



GENERALI GROUP

2019 First Half Results

The like for like change of written premiums and life net cash inflows is on equivalent terms (on equivalent exchange rates and consolidation area). Operating result, Asset Under Management and Life technical provisions exclude assets under disposals or disposed during the period. 2018 numbers for PVNBP, NBV and NBM are presented on historical basis, without excluding asset disposals. The like for like change are on equivalent terms.

Agenda

I. 2019 First Half Business Review

Frédéric de Courtois – Group GM

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II. 2019 First Half Group Financials

Cristiano Borean – Group CFO

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III. Backup

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Agenda

I. 2019 First Half Business Review

Frédéric de Courtois – Group GM

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Generali 2021: strategic pillars and financial targets

STRATEGY PILLARS

PROFITABLE GROWTH

- **Strengthen leadership** in Europe
- Focus on **high potential insurance markets**
- Develop a **global Asset Management platform**

CAPITAL MANAGEMENT AND FINANCIAL OPTIMIZATION

- Increase **capital generation**
- Enhance **cash remittance**
- **Reduce debt** amount and cost

INNOVATION AND DIGITAL TRANSFORMATION

- Become a **life-time partner** to customers
- Enable **digital transformation of distribution**
- **Transform and digitalize** operating model

FINANCIAL TARGETS

6%-8%
EPS CAGR RANGE⁽¹⁾
 2018-2021

GROWING EARNINGS
 PER SHARE

55%-65%
DIVIDEND PAY-OUT RANGE⁽²⁾
 2019-2021

GROWING
 DIVIDEND

>11.5%
AVERAGE RETURN ON EQUITY⁽³⁾
 2019-2021

HIGHER RETURNS
 FOR SHAREHOLDERS

ENABLED BY EMPOWERED PEOPLE, STRONG BRAND, SUSTAINABILITY COMMITMENT

Key messages

Good start to Generali 2021

Technical excellence reaffirmed

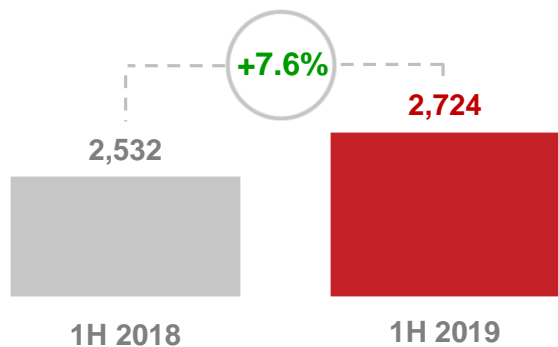
Profitable growth on-track

Solid capital position and strong capital generation

Continued excellent technical performance & profitability

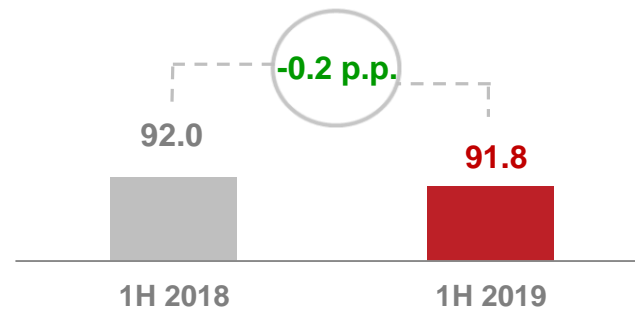
OPERATING RESULT

(€ m)



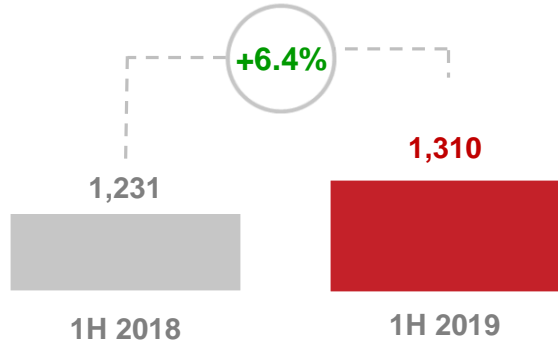
P&C COMBINED RATIO

(%)



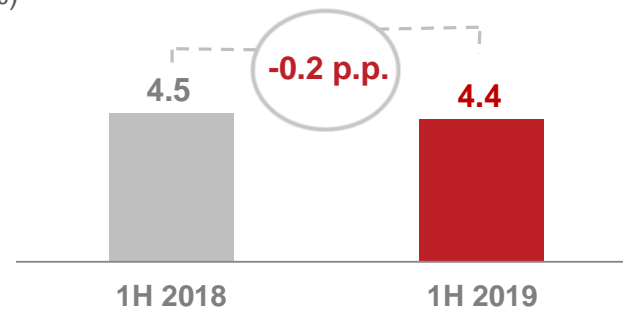
NORMALISED NET RESULT

(€ m)



LIFE NEW BUSINESS MARGIN

(%)

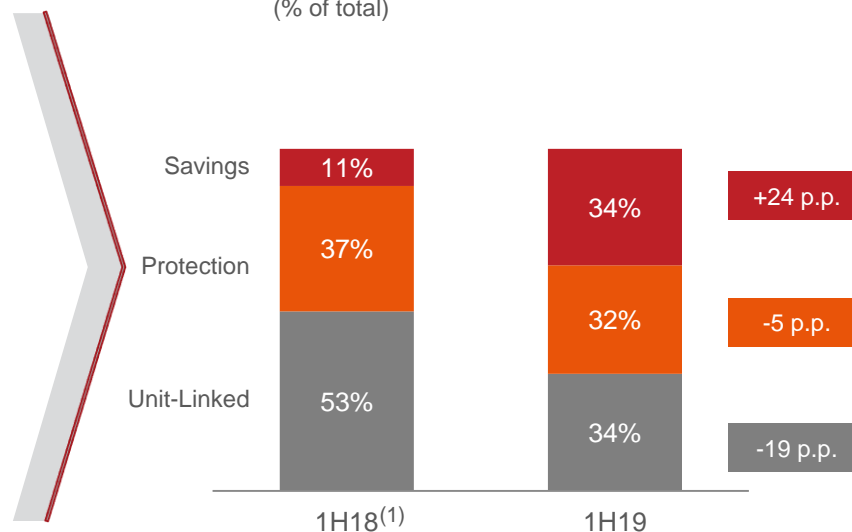


Life net inflows growing, mix impacted by financial markets

NET INFLOW BY COUNTRY
(€ m)

	1H18 ⁽¹⁾	1H19	%
Italy	2,320	2,674	+15.2%
France	994	1,449	+45.7%
Germany	1,770	1,868	+5.5%
ACEER	95	75	-36.6%
International	459	1,261	n.m.
Group Holding	50	60	+18.8%
TOTAL	5,689	7,387	+29.5%

NET INFLOW MIX
(% of total)

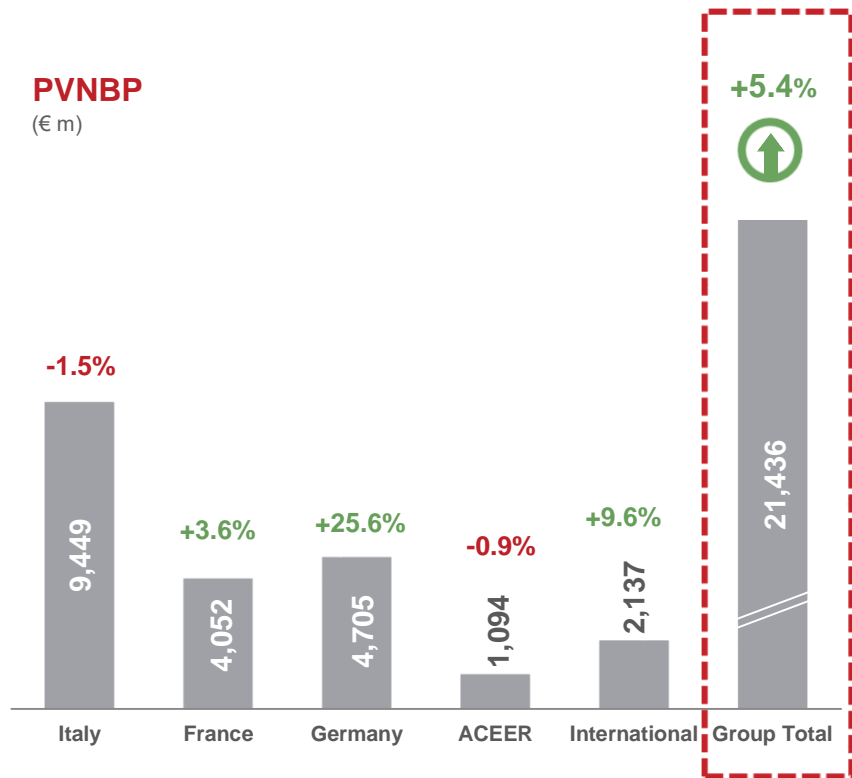


(1) The breakdown by lines of business at 1H18 has been restated to be more coherent with the features of some products in Germany and Asia

Good growth and solid life profitability

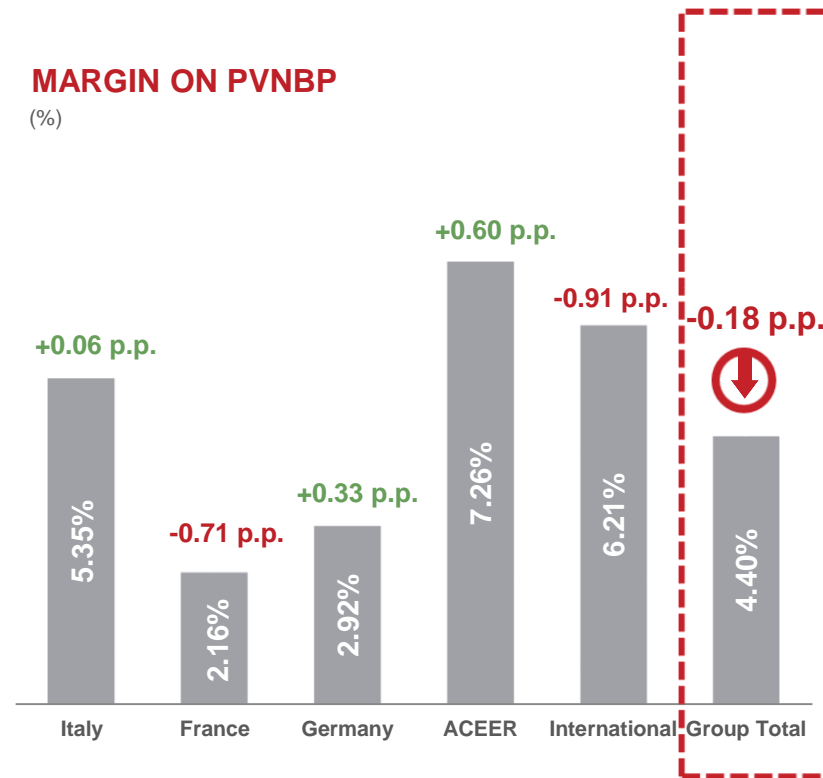
PVNBP

(€ m)



MARGIN ON PVNBP

(%)



Note: the arrow represents the variation vs 1H18 numbers

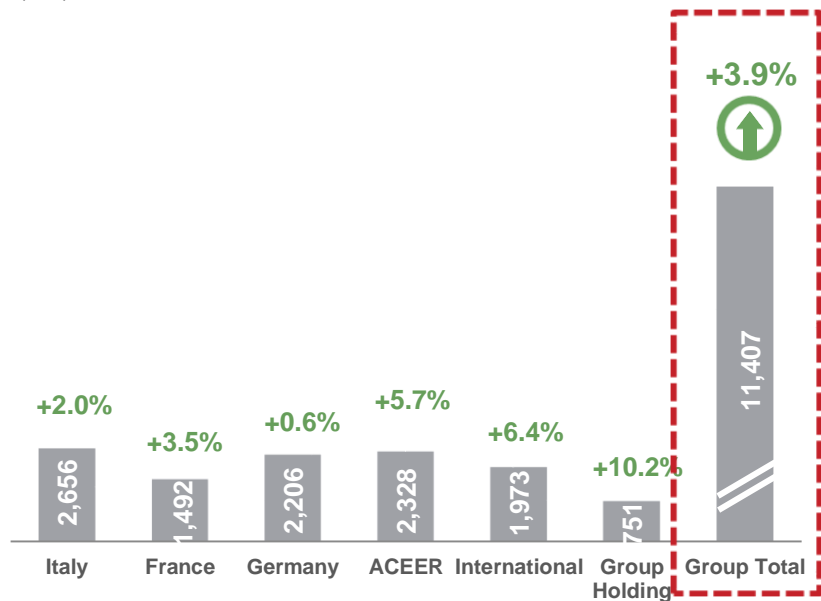
Strong growth in P&C volumes at even higher technical profitability

GROSS WRITTEN PREMIUMS

(€ m)

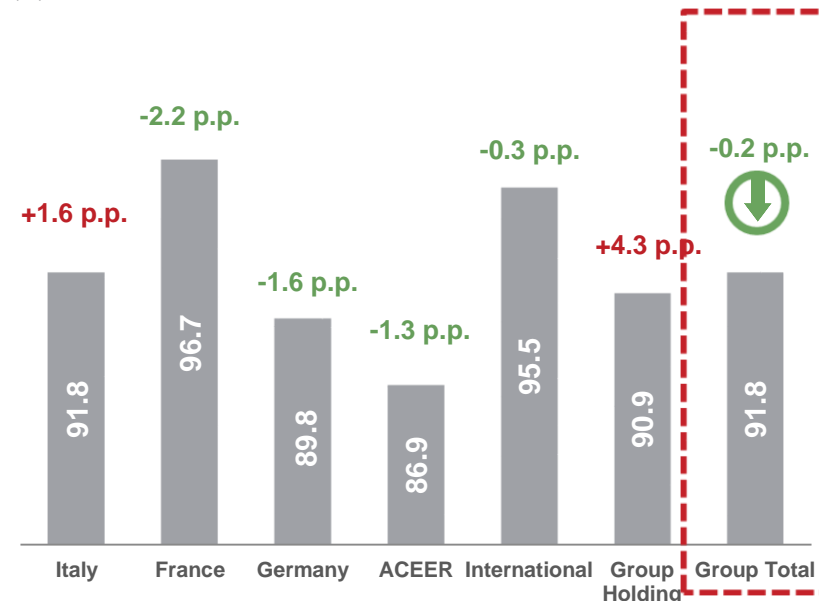
Total variation due to:

Primary Motor	+3.1%
Primary Non-Motor	+3.6%



COMBINED RATIO

(%)



Note: the arrow represents the variation vs 1H18 numbers

Asset Management Global: KPIs on track

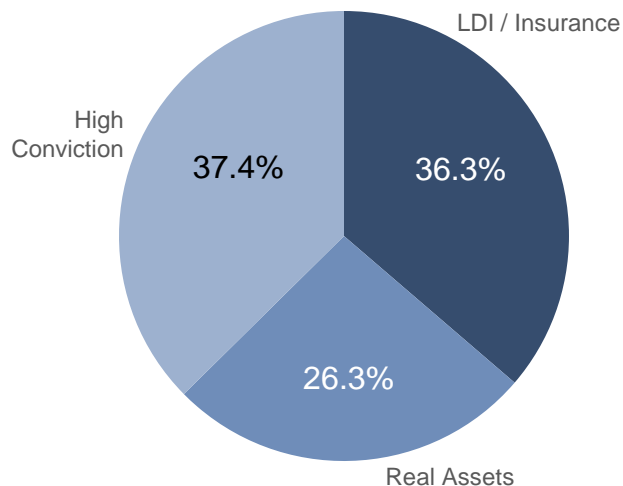
	1H18	1H19	Target 2021
KPIs			
Net result A.M. Global (€ m)	109	133	>400
External Clients Revenues (% of operating revenues)	13%	30%	>35%
Operating Margin (%) ⁽¹⁾	55%	52%	>45%

(1) Calculated as (1- cost income ratio)

Asset Management Global: focus on revenues contribution and external clients AuM

Breakdown of revenues by Asset Management expertise

Total revenues (1H19): € 360 m



(1) M&A includes Sycomore, Lumyna, KD Skladi and Union Poland

Breakdown of External Clients Assets (€ bn)

AuM (as of December 2018)	27.2
Assets from M&A ⁽¹⁾	+ 20.5
Assets from Partnerships	+51.9
Net inflows Dec 18 – June 19	+1.1
Market effect Dec 18 – June 19 & Others	+1.2
AuM (as of June 2019)	101.9

Generali to become a leading P&C player in Portugal

Scope

- Reached an agreement to buy 100% of Seguradoras Unidas, #2 player in the Portuguese non-life market with a market share of 15.5%
- Agreement also for 100% of Advance Care, service platform leader in medical services

Rationale

- Consolidate our leadership in Europe in line with Generali 2021 strategy
- Fit with our business line preferences
- Unique opportunity to optimize our presence in Portugal which was sub-optimal
- Generali will have 18.7% share in Portuguese non-life and opportunity to leverage on SU agent network to sell life protection products

Financials




- Consideration of € 510 m for SU and € 90 m for Advance Care
- Anticipated P&L contribution of c€ 60 m in 2021, greater benefits later on
- Estimated S2 impact of c-3.5 p.p.

Agenda

II. 2019 First Half Group Financials

Cristiano Borean – Group CFO page 14

2019 First Half at a glance: delivering profitable growth

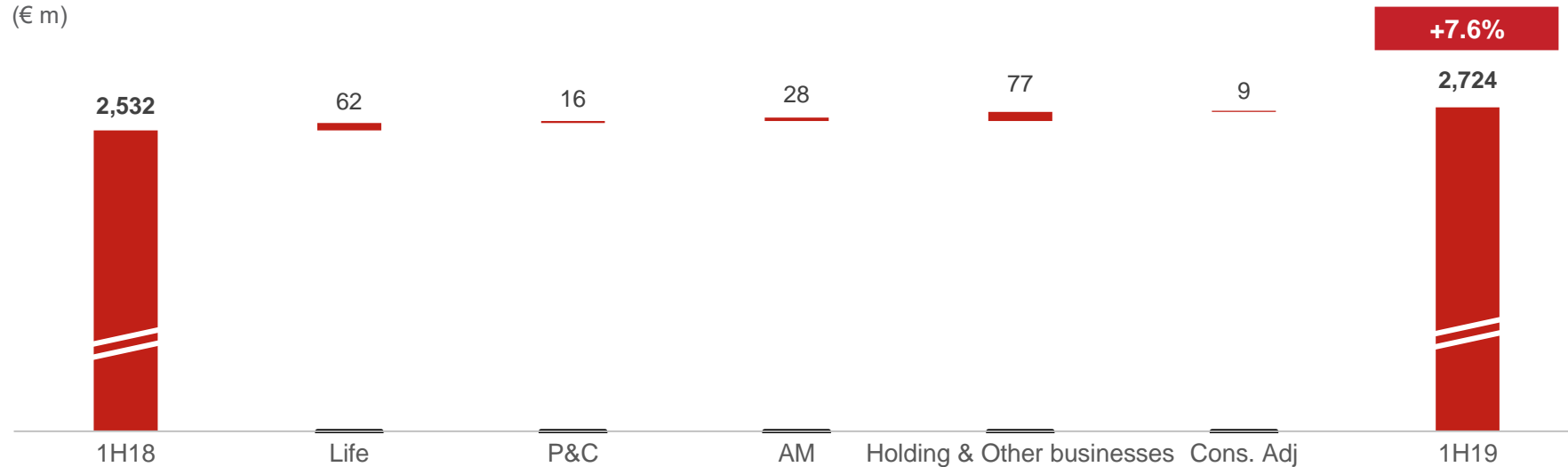
	1H18	1H19	Δ (LFL ⁽¹⁾)
VOLUMES			
 Gross Written Premiums (€ m)	35,084	35,728	+1.8%
Life (€ m)	24,083	24,321	+0.9%
P&C (€ m)	11,001	11,407	+3.9%
Life Net Inflows (€ m)	5,689	7,387	+29.5%
Life Reserves (€ bn) ⁽²⁾	343,408	358,247	+4.3%
PROFITABILITY			
 Operating result (€ m)	2,532	2,724	+7.6%
Net result of the period attributable to the Group (€ m)	1,329	1,789	+34.6%
Adjusted result of the period attributable to the Group	1,231	1,310	+6.4%
New Business Margin (% PVNBP)	4.50%	4.40%	-0.18 p.p.
Combined Ratio (%)	92.0%	91.8%	-0.2 p.p.
Combined Ratio excl. Nat Cat (%)	90.6%	90.4%	-0.2 p.p.
CAPITAL			
 Shareholders' equity (€ m) ⁽²⁾	23,601	27,059	+14.7%
Solvency II ratio (regulatory view, %) ⁽²⁾	217%	209%	-8 p.p.

(1) Constant perimeter and exchange rates

(2) Comparative as at 31.12.2018

Operating Result improved across all business lines

(€ m)



1H 19	1,611	1,121	186	21	(214)	2,724
1H 18	1,549	1,105	159	(56)	(224)	2,532
Δ	+4.0%	+1.4%	+17.4%	n.a.	-4.2%	+7.6%

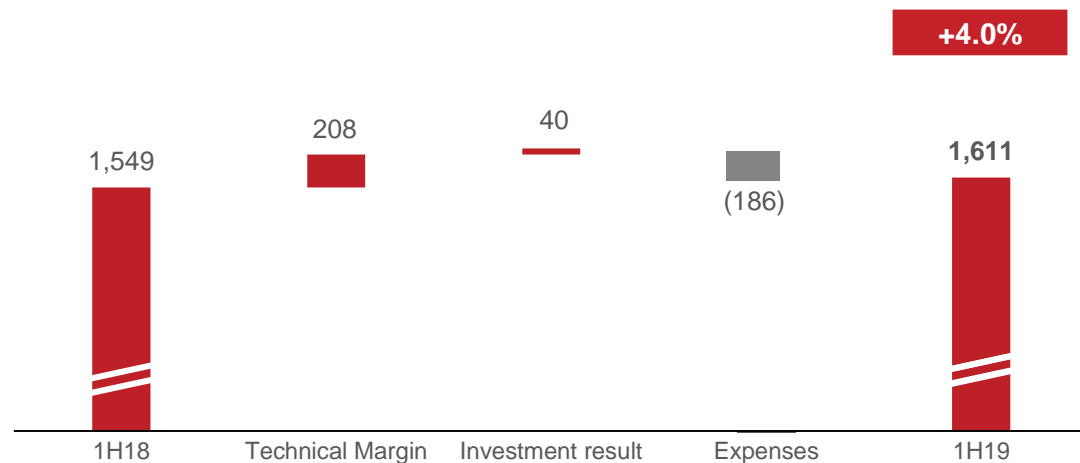
Growth in Life volumes and earnings

(€ m)

	1H18	1H19	LFL Δ
VOLUMES			
Gross written premiums	24,083	24,321	+0.9%
Net inflows	5,689	7,387	+29.5%
PVNBP	21,431	21,436	+5.4%
PROFITABILITY			
Life operating result	1,549	1,611	+4.0%
Life operating ratio on investments (bps)	42	42	0 p.p.
New Business Value	965	942	+1.3%
Margin on PVNBP (%)	4.50%	4.40%	-0.18 p.p.

Improved technical profitability and investment result

(€ m)



- Growth in technical margins reflecting good developments in Italy, France and Germany
- Investment result improving thanks to lower impairments and higher realized gains
- Increase in expenses reflects higher acquisition costs for new production

1H 19	2,991	1,016	(2,396)
1H 18	2,783	976	(2,210)
Δ %	+7.5%	+4.1%	+8.4%

Life New Business: profitability remains solid

PVNB (€ m)

21,431  21,436
+5.4%

X

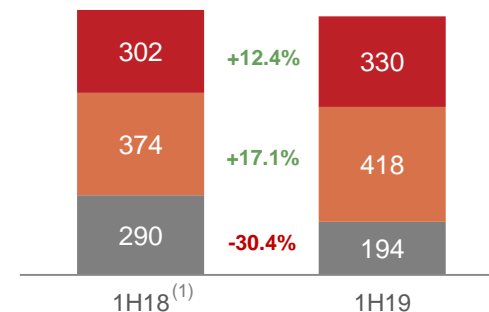
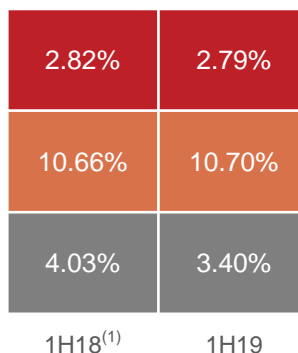
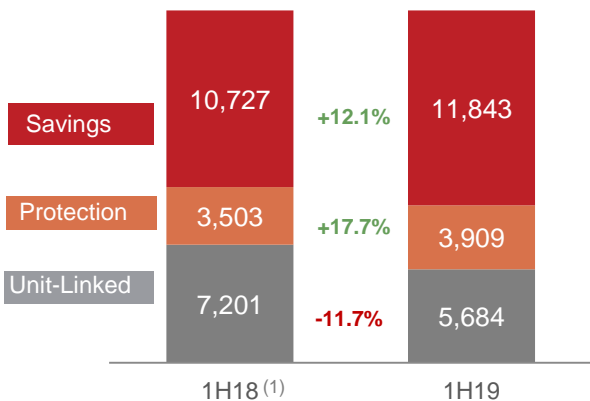
MARGIN ON PVNB (%)

4.50%  4.40%
-0.18 p.p.

=

NEW BUSINESS VALUE (€ m)

965  942
+1.3%



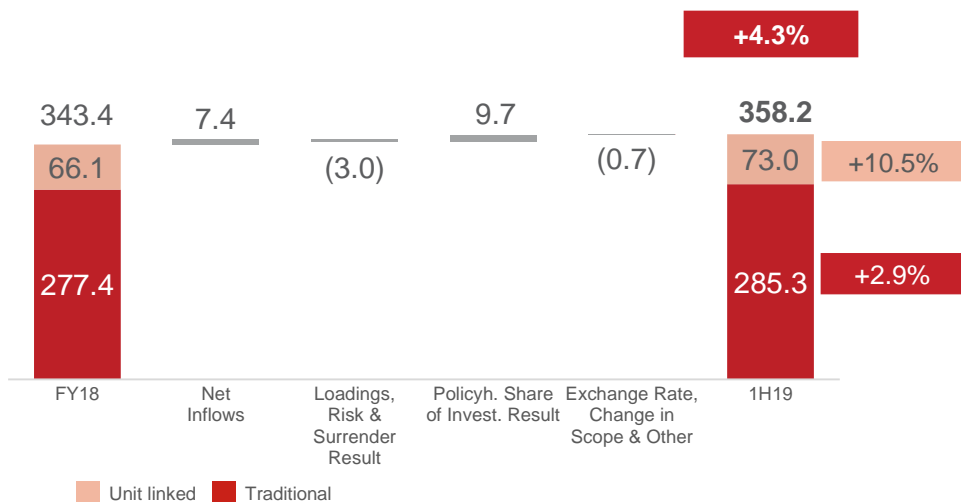
(1) The breakdown by lines of business at 1H18 has been restated to be more coherent with the features of some products in Germany and Asia

Reserves mix: shift to capital light continues

(€ bn)

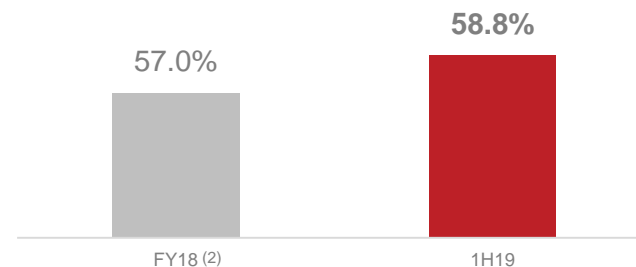
TOTAL LIFE RESERVES

€ bn)



CAPITAL LIGHT RESERVES ON TOTAL⁽¹⁾

(%)



(1) Reserves without interest rate guarantees or with guarantees equal to or lower than 0%

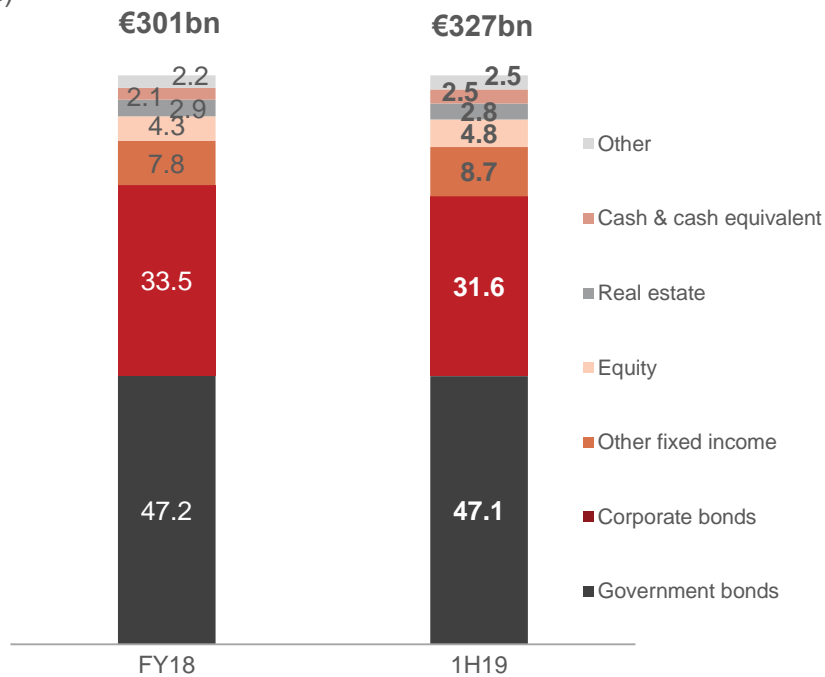
(2) FY18 restated so to allow for an allocation of some Asian products more coherent with their features among the three business lines

Note: The percentages shown on the right are calculated on reserves net of minorities. Where appropriate they exclude certain policyholder surplus reserves (e.g. RfB, PPE) and minor German and Czech pension funds outside of the Solvency II scope

Life investments and returns reflecting our strategic asset allocation

Life segment general account

(%)



(1) Net of depreciation expenses

Current returns

		€ m	%
Fixed income	1H18	4,029	1.5%
	1H19	3,902	1.4%
Equity	1H18	343	2.6%
	1H19	371	2.6%
Real Estate ⁽¹⁾	1H18	246	2.8%
	1H19	257	2.9%
Total ⁽¹⁾	1H18	4,705	1.6%
	1H19	4,617	1.5%

Strong growth in P&C volumes at excellent technical profitability

(€ m)

	1H18	1H19	LFL Δ
VOLUMES			
Gross written premiums, of which:	11,001	11,407	+3.9%
Primary Motor	4,327	4,350	+3.1%
Primary Non Motor	6,287	6,598	+3.6%
PROFITABILITY			
Combined ratio (%)	92.0%	91.8%	-0.2 p.p.
Nat Cat impact (%)	1.4%	1.4%	0.0 p.p.
P&C operating result	1,105	1,121	+1.4%

P&C Operating result improving thanks to better underwriting profitability

(€ m)

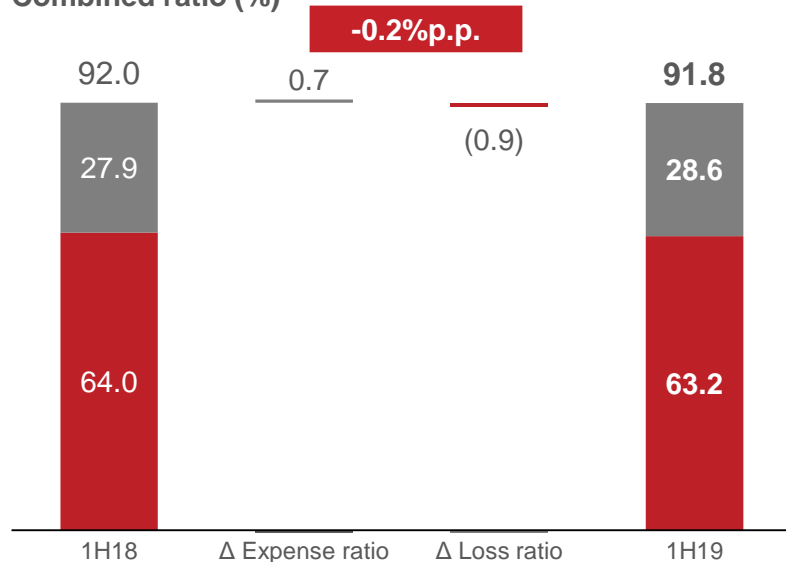


- Technical result strongly increased, driven by combined ratio improvement
- Investments result decreased due to lower net current income, which reflects interest rates development
- Other result includes costs related to reorganization of German operations

1H 19	760	478	(117)
1H 18	701	507	(103)
Δ %	+8.5%	-5.7%	+14.0%

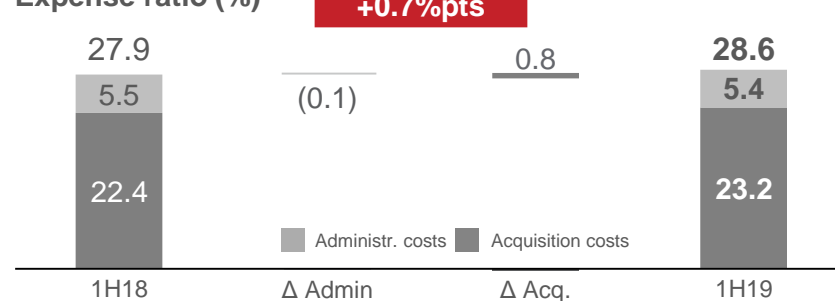
Combined Ratio improving thanks to better CY loss ratio, stable nat cat impact

Combined ratio (%)

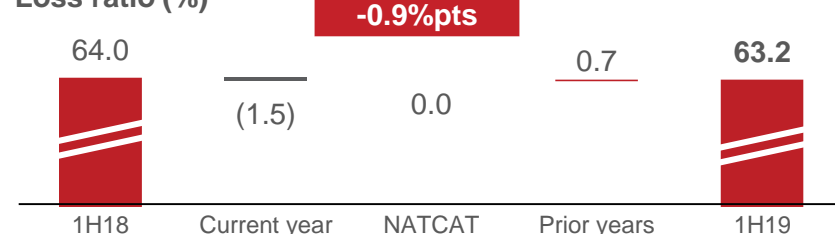


■ Expense ratio ■ Loss ratio

Expense ratio (%)



Loss ratio (%)

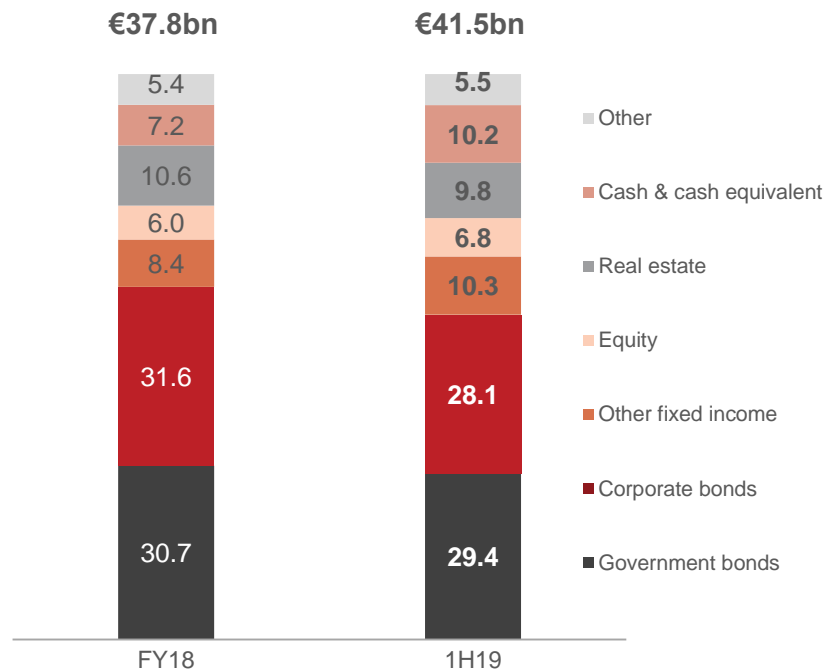


	1H 19	1.4%	-4.1%	63.2%
1H 18	67.4%	1.4%	-4.8%	64.0%

1H19 man made losses € 87 m impacting for 0.9 p.p (+0.3 p.p. vs 1H18)

Stable P&C investment return reflecting proactive asset allocation shift

P&C segment general account (%)



(1) Net of depreciation expenses

Current returns

		Euro m	%
Fixed income	1H18	354	1.3%
	1H19	347	1.3%
Equity	1H18	81	3.3%
	1H19	63	2.5%
Real Estate ⁽¹⁾	1H18	105	2.8%
	1H19	111	2.7%
Total ⁽¹⁾	1H18	622	1.6%
	1H19	616	1.6%

Asset Management Global: growth is on track

	1H18	1H19	Δ / %
Key Financials⁽¹⁾ (€ m)			
Operating Revenues	287	360	+ 25%
<i>o/w management and other fees</i>	259	325	+ 25%
<i>o/w performance fees</i>	0	2	-
Operating Expenses	-129	-174	+ 35%
Operating Result	159	186	+ 17%
Net result (Asset Management Global)	109	133	+ 22%
<i>o/w Europe</i>	89	123	+ 38%
<i>o/w Rest of the World</i>	20	10	-49%
Cost / Income ratio (%)	45%	48%	+ 3 p.p
AuM (€ bn)	462	519	+ 12%

(1) Managerial view

Holding and other improving thanks to fee businesses and private equity

(€ m)

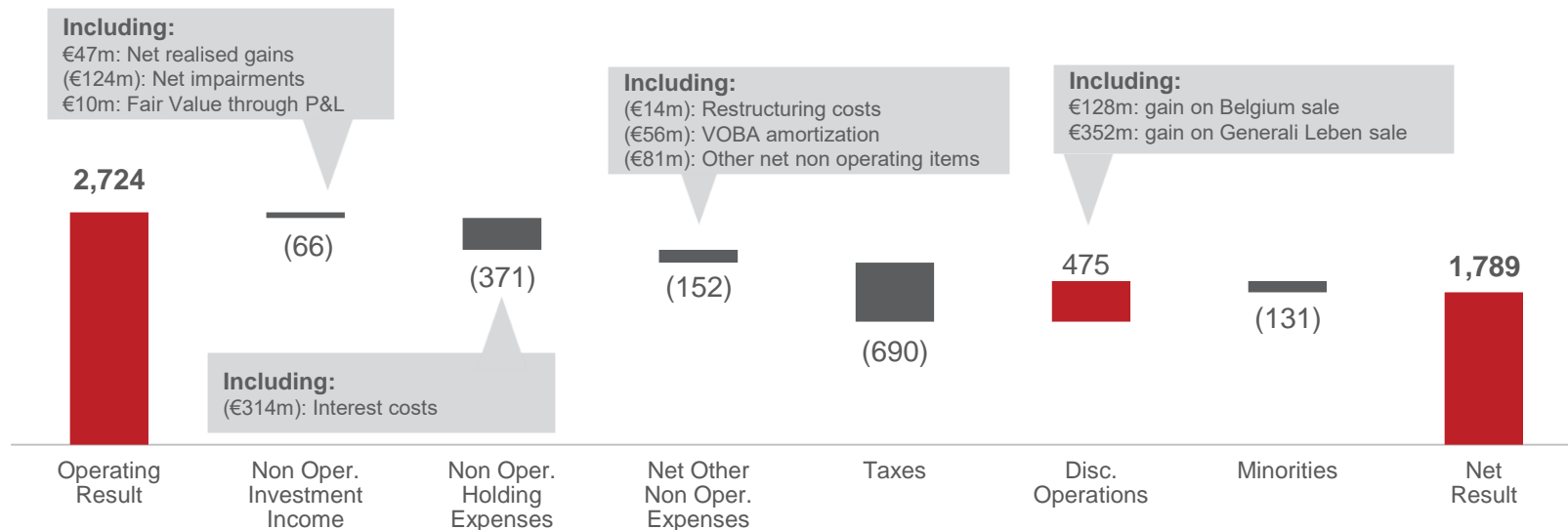
	1H18	1H19	△ %
Financial and Other Businesses	177	272	+53.8%
<i>of which Banca Generali ⁽¹⁾</i>	121	159	+30.8%
<i>of which other businesses ⁽²⁾</i>	56	113	n.a.
Operating holding expenses	(233)	(251)	+7.4%
Total	(56)	21	n.a.

(1) Banca Generali's operating contribution as per Generali's view

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

From operating result to net profit

(€ m)

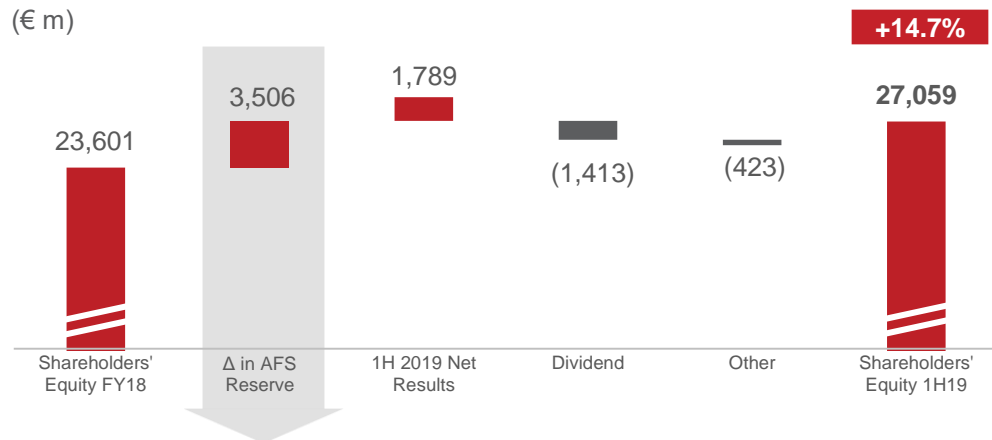


1H 19	2,724	(66)	(371)	(152)	(690)	475	(131)	1,789
1H 18	2,532	20	(388)	(171)	(664)	103	(104)	1,329
Δ	+7.6%	n.a.	-4.3%	-11.2%	+3.9%	n.a.	+26.1%	+34.6%

Shareholders' equity up thanks to net result and market developments

Shareholders' equity rollforward

(€ m)



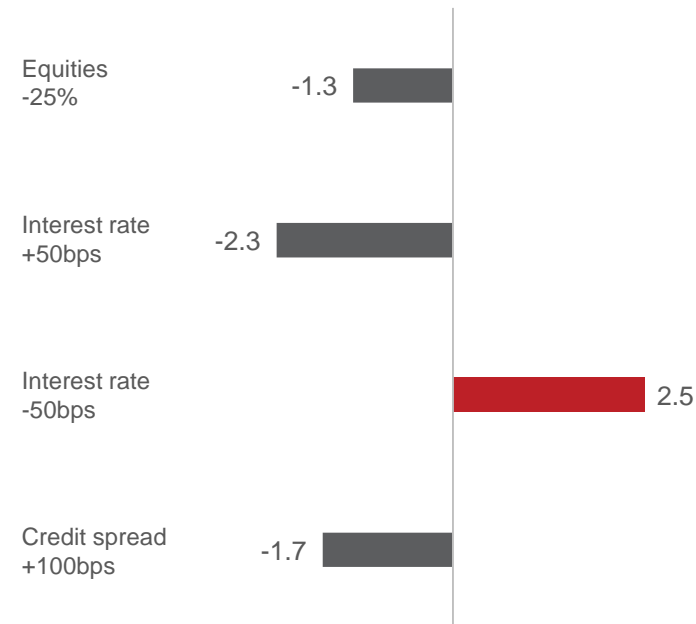
Change in AFS reserve

(€ m)



Shareholders' equity sensitivities

(€ bn)



Solid Solvency 2 ratio⁽¹⁾ thanks to strong normalized capital generation

	Own Funds (€ bn)	SCR (€ bn)	Excess Own Funds ⁽²⁾ (€ bn)	Solvency II ratio (%)	
FY 2018	44.2	20.4	23.8	217%	
Regulatory Model Changes and opening adjustments	(0.8)	0.4	(1.2)		-8%pts
Normalised capital generation	1.7	(0.1)	1.8		+9%pts
Variances and other movements	(0.3)	0.5	(0.9)		-7%pts
M&A	(1.5)	(1.0)	(0.5)		+3%pts
Redemption of subordinated bonds eligible in BOF	(0.3)		(0.3)		-1%pts
Foreseeable dividend	(0.7)		(0.7)		-4%pts
1H 2019	42.3	20.2	22.1	209%	

Final remarks

Profitable growth at excellent technical margins

Resilient balance sheet despite lower rates

Confirmed focus on managing the life business through liabilities

Strategic actions in P&C and Asset Management in line with plan

III. Backup

- **Investments**

Financial debt

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Solvency 2

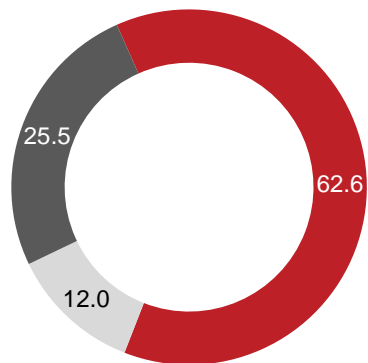
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Assets under management

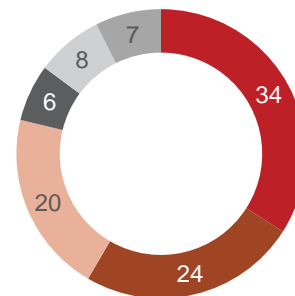
Total Portfolio: €606bn
(%)

- General account
- Unit Linked
- Third party investments



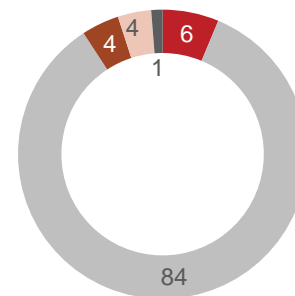
Breakdown by region and asset class
(%)

By Region



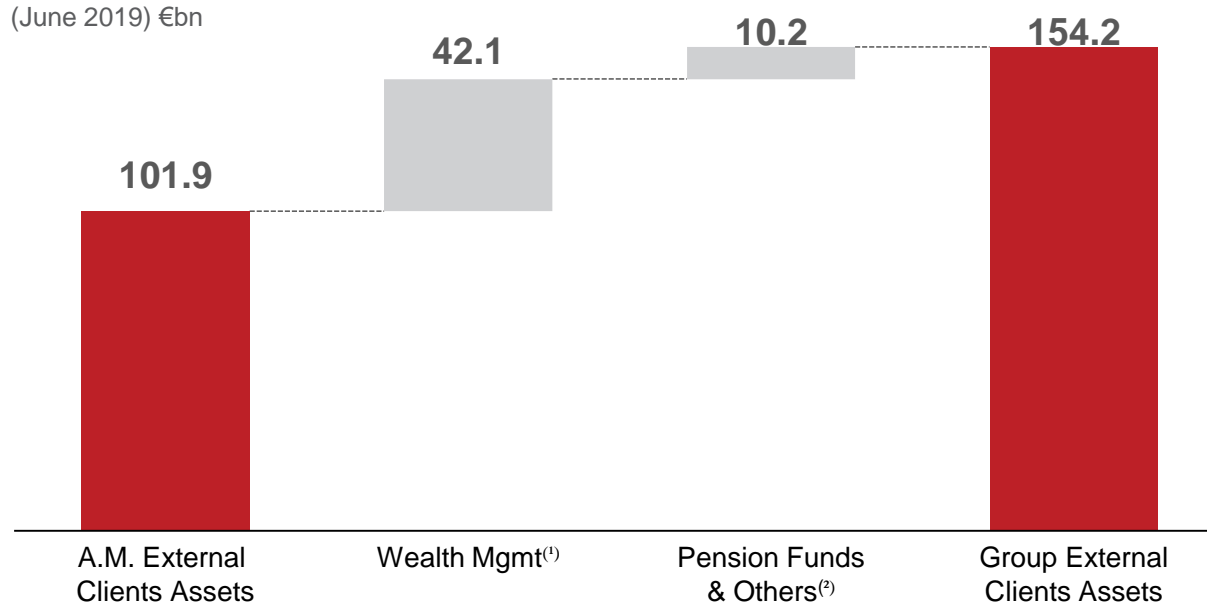
- Italy
- France
- Germany
- CEE
- International
- Other

By Asset Class



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

External clients: reconciliation with Group disclosure

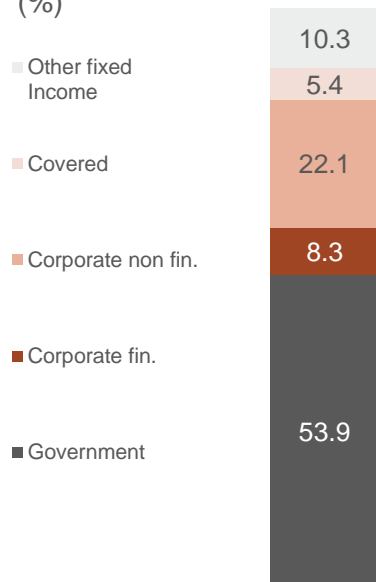


(1) Wealth Management corresponds to Banca Generali. 42 bl include managed and banking products AUM. Insurance products AUM equal to 21 bl is reported in Group Assets

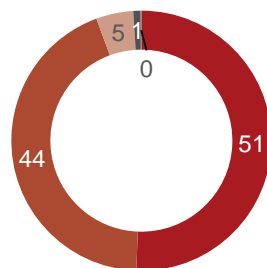
(2) Pension Funds & Others include Cajamar, Plan Vidal and other minor companies not included in the Asset Management perimeter

Fixed Income Portfolio

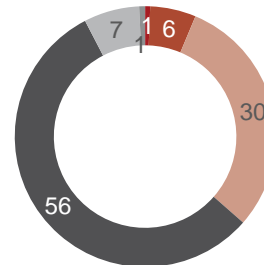
Total Portfolio
€320bn
(%)



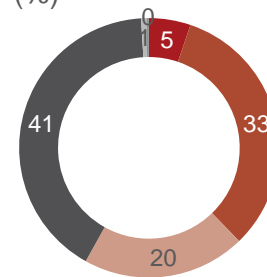
Covered
€17bn
(%)



Corporate
€97bn
(%)



Government
€173bn ⁽¹⁾
(%)



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

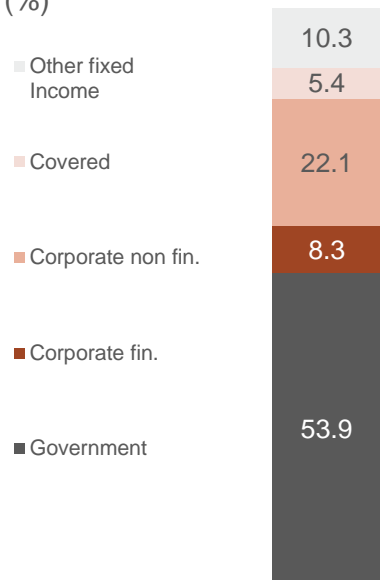
Bond duration	1H18	1H19
Life	8.8	9.0
P&C	5.8	5.6
Life duration Gap ⁽²⁾	0.2	-0.1

(1) Italian government bond exposure is 86% of BBB

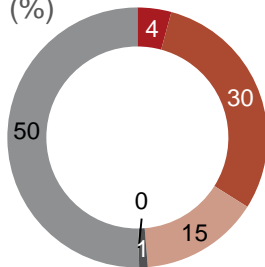
(2) Duration gap = duration of fixed income assets – duration of liabilities x (Best estimate liabilities/Market Value of fixed income assets)

Fixed Income Portfolio by country

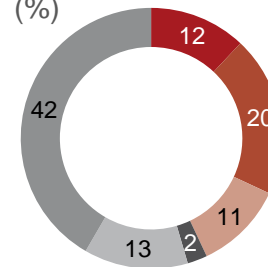
Total Portfolio
€320bn
 (%)



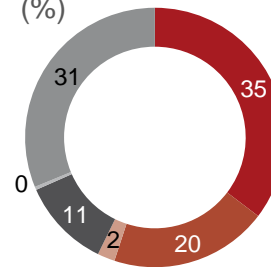
Covered
€17bn
 (%)



Corporate
€97bn
 (%)



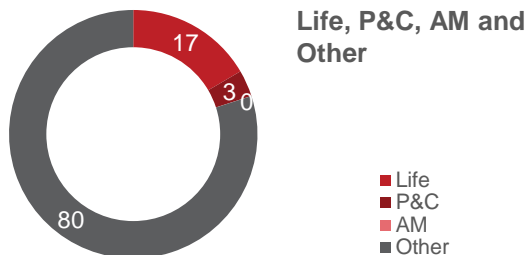
Government
€173bn
 (%)



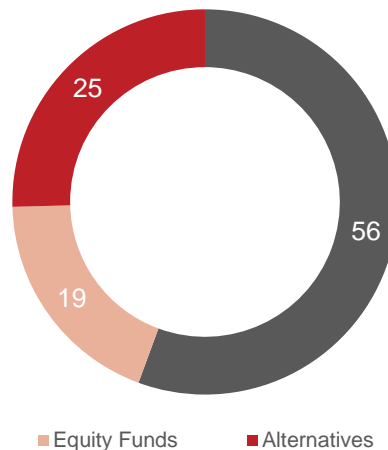
■ Italy ■ France ■ Germany ■ CEE ■ USA ■ Other

Equity & Equity-like

Alternative funds: €6.1bn
(%)

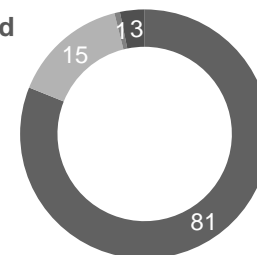


Total Portfolio: €24bn
(%)

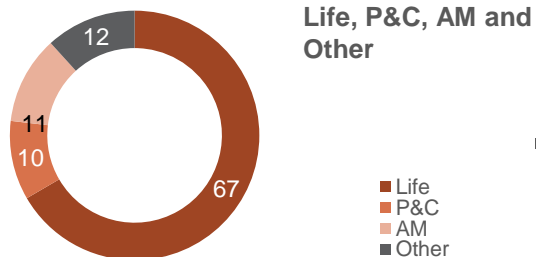


Equity: €13.3bn
(%)

Life, P&C, AM and Other



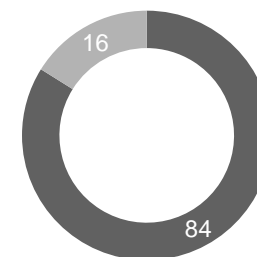
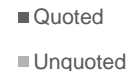
Equity funds: €4.5bn
(%)



Life, P&C, AM and Other



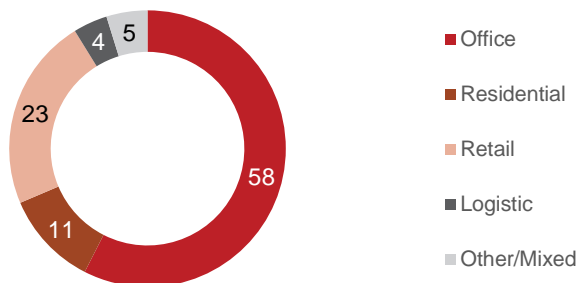
Listed and Unlisted



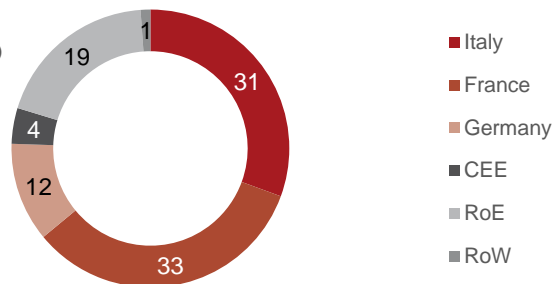
Asset Allocation: Real Estate (1)

Total Portfolio: €28bn (1)

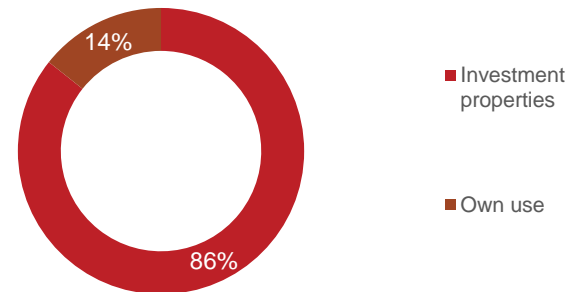
Breakdown by use (2)
(%)



Breakdown by country (3)
(%)



Breakdown by utilization (3)
(%)



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

(2) Detail referred to real estate investment properties only

(3) Detail referred to direct investments in real estate (including self used properties) only

III. Backup

Investments

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- **Financial debt**

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Solvency 2

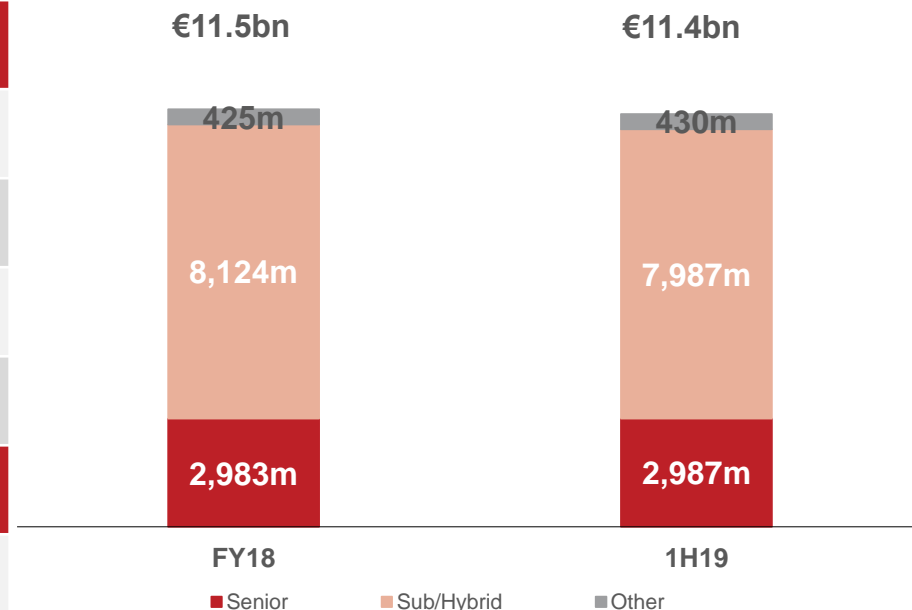
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Focus on financial debt

Average cost & maturity of financial debt (%)

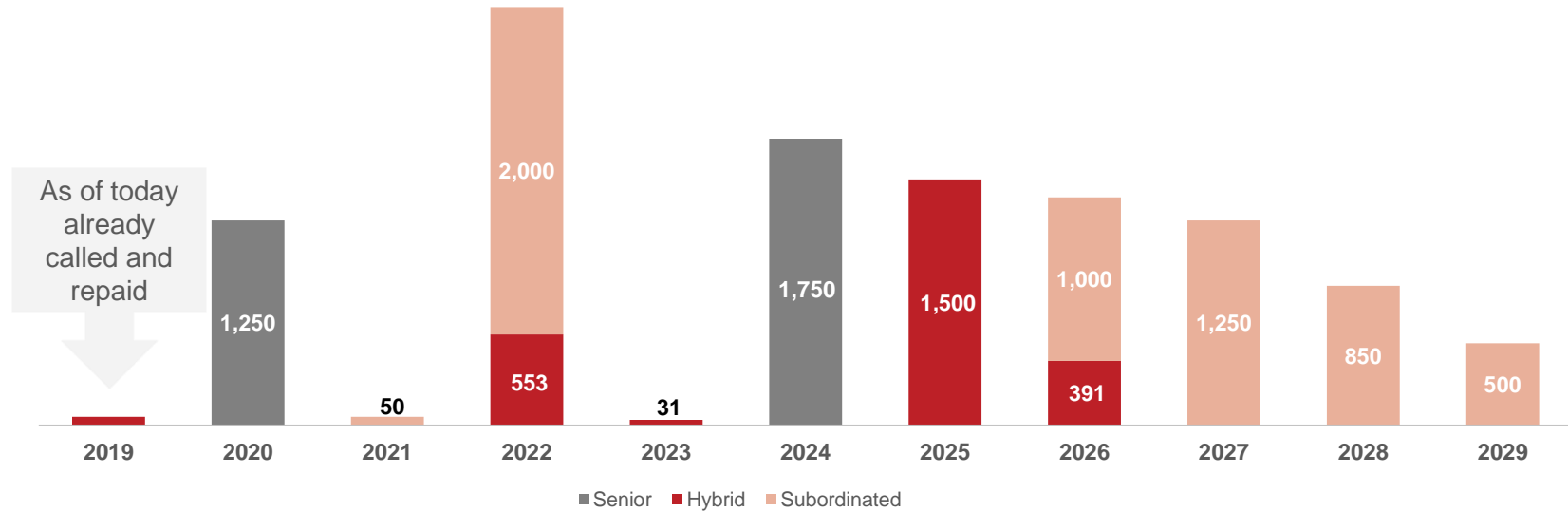
	FY18	1H19
Average cost (%)	5.66%	5.46%
Subordinated/Hybrid	6.18%	5.21%
Senior	4.19%	4.19%
Average maturity (years)	5.34	5.33
	1H18	1H19
Interest expenses on financial debt (€ m)	331	314

Total financial debt



Financial debt breakdown by expiry date/call date

(Nominal value - € m)



III. Backup

Investments

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Financial debt

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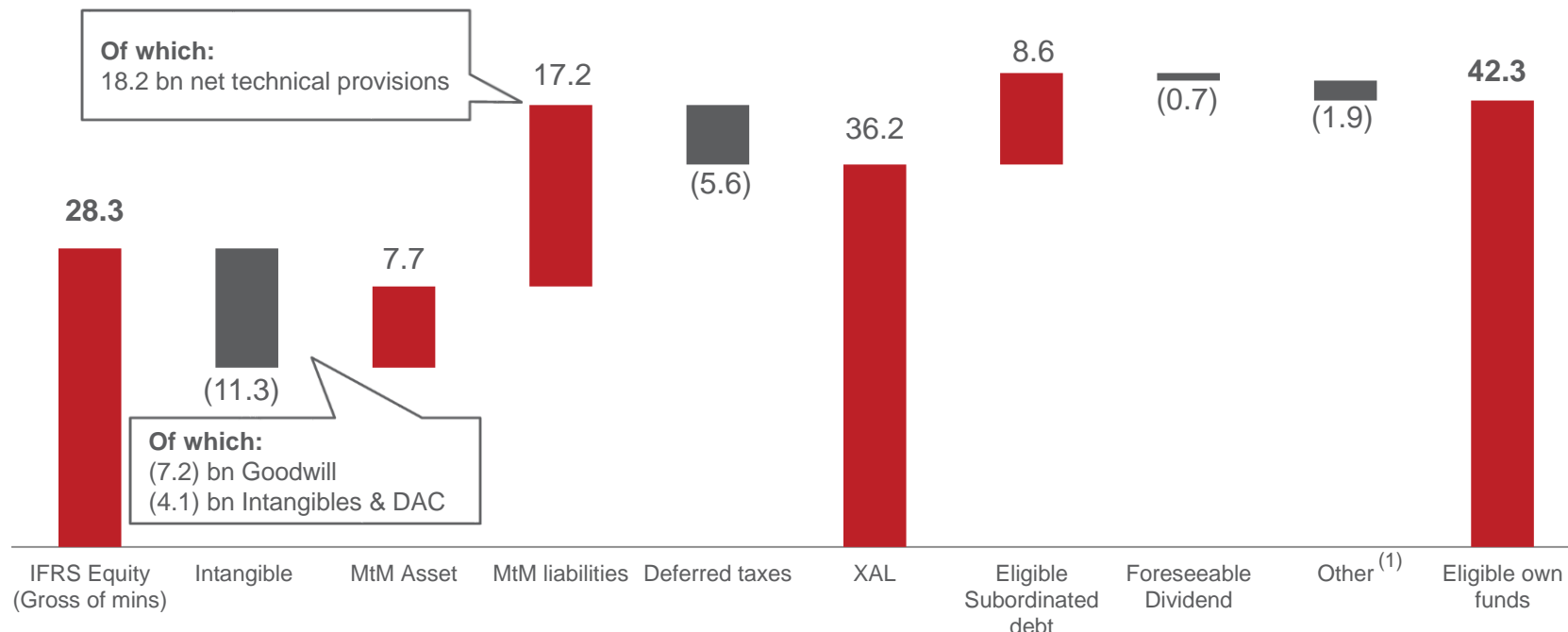
• **Solvency 2**

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Reconciliation of IFRS equity to Solvency II Eligible Own Funds

Solvency II Eligible own funds

(1H19, € bn, Regulatory view)



(1) Including unrealised gains on French pension business under IORP transitional measures, impact of filter for non availability & minorities and other deductions, contribution of sectoral entities (after deduction of participations)

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, Cristiano Borean, 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.

November 7, 2019

**9M19 Results
release**

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Thank you



GENERALI GROUP 2019 First Half Results