-24.5%
Operating holding expenses	(429)	(459)	+7.0%
Other businesses <sup>(2)</sup>	55	(2)	n.m.
<b>Total</b>	<b>59</b>	<b>(91)</b>	<b>n.m.</b>

(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

**Highest operating result ever**

**Strong cash generation and capital position supports 11% increase in dividends**

**Best in class performance and improving everywhere**

**Strong team in place, successfully accelerating the implementation of our plan**

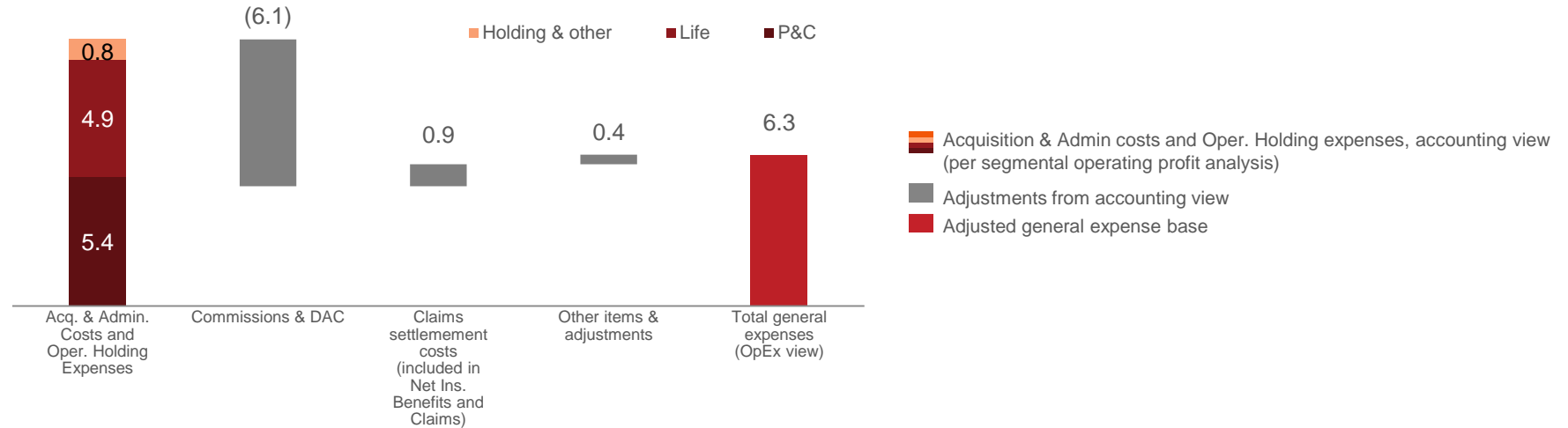
# Agenda

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- **Cost** page **44**
  - Investments page **46**
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# OpEx cost reconciliation

## Reconciliation of general expenses from IFRS view to OpEx view (Euro bn)



# Agenda

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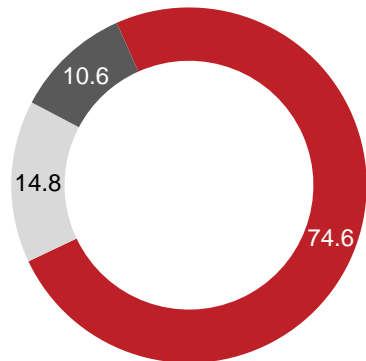
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# Assets under management

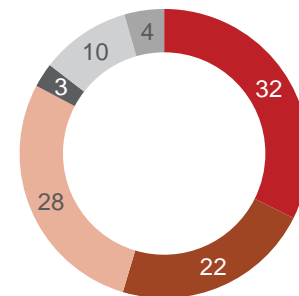
**Total Portfolio: Euro 530 bn**  
(%)

- General account
- Unit Linked
- Third party investments



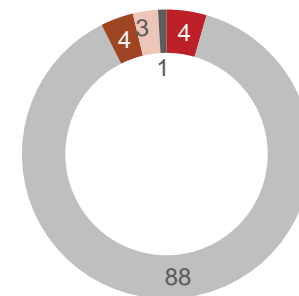
**Breakdown by region and asset class**  
(%)

By Region



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

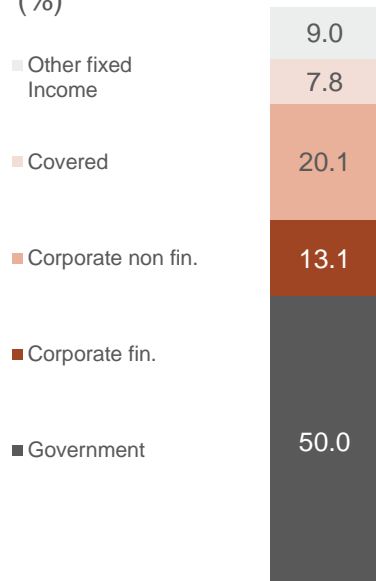
By Asset Class



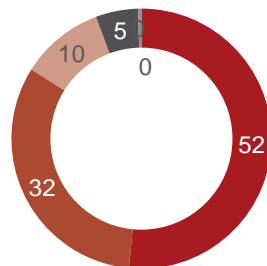
- Equity
- Fixed income
- Real estate
- Cash & Cash Equivalent
- Other

# Fixed Income Portfolio<sup>(1)</sup>

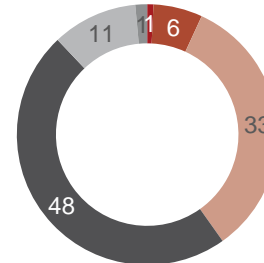
## Total Portfolio Euro 349 bn (%)



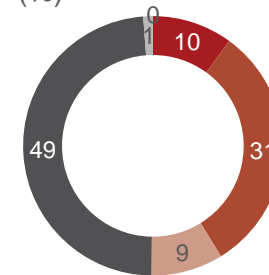
## Covered Euro 27 bn (%)



## Corporate Euro 116 bn (%)



## Government Euro 174 bn<sup>(2)</sup> (%)



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

Bond duration	FY15	FY16
Life	8.0	8.4
P&C	5.0	5.4
Life duration Gap <sup>(3)</sup>	FY15	FY16
	-1.0	-0.9

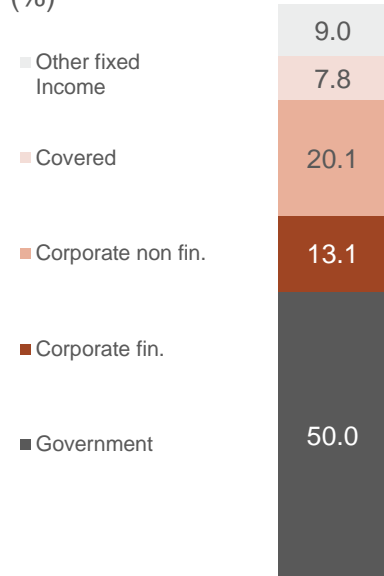
(1) Rating changes in comparison with previous period reflect net sales as well as market movements; moreover further variations in some rating classes – mainly AAA - are due to a changed methodology in the rating attribution process, which foresees the use of internal rating when lower than the external one.

(2) Italian government bond exposure is 78% of BBB

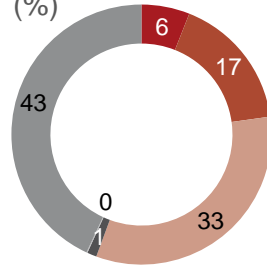
(3) Duration gap = duration of fixed income assets – duration of liabilities x (Best estimate liabilities/Market Value of fixed income assets)

# Fixed Income Portfolio by country

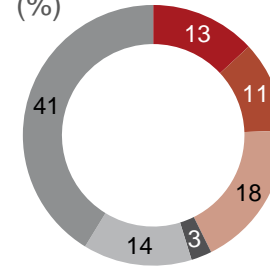
**Total Portfolio**  
Euro 349 bn  
(%)



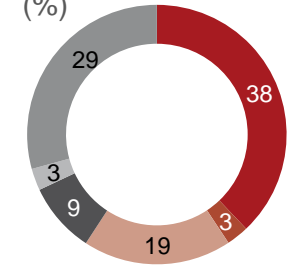
**Covered**  
Euro 27 bn  
(%)



**Corporate**  
Euro 116 bn  
(%)



**Government**  
Euro 174 bn  
(%)



Legend: Italy (dark red), Germany (red), France (orange), CEE (dark grey), USA (light grey), Other (medium grey)

Reinvestment yield	FY15	FY16
Life	2.5%	2.0%
P&C	2.1%	1.4%

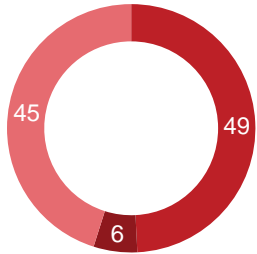


# Focus on exposure to Italian banks

Market value at 31.12.2016 (Euro m)	LIFE	P&C	TOTAL
Senior	1,574	370	1,943
Lower Tier 2	1,111	141	1,251
Upper Tier 2	130	3	133
Tier 1	300	5	305
Other Subordinated	27	2	29
Equity	141	397	537
<b>Total</b>	<b>3,282</b>	<b>918</b>	<b>4,199</b>

# Equity & Equity-like

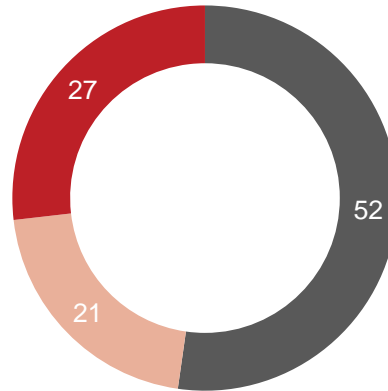
**Alternative funds: Euro 5 bn**  
(%)



Life, P&C and H&O

- Life
- P&C
- H&O

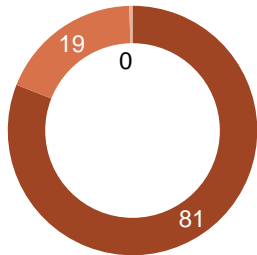
**Total Portfolio: Euro 18 bn**  
(%)



Life, P&C and H&O

- Equity
- Equity Funds
- Alternatives

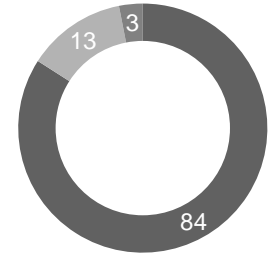
**Equity funds: Euro 4 bn**  
(%)



- Life
- P&C
- H&O

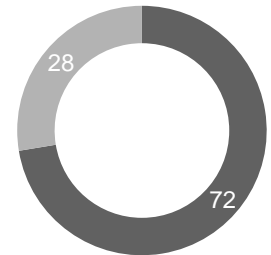
**Equity: Euro 9 bn**  
(%)

Life, P&C and Financial



- Life
- P&C
- H&O

Listed and Unlisted

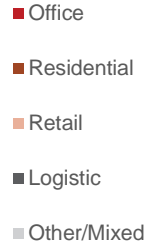
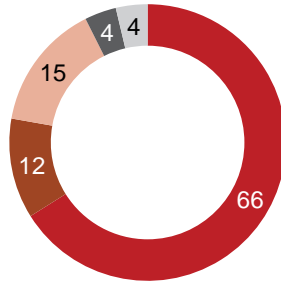


- Quoted
- Unquoted

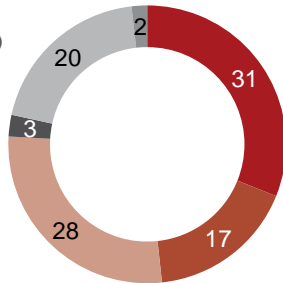
# Asset Allocation: Real Estate<sup>(1)</sup>

Total Portfolio: Euro 25 bn<sup>(1)</sup>

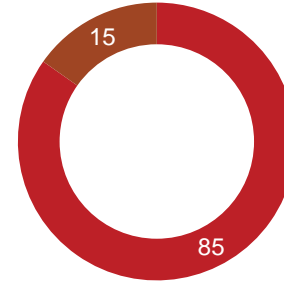
Breakdown  
by use<sup>2</sup>  
(%)



Breakdown  
by country<sup>(2)</sup>  
(%)



Breakdown  
by utilization<sup>2</sup>  
(%)



(1) Data, at fair value, includes investment properties, own use assets, properties inventory and Real Estate indirect investment

(2) Detail referred to direct investments in real estate only

# Agenda

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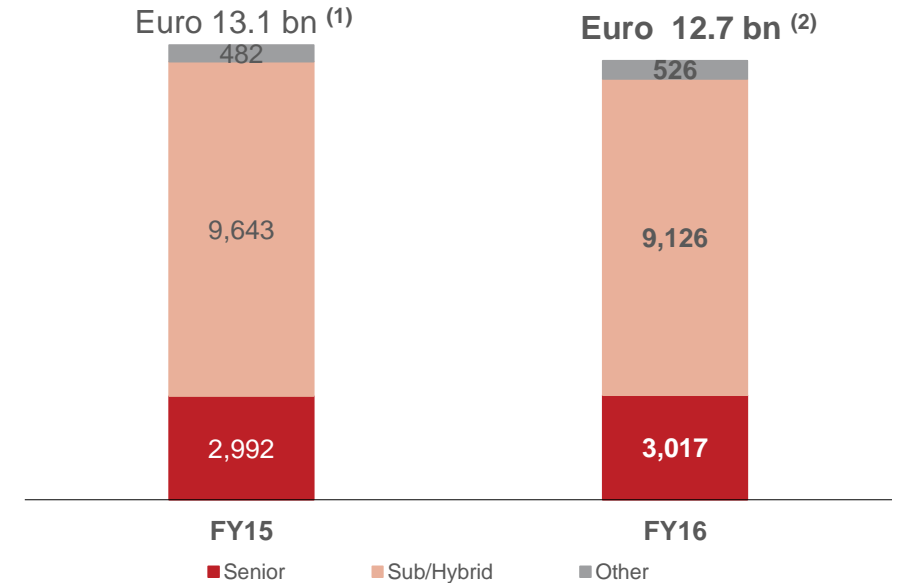
Solvency 2 page **59**

# Focus on financial debt

## Average cost & maturity of financial debt (%)

	FY15	FY16
<b>Average cost (%)</b>	5.65%	<b>5.67%</b>
Subordinated/Hybrid	6.13%	<b>6.14%</b>
Senior	4.17%	<b>4.18%</b>
<b>Average maturity (years)</b>	6.68	<b>6.72</b>

## Total financial debt (Euro bn)

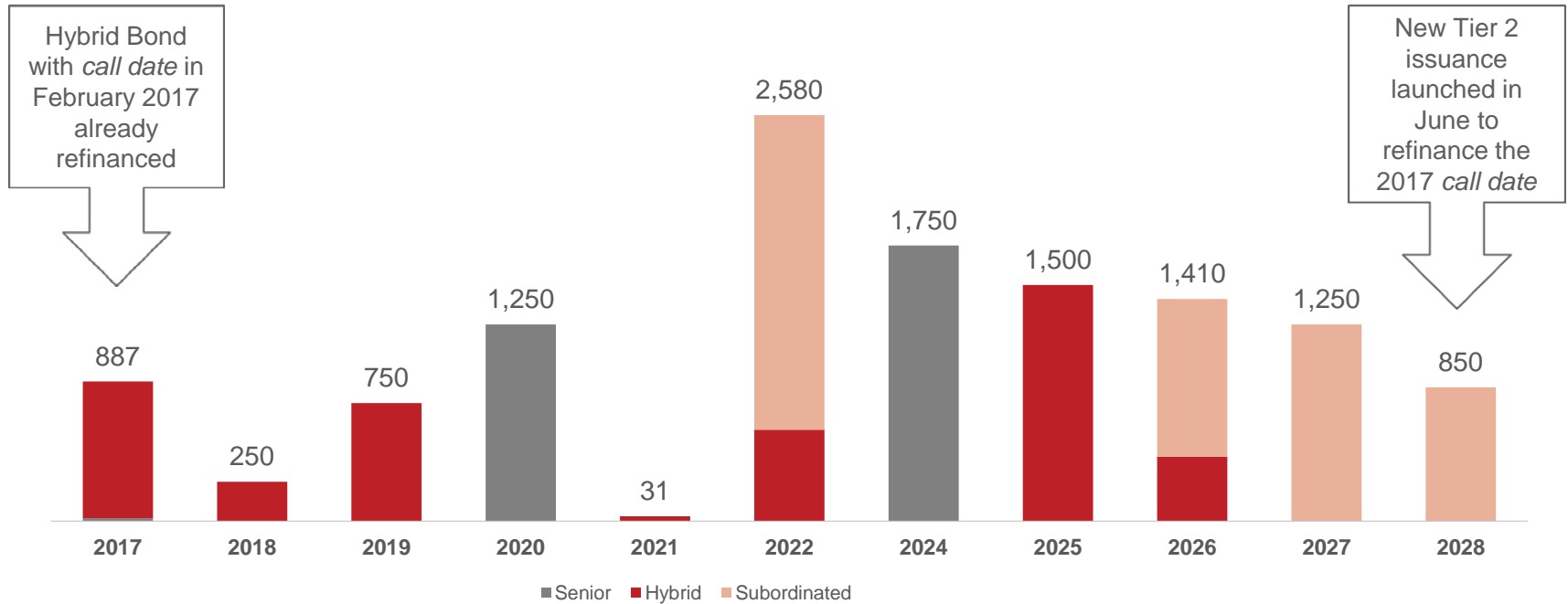


(1) The amount of financial debt as of 2015 December, 31, includes the subordinated bond issued in October 2015, for a nominal amount of Euro 1.25 bn, to refinance 2016 callable hybrid bonds

(2) The amount of financial debt as of 2016 December, 31, includes the subordinated bond issued in June 2016, for a nominal amount of Euro 850 m, to refinance 2017 callable hybrid bond

# Financial debt breakdown by expiry date/call date

(Euro m)



# Agenda

## III. Backup

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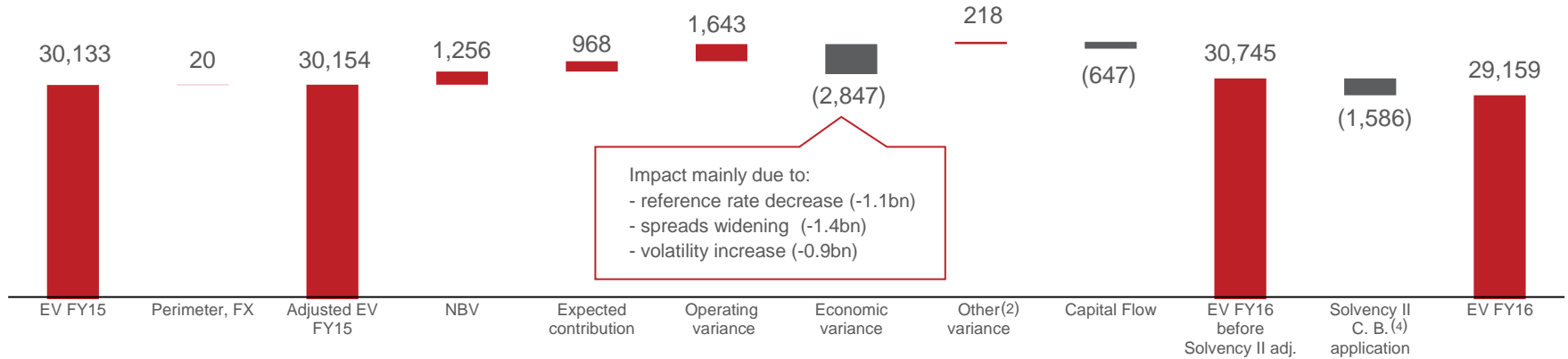
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• **Life EV** page **56**

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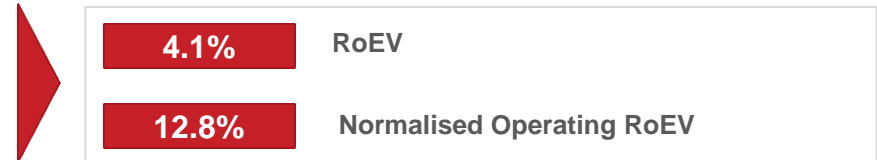
# Life EV<sup>(1)</sup> roll-forward (Euro m)



## Life embedded value earnings (Euro m)

Adjusted embedded value FY15	30,154
Embedded value earnings	1,239
Normalised Operating EV earnings <sup>(3)</sup>	3,867

## Return on Life embedded value



(1) Calculated with methodology and assumptions compliant with "Market Consistent Embedded Value Principles" as defined by CFO Forum

(2) "Other variance" includes model changes, extraordinary expenses and residual variance

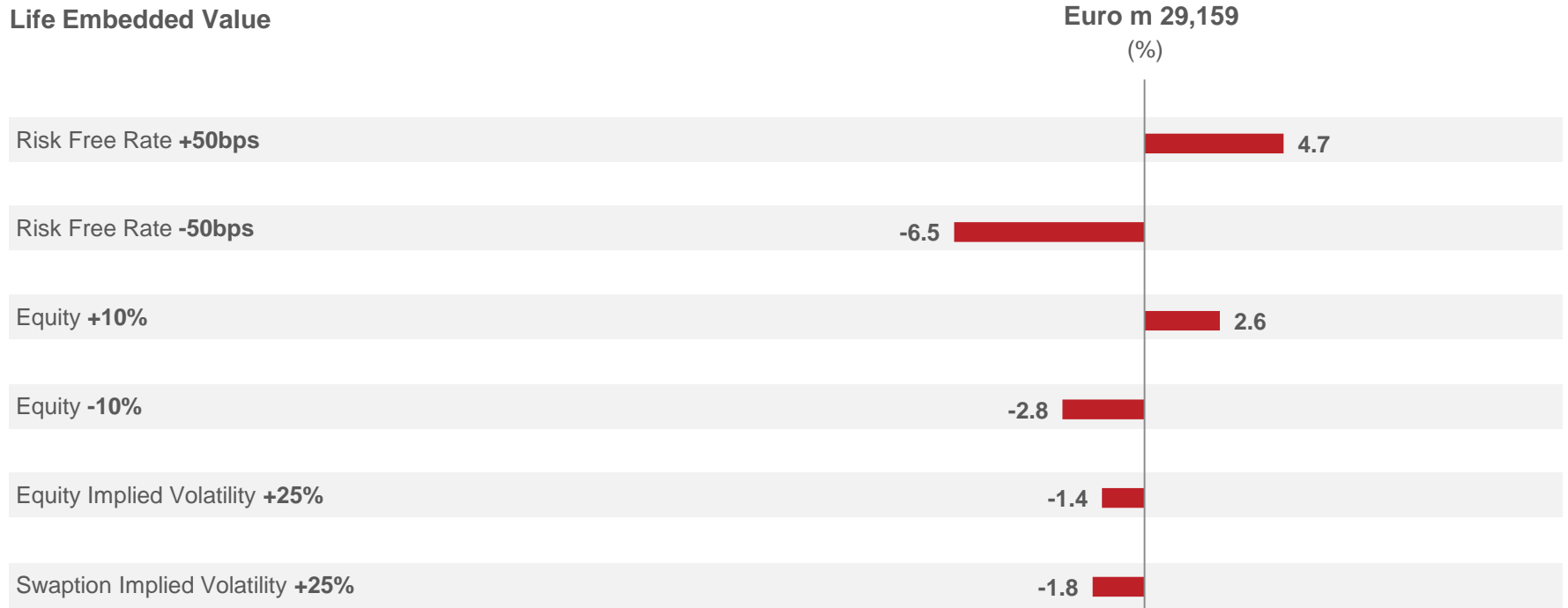
(3) "Normalised Operating EV earnings" defined as NBV + Expected contribution + Operating variance

(4) Contract Boundaries



# FY16 Life Embedded Value sensitivities

## Life Embedded Value



# Agenda

## III. Backup

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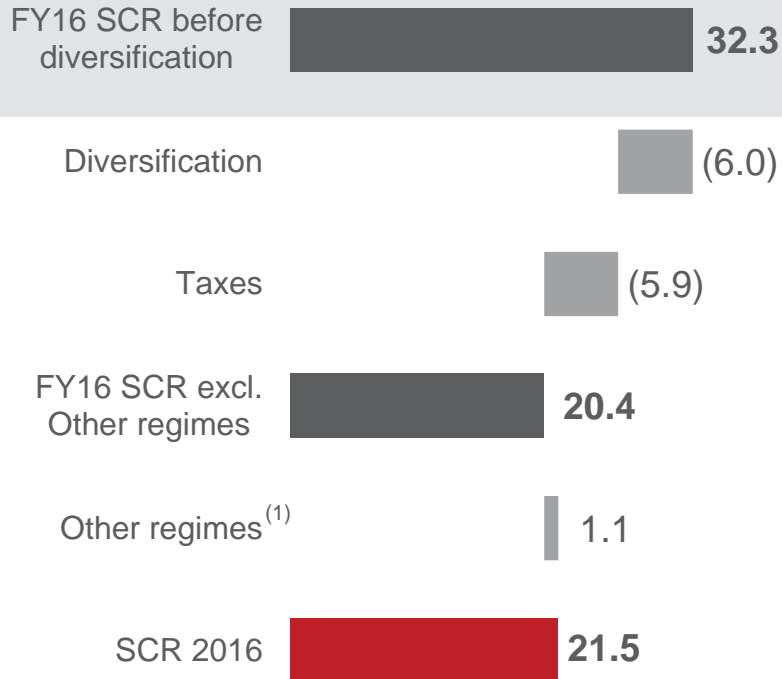
Life EV page **56**

• **Solvency 2** page **59**

# Focus on SCR

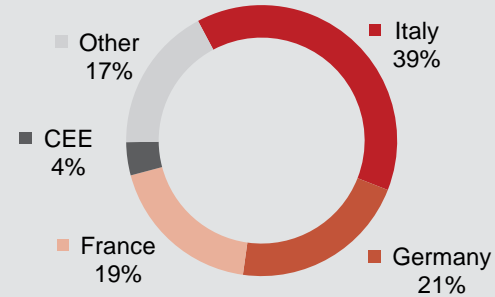
## FY16 SCR

(Euro bn, Full internal model view)

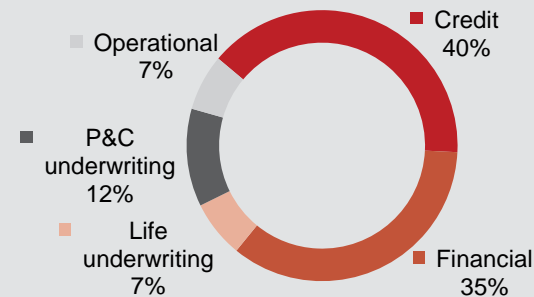


(1) IORP in France, Asset Management, Banking

## Pre-diversification SCR by region (%)



## Pre-diversification SCR by type of risk (%)

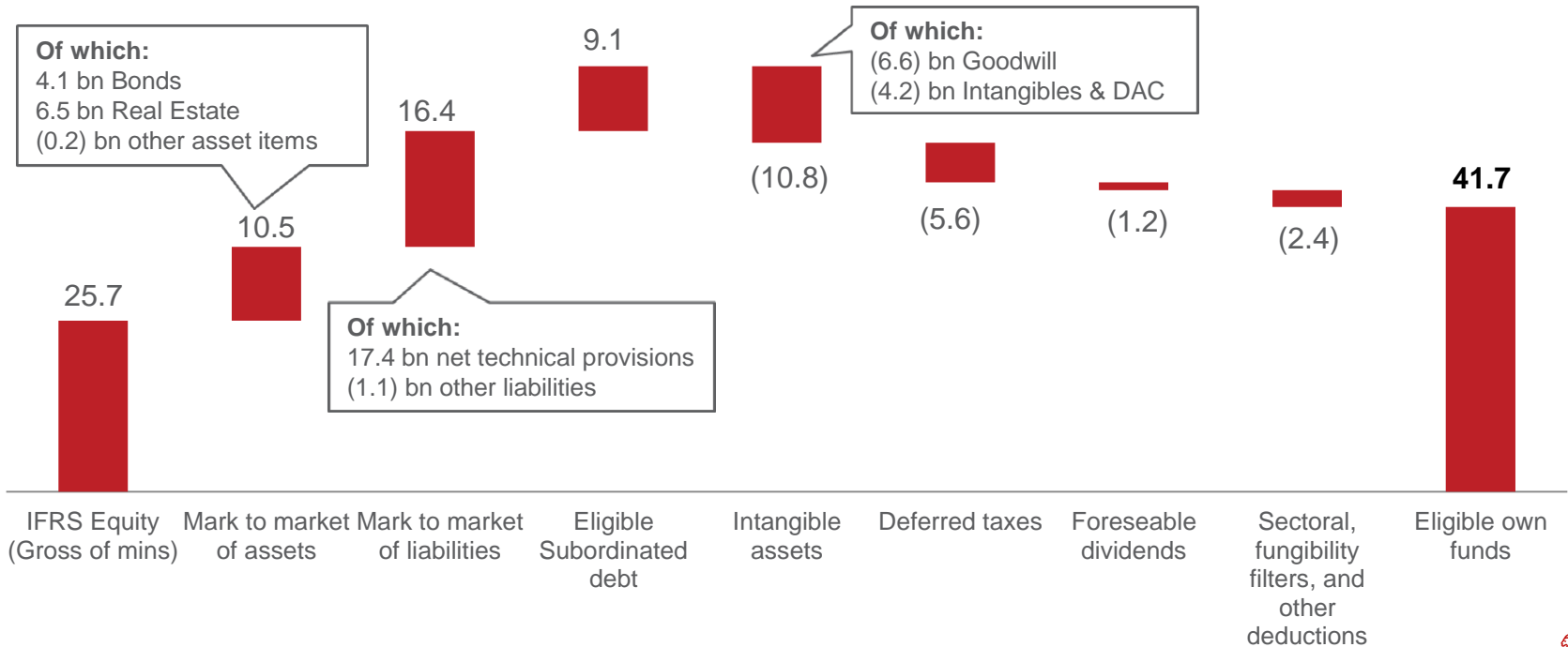


Note: "Credit" risk includes default, spread widening, and rating migration risks

# Reconciliation of IFRS equity to Solvency II Eligible Own Funds

## Solvency II Eligible own funds

(FY16, Euro bn, Internal model view)



# 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, Luigi Lubelli, 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

27 April 2017  
**Annual General Meeting**

11 May 2017  
**1Q 2017 results reporting**

2 August 2017  
**1H 2017 results reporting**

9 November 2017  
**9M 2017 results reporting**



2017

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**Thank you**





# **GENERALI GROUP**

## **2016 Results**