

188<sup>th</sup> year

# Management Report and Parent Company Financial Statements Proposal 2019





# Management Report and Parent Company Financial Statements 2019

# Corporate bodies

at 12 March 2020

## Chairman

Gabriele Galateri di Genola

## Vice-Chairmen

Francesco Gaetano Caltagirone

Clemente Rebecchini

## Managing Director and Group CEO

Philippe Donnet

## Board members

Romolo Bardin

Paolo Di Benedetto

Alberta Figari

Ines Mazzilli

Antonella Mei-Pochtler

Diva Moriani

Lorenzo Pelliccioli

Roberto Perotti

Sabrina Pucci

## Board of Statutory Auditors

Carolyn Dittmeier (Chairwoman)

Antonia Di Bella

Lorenzo Pozza

Francesco Di Carlo (Alternate Auditor)

Silvia Olivotto (Alternate Auditor)

## Board secretary

Giuseppe Catalano

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

### Assicurazioni Generali S.p.A.

Company established in Trieste in 1831

Registered office in Trieste, piazza Duca degli Abruzzi, 2

Share capital € 1,569,773,403 fully paid-up

Fiscal code and Venezia Giulia Companies' Register no. 00079760328

VAT no. 01333550323

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

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

Pec: assicurazionigenerali@pec.generaligroup.com



Contacts available at the end of this document

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pursuant to art. 154-*bis*, paragraph 5, of legislative decree 58 of February 24, 1998 and art. 81-*ter* of Consob regulation no. 11971 of 14 May 1999 and following amendments and integrations

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## The integrated overview of our reports

Our sustainable value creation story is moving forward on the basis of the integrated thinking. It started in 2013, when the first integrated report was published, and then developed using the Core&More reporting approach. The **Annual Integrated Report** is the **Core** report of the Group, centred on material financial and non-financial information. All other **More reports and channels of communication** include further information, some of which targets a specialized audience.



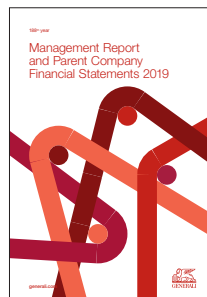
### Annual Integrated Report and Consolidated Financial Statements

It expands the content of the Group Annual Integrated Report, providing details of its financial performance in compliance with national and international regulations.



### Group Annual Integrated Report

It provides a concise and integrated view of the Group's financial and non-financial performance, also pursuant to legislative decree 254/2016 (leg. decree 254/2016).



### Management Report and Parent Company Financial Statements

It provides information on the performance of Assicurazioni Generali, in accordance with currently effective regulations.



### Report on Remuneration Policy and payments

It provides specific information on the remuneration policy adopted by the Group and its implementation.



### Corporate Governance and Share Ownership Report

It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.



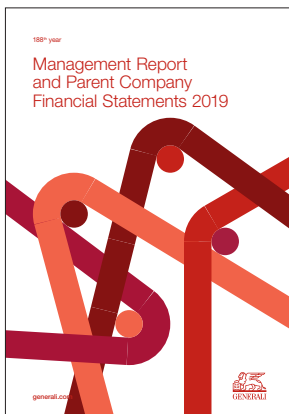
### generali.com

per ulteriori informazioni sul Gruppo.



<sup>1</sup> The Core&More approach developed by Accountancy Europe provides for a core report, including a summary of all key information required to evaluate and understand a company, and more reports, presenting more detailed information. [www.accountancyeurope.eu/](http://www.accountancyeurope.eu/) for further information.

# About Management Report and Parent Company Financial Statements



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

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

Pursuant to Legislative Decree no. 254/2016, article 6, paragraph 1, the Company is not subject to the obligation of preparing an Individual Statement of a Non-Financial Nature, under article 3 of the Decree itself, since the Company is included in the Consolidated Statement of a Non-Financial Nature, prepared by the Generali Group pursuant to article 4.

The **Report** starts with a foreword, that contains a summary of economics, managerial and governance characteristics of our Group and Assicurazioni Generali S.p.A., with reference to 2018.

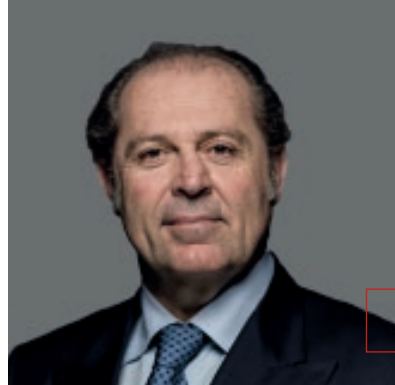
Follow the **Management Report** which presents an analysis of the Company's situation, the trend and results overall, as well as a description of the principal risks and uncertainties to which the Company is exposed, and the **Notes, part of the Parent Company Financial Statements** that provides the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

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

## Letter from the Chairman and the Group CEO



Gabriele Galateri di Genola  
Chairman



Philippe Donnet  
Group CEO

Dear reader, dear Generali shareholder,

2019 was, first of all, the year that saw the start of the execution of Generali 2021: Leveraging Strengths to Accelerate Growth, the ambitious three-year strategic plan based on three pillars: profitable growth, capital management and financial optimization, innovation and digital transformation.

During these first 12 months, we have already achieved several important results that are in line with the targets announced to investors.

We strengthened our leadership role in Europe, becoming the second largest company in Portugal in the P&C segment thanks to the acquisition of Seguradoras Unidas and also acquiring AdvanceCare, a services platform operating in the health sector, scalable in other countries. Other important acquisitions were successfully finalised in Poland and Slovenia.

We further extended our insurance offer, launching innovative solutions such as Arte Generali and implementing our pan-European mobility platform. In line with the Group's objectives, we continued to grow in the asset management business, carrying forward the development of our multi-boutique platform that today numbers 16 boutiques that allow us to cover an ever-growing number of asset classes.

We also overachieved the financial optimization targets we had set for 2021 by considerably reducing our outstanding financial debt and related interest expenses. Lastly, we launched a number of important initiatives aimed at transforming the Group from a cultural and operational standpoint. This will allow us to turn the challenges posed by the digital revolution into opportunities, and to reach the ambition of becoming a Life-time Partner to our customers, creating a long-term bond with them based on trust and on the ability to offer prevention, protection and assistance in all areas and in a proactive and personalized way.

Generali closed the year with a record operating result at € 5.2 billion. This was made possible thanks to the contribution of all the business segments with diversification of the sources of profit. In fact, profitable growth was recorded both in the Life and P&C segments, the latter continued to be distinguished by technical excellence with the best combined ratio among peers. The contribution of asset management further increased.

In line with the plan's targets, the adjusted net profit went up by 6.6% and the Group was able to strengthen its Solvency position despite the persistently low interest rates. All of these results allow us to distribute an increased proposed dividend at € 0.96 to shareholders.



At the macroeconomic level, 2019 was a year marked by low - and in many cases negative - interest rates, world GDP growth at the slowest pace of the last ten years, significant tensions at geopolitical level and in international trade and, last but not least, persistent doubts surrounding the solidity of the Italian economy.

To this regard, it is important to emphasize that the Group prepared to tackle a scenario of persistent low interest rates well in advance.

Already when executing the 2015-18 strategic plan, we successfully implemented a set of measures aimed at overcoming this challenge: focusing on low capital absorption solutions, reducing the exposure to high-guarantee products and pursuing growth in the P&C segment and in the health and protection lines.

These measures are still being implemented today in the execution of Generali 2021.

The insurance and asset management sectors play a crucial role in supporting companies and the entire economic system, on the one hand by reducing risks and on the other by backing growth through long-term investments.

Consistent with this role, Generali operates with a sustainable and long-term vision, summed up in our purpose: to help people to shape a safer future by caring for their lives and dreams.

Generali has embraced the global challenges of our era - climate change, geopolitical instability, ageing of the population and digital transformation - by including them in its materiality matrix, which was approved by the Board of Directors at the end of 2019.

The matrix represents the premise for tangibly integrating sustainability in our business. Generali applies a governance, management and reporting model that guarantees alignment with the ESG principles by placing them at the core of its decisions on a daily basis. We create sustainable value for the real economy by proposing responsible insurance solutions and managing our investments according to the criteria of our Responsible Investment Guideline. By 2021, we will have allocated € 4.5 billion in sustainable investments.

In 2019, Generali became the first European insurance company to issue a green bond. It was confirmed in the Dow Jones Sustainability World Index and included for the first time in the Dow Jones Sustainability Europe Index.

Creating long-lasting value also means sharing it with the most disadvantaged people and striving for a fairer society. Generali puts this commitment into practice by playing an active role in the communities where it operates through The Human Safety Net, the project dedicated to developing human potential in the frailest social contexts.

2019 was a year of transformation and success for Generali, reflecting once again the strength of our Group and its proven ability to successfully meet its goals.

This is made possible by the talent and passion of our almost 72 thousand employees and over 156 thousand distributors. Every day, they contribute to making the winged Lion fly high all over the world, and we sincerely thank them for this.

Gabriele Galateri di Genola



Philippe Donnet





# We, Generali

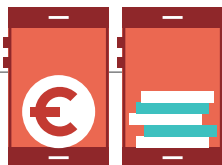
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## Company highlights

### NET PROFIT

+2.8%

€ 1,515 mln



### TOTAL DIVIDEND PROPOSED

+7.1%

€ 1,513 mln



### DIVIDEND FOR SHARE PROPOSED

+6.7%

€ 0.96

### TOTAL GROSS PREMIUMS

+10.8%

€ 3,667 mln

### LIFE GROSS PREMIUMS

+3.3%

€ 1,685 mln



### NON LIFE GROSS PREMIUMS

+18.0%

€ 1,982 mln



### NON LIFE COMBINED RATIO

+4.9%

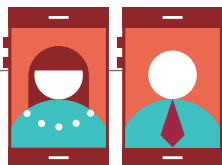
97.4%



### EMPLOYEE

+4.2%

1,757



+7.0%

1,179 Total staff in Italy

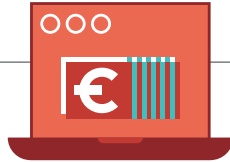
-1.0%

578 Foreign branches staff

SHAREHOLDERS' FUND

+0.7%

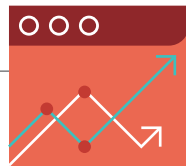
€ 15,079 mln



TOTAL ASSETS

+0.1%

€ 45,422 mln



SHAREHOLDINGS IN GROUP COMPANIES

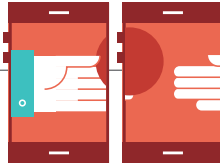
+0.1%

€ 29,564 mln

NET TECHNICAL PROVISIONS

-12.0%

€ 7,088 mln



LIFE NET TECHNICAL PROVISIONS

-19.9%

€ 5,147 mln

NON LIFE NET TECHNICAL PROVISIONS

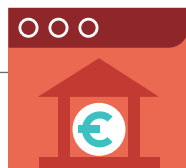
+19.3%

€ 1,941 mln

DEBT

-2.2%

€ 15,844 mln



REGULATORY SOLVENCY RATIO

+3.5 p.p.

260.4%

## 2019 key facts

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

### January

**Sale of Generali Belgium**, launched in April 2018, **completed**; the Group remains present in Belgium through its Global Business Lines, continuing to provide insurance and assistance solutions.

**AM BEST confirmed the Generali's Financial Strength Rating (FSR) at A (Excellent) and upgraded its Long-Term Issuer Credit Rating (ICR) from "a" to "a+"**. The Long-Term ICR outlook was modified from positive to stable, while the FSR outlook remained stable.

A € 500 million **subordinated bond issue was successfully placed** with institutional investors, for the partial refinancing of € 750 million in subordinated debt of the Group, with the first call date in 2019. The issue received orders from roughly 450 investors for a total in excess of € 6.5 billion, 13 times the amount offered. The rating agencies Fitch, Moody's and AM Best rated that issue "BBB", "Baa3" (hyb) and "a-", respectively.

Option of **early redemption** announced **on all outstanding perpetual subordinated notes** belonging to ISINs XS0415966786 and XS0416148202 for a total nominal amount of € 700 million (redemption dates on 4 and 6 March, respectively). The exercise of this option was authorized by the Italian insurance regulatory agency (IVASS) and will take place with respect to all notes outstanding, in compliance with the respective terms and conditions.

### February

Europ Assistance **acquired Trip Mate**, the leading company in the market of travel insurance for tour operators in the United States.

**Closed the acquisition of the majority stake in Sycomore Factory SAS**, started in September 2018. The strategic partnership, that is another step forward in the execution of Generali's asset management strategy, will allow to enrich the offering with innovative investment solutions and to strengthen focus and capabilities on sustainability and responsible investments for clients.

**Closed the acquisition of Adriatic Slovenica and its subsidiaries**, that provide a full suite of pension, P&C, health and life products.

### March

Following an agreement signed in July 2018, **closed the sale of the entire shareholding in Generali Worldwide Insurance Company Limited**, that has its headquarters in Guernsey and specializes in offering Life-insurance-based wealth management and employee benefit solutions to a global audience, **and in Generali Link**, an Irish company providing shared services in fund and policy administration. Generali Worldwide will continue to act as the partner of the employee benefits network of Generali and the latter will manage its health portfolio.

**Announced the launch of Axis Retail Partners**, a new real estate boutique focusing on shopping centre investments. The partnership is in line with the Generali's strategy to further increase its exposure to real estate, where it is already one of the world's leading investors through Generali Real Estate.

### April

**Signed an agreement to take over the insurance portfolios** of three entities of ERGO International AG in Hungary and Slovakia, in line with the Group's strategy to further enhance its leading position in Europe.

**Increased the share capital of Assicurazioni Generali** to € 1,569,600,895 in execution of the Long-Term Incentive Plan approved by the Shareholders' Meeting in 2016.

**Completed the sale of 89.9% of the shares of Generali Lebensversicherung** and established the industrial partnership with Viridium Gruppe in the German insurance market, aimed at managing assets in the Life portfolio of Generali Lebensversicherung.



## May

The **Shareholders' Meeting** approved the 2018 Parent Company Financial Statements, the Group's remuneration policy and Long-Term Incentive Plan (LTIP) 2019, and the share plan for the employees of the Generali Group aimed to promote the achievement of the strategic objectives, a culture of ownership and empowerment, as well as the employees' participation to the Group's sustainable value creation.

Some amendments to the Articles of Association were also approved, among which the removal of the age limits set for the appointment of the Board directors, the Chairman and the Managing Director.

Elected the new Board of Directors that will be in office for three financial years, until the approval of the financial statements at 31 December 2021, and determined its remuneration.

Appointed KPMG S.p.A. as independent auditor for the period 2021-2029, after the selection process coordinated by the Board of Statutory Auditors

**Frédéric de Courtois**, General Manager of the Generali Group, appointed as **vice-chairman of Insurance Europe**, the European insurance and reinsurance federation.

The Group **announced its decision to not refinance € 1.25 billion of senior debt maturing in January 2020**, in line with the debt reduction target included in the Generali 2021 strategic plan.

**Signed an agreement for the sale of the Life run-off portfolio of its UK branch** that will strengthen the Generali's capital position.

**Fitch upgraded the Generali's Insurance Financial Strength (IFS) credit rating to "A" from "A-" and confirmed its Issuer Default Rating (IDR) at "A-"**. The outlook remained negative on both ratings.



## June

Assicurazioni Generali will exercise the **early redemption option on all outstanding perpetual subordinated notes** belonging to ISIN XS0440434834 for a € 50 million nominal amount. The early redemption of all outstanding notes, which will take place in accordance with the relevant terms and conditions, was authorized by the Italian insurance regulatory agency (IVASS).

**Completed the 100% acquisition** of the Polish asset management company **Union Investment TFI S.A.**, launched in October 2018.

The Board of Directors of Assicurazioni Generali resolved to submit a **2019-2022 special stock plan for the Managing Director/ Group CEO** to the approval by the next Shareholders' Meeting.



## July

**Increased the share capital of Assicurazioni Generali** to € 1,569,773,403 in execution of the special stock plan for the Managing Director/Group CEO related to the 2016-2018 term in office, approved by the Shareholders' Meeting in 2017. The shares have a par value of € 1.00 each, including the additional so-called dividend equivalent shares, and will be subject to the so-called minimum holding period, as set forth in the plan rules.



## 2019 key facts

### September


Generali confirmed in the Dow Jones Sustainability World Index (DJSI) for the second year running and added, for the first time, to the Dow Jones Sustainability Europe Index (DJSI Europe). This important recognition is testament to the Group's commitment to sustainability, which plays a fundamental role in the Generali 2021 strategy.

 The Generali 2021 strategy, p. 24

Generali successfully concluded the buyback of its subordinated bonds for an aggregate principal amount of up to € 1 billion callable in 2022 and the placement of its first green bond for an amount of € 750 million. In line with the Generali 2021 strategy, this proactive approach to managing the debt contributes to the reduction in the external debt and its interest costs.

The green bond issue represents another important step in fulfilling the Group's sustainability commitments, which are part of our business model.

 The Generali 2021 strategy, p. 24

 For further information, see the Annual Integrated Report and Consolidated Financial Statements 2019, Debt and liquidity, p. 60

Generali ranked first global insurance group according to Forbes, on the basis of criteria of trustworthiness, social conduct, product and service quality, and treatment of employees.

### October

During the 51<sup>st</sup> edition of the Barcolana Autumn Cup sailing regatta in Trieste, Generali promoted two projects on diversity and the safeguarding the marine ecosystem. Palazzo Berlam, the new Generali Group Academy headquarter, has been reopened to the public. The international training centre will support Generali in the management transformation processes, building and strengthening new leadership positions, facilitating career paths through skills development, and contributing to attracting, developing and retaining talent. All the spaces have been organised according to the Smart Workspaces guidelines of Generali; the restructuring work also involved seismic upgrading and energy efficiency measures, in line with the objectives to reduce environmental impacts set by the Group.

As for the support to sports activities and events that encourage a healthy lifestyle, aimed at improving the well-being of people, Generali is the title sponsor of the Milan Marathon for the second year running. The Group will be represented at the event, which will be held in April 2020, by The Human Safety Net, the initiative that unites the potential of the social sector with that of Generali on a global level, and which aims to have a long-term impact on the lives of the most vulnerable people and bring out their talents.

### November

Presented Arte Generali, an innovative business unit aiming at becoming Life-time Partner to art collectors, offering prevention, protection and insurance solutions, integrated with unmatched services and cutting-edge technology. Arte Generali is inspired by the Group's aim to expand its value proposition to customers, as part of its Profitable growth pillar of Generali 2021.

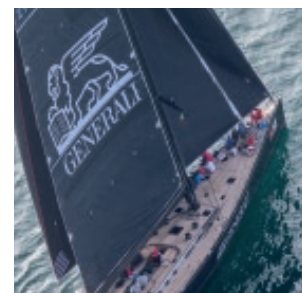
 The Generali 2021 strategy, p. 24



### December

Stipulated an advertisement agreement in Argentina with Mercado Libre, the biggest e-commerce operator in South America, as to empower the non-life insurance business. The agreement makes it possible to strengthen the Group's digital transformation process, developing innovative B2B2C business models and opening new customer contact channels.

The Royal Gardens of Venice were reopened following thoroughgoing restoration promoted and carried out by the Venice Gardens Foundation, with Generali as its main partner. The Royal Gardens' cultural activities are closely connected to the aims of The Human Safety Net, whose central office will be located in the Procuratie Vecchie.





# Significant events after 31 December 2019 and 2020 corporate event calendar

## January

Completed the acquisition in Portugal of 100% of the company Seguradoras Unidas and the service company AdvanceCare. The transaction announced in July 2019 represents an important step in the execution of the Group's three-year strategy which aims to strengthen Generali's leadership in Europe.

Generali included in the Corporate Knights' 2020 ranking Global 100 Most Sustainable Corporations, consisting of the world's 100 most sustainable corporations. This recognition highlights the evolution of Generali's sustainability journey, which is an integral part of the Generali 2021 strategy.

Generali joined the United Nations-convened Net-Zero Asset Owner Alliance, a group of 18 pension funds and insurers, committed to decarbonize their portfolios to net-zero emissions to avoid a global temperature increase above the 1.5°C Paris target. The Alliance will closely work with companies in portfolios as to change their business models, adopting climate friendly practices and ideally setting a net-zero target based.

Energy Hub launched in the Generali Tower in the CityLife district of Milan, an innovative space dedicated to stimulating the physical and mental energy of all employees and promoting a healthy and sustainable lifestyle. Designed in line with Ministry of Health guidelines as part of a preventive health approach, Energy Hub is the latest stage in a true welfare journey for Group employees.

## February

Bank of Italy authorized ThreeSixty Investments to operate as an asset manager (Società di Gestione del Risparmio) under the Italian law. The first Italian boutique of Generali, announced in April, aims to offer highly diversified multi-asset investments and solutions, with an innovative integrated investment approach across a wide range of asset classes.

In line with the Group's sustainability and capital management strategy, Generali developed its first Framework for the Green Insurance Linked Securities, alternative mechanisms for the transfer of insurance risk to institutional investors.

## March

**12 March 2020**  
**Board of Directors**  
Approval of the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal and the Corporate Governance and Share Ownership Report at 31 December 2019 and the Report on Remuneration Policy and payments

**13 March 2020**  
**Release of the results** at 31 December 2019

## April

**30 April 2020**  
**Shareholders' Meeting**  
Approval of the Parent Company Financial Statements at 31 December 2019 and the Remuneration policy as well as the other agenda items

## May

**20 May 2020**  
**Board of Directors**  
Approval of the Financial Information at 31 March 2020

**20 May 2020**  
**First tranche\* of dividend payout** on the share of Assicurazioni Generali

**21 May 2020**  
**Release of the results** at 31 March 2020

## July

**29 July 2020**  
**Board of Directors**  
Approval of the Consolidated Half-Yearly Financial Report at 30 June 2020

**30 July 2020**  
**Release of the results** at 30 June 2020

## November

**11 November 2020**  
**Board of Directors**  
Approval of the Consolidated Half-Yearly Financial Report at 30 June 2020 and Board's verification of capital and regulatory requirements for the payment of the second tranche\* of dividend payout on the share of Assicurazioni Generali

**12 November 2020**  
**Release of the results** at 30 September 2020

**18 November 2020**  
**Investor Day**

\* As deliberated by the Board of Directors in April 10, 2020; please refer to pag. 94 for further details.

# The value creation process

## EXTERNAL CONTEXT

Geopolitical, macroeconomic and financial instability

Digital transformation and cybersecurity

### OUR PURPOSE

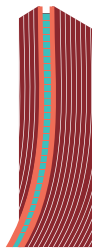
Enable people to shape a safer future by caring for their lives and dreams

#### VALUES

- Deliver on the promise
- Value our people
- Live the community
- Be open

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

### THE GENERALI 2021 STRATEGY, p. 24



Being a Life-time Partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network

Leading the European insurance market for individuals, professionals and SMEs, while building a focused, global asset management platform and pursuing opportunities in high potential markets

### OUR GOVERNANCE, p. 38

Within a challenging economic and financial environment, we are convinced that our governance - which complies with the best

### OUR BUSINESS MODEL



We develop simple, integrated, customized and competitive Life and Property&Casualty **insurance solutions** for our clients: the offer ranges from savings, individual and family protection policies,



We distribute our products and we offer our services based on a **multi-channel strategy**, while also relying on new technologies: not only through a global



The premiums we receive from our clients to enter into insurance contracts are responsibly



The premiums collected are managed through appropriate asset-liability management policies as to guarantee the **payment of claims and benefits**

FINANCIAL CAPITAL  
HUMAN CAPITAL  
SOCIAL AND RELATIONSHIP CAPITAL  
INTELLECTUAL CAPITAL  
MANUFACTURED CAPITAL  
NATURAL CAPITAL



Glossary available, Annual Integrated Report and Consolidated Financial Statements at the end of this document



Challenges and opportunities of the market context, p. 18

Climate change

Aging and evolving social security

OUR CULTURAL  
TRANSFORMATIONAL  
AREAS



Ownership



Innovation



Simplification



Human touch

BRAND



They represent one of the building blocks of our strategy. The communities promote a collaborative approach among colleagues, by removing any functional and geographical barriers; they share knowledge and work together also for the identification and scale-up of best practices in the Group. Thanks to their new way of working, based on collaboration and co-creation, they accelerate the implementation of innovative ideas in an inclusive environment, in full alignment with strategic initiatives.

international practices - is adequate for effectively pursuing our strategy of creating value for all stakeholders in the medium-long term.

unit-linked policies, as well as motor third-party liability (MTPL), home, accident and health policies, to sophisticated coverage for commercial and industrial risks and tailored plans for multinational companies.

network of agents and financial advisors, but also through brokers, bancassurance and direct channels.

invested in high quality **assets**.

to our policyholders or their beneficiaries after death, accidents or the occurrence of the insured event.

**FINANCIAL CAPITAL, p. 47**  
in the Annual Integrated Report and  
Consolidated Financial Statements 2019

**MANUFACTURED CAPITAL, p.60**  
in the Annual Integrated Report and  
Consolidated Financial Statements 2019

**HUMAN CAPITAL, p. 29**

**SOCIAL AND RELATIONSHIP CAPITAL, p. 32**

**INTELLECTUAL CAPITAL, p. 26**

**NATURAL CAPITAL, p. 33**

## Challenges and opportunities of the market context

From the analysis of the context in which we operate and after listening to the parties affected by our activities, we have identified and itemised below the four most material mega trends that present significant risks and opportunities for the Group, for its value chain and for the stakeholders. We systematically assess the risks and guarantee that they are adequately monitored, and we also define our strategies and manage the activities while taking into account these challenges to protect our ability to create value over the years.



Risk Report, p. 101 in the Annual Integrated Report and Consolidated Financial Statements 2019 for more detailed information on the risk management model and on the capital requirement

### Geopolitical, macro-economic and financial instability

The slowdown in **global growth** that began in 2018 continued throughout 2019, while showing signs of improvement towards the end of the year. The World Bank pointed out a context of increasing risks due to the renewed trade tension between China and the USA that eased off towards the end of the year, economic weakness in the industrialised countries, and the downturn in global trade and the strength of the US dollar. The complex management of the Brexit continues in Europe, following the formal country's withdrawal from EU occurred at the end of January 2020. The beginning of 2020 was also characterized by the spread of a pandemic generated by the Covid-19 Coronavirus, initially developed in China. The Eurozone was affected by a combination of endogenous uncertainties and weaker global growth, with a recession in the manufacturing sector, fewer produc-

tion expectations and a resulting drop in investments. In the United States, GDP grew by 2.3% in 2019 against a backdrop of trade tensions, slowdown in domestic consumption and greater contraction in investments.

In this context, the Federal Reserve (Fed) and European Central Bank (ECB) adopted accommodating policies. The Fed cut rates by 75 base points while the ECB re-launched quantitative easing, with consequent possible inflation increases over the mid-term.

With reference to the **insurance sector**, the downtrend distinguishing the European Life segment since 2015 is less noticeable, although it continues to be influenced by the long-term weakness of the government yields and, as a result, by the switching from traditional to unit-linked and hybrid products. Despite the not particularly dynamic macro-economic scenario that distinguished 2019, in the P&C market premiums in the main Eurozone countries grew at a good pace, above all with good performance in the health business, mostly in Italy and France.

### and our management

The **asset allocation strategy** is still mostly guided by market expectations and the Group's profitability and solvency objectives. The regulatory system and the continued low interest in a global context of continuing uncertainty render it essential to manage assets in a rigorous and careful manner that is consistent with liabilities. Geographical diversification and selective focus on alternative investments (private equity and private debt) and real assets (real estate assets and/or infrastructural assets, both direct and indirect) continue to be important factors in current investment activities which aim to contain portfolio risks and sustain current profitability.

The development of a **multi-boutique insurance asset managers platform** is part of the strategy to enhance the investment capacity in these market sectors.

We are exposed to the **market risks** arising from the value fluctuations of the investments and to the **credit risks** linked to the risk of counterparties' non-fulfilment as well as to expansion of the credit spread. We are handling these risks by following principles of sound and prudent management, in line with the Prudent Person Principle and with the Group Investment Governance Policy and risk guidelines. We measure financial and credit risks using the Group's Partial Internal Model, which offers us a better representation of our risk profile.

## Digital transformation and cyber security

We are facing a **profound change** guided by the interaction and the cumulative effects of various developments in technology: Internet of Things, cloud services, cognitive computing, advanced analytics, Robotic Process Automation (RPA), artificial intelligence and the development of mobile networks are elements that contribute to creating a renewed environment in which to operate in order to optimise efficiency, operations and proximity with our customers. We are particularly witnessing the spread of public and context data, the progressive digitalisation of customers, the growing appetite for personalised products and the computing power available at low prices that doubles one year after the next. These elements allow insurance companies to

transform their way of doing business and to step into the so-called world of ecosystems, where the borderlines between businesses at one time different and distinct are becoming fainter and fainter in order to offer customers a service in addition to a product.

Technological evolution also involves exponential growth in **cyber** threats, such as attacks aimed at stealing information or blocking operational processes. Adequate management of this risk is therefore fundamental in order to limit potential effects of economic and operational nature but also to preserve, in particular, the confidence of customers in the processing of their data which are frequently sensitive. The issue is also increasingly relevant for regulators which have in recent years introduced specific safety measures as well as reporting processes in the case of security incidents (for example, **General Personal Data Protection Regulation**).

## and our management

The analysis, enhancement and governance of data are increasingly part of the DNA of the Group's production processes, from the systems for improving fraud identification to personalisation of the offer, from the automation of processes to anticipating customers' needs. The formulations and analyses necessary to enrich customer relations are carried out - while guaranteeing anonymity - both by the single business units on their own and with the Group's support through specific tools and skill sets. The increasing internal culture has made it possible to consolidate platforms that let us leverage synergies coming from the **RPA** and the **cognitive** technologies, thus allowing increasingly complex processes to be automated which increases quality and efficiency.

Our goal is now to extend the successful cases achieved in the analytical and technological area by some of our companies to the entire Group, in this way realizing scale economies.

The strength of internal sharing is the many Communities of Practice that catalyse the interests of sector and business experts, making the sharing and orchestration of investments effective.



The value creation process, p. 16

In the perspective of ongoing improvement and exploring new opportunities, we are continuing to scout platforms

both based on traditional integration technologies (API) and the Blockchain/Distributed Ledger type that lead the way to new digital ecosystems.

We are in step with the new technologies and are protecting ourselves from the new threats. We are continuing to **enhance our ability to prevent, detect and respond to potential cyber attacks** while implementing the most innovative security solutions and constantly improving our response processes. Through the Security Operation Center (SOC), we are able to monitor all events recorded by our security solutions 24 hours a day, detect potential incidents and step in with containment and restoration actions. SOC's performance are monitored in a structured manner through specific indicators, that are not reported due to security reasons. In agreement with the operational risk management model, we have adopted an intervention assessment and prioritisation framework supported by an IT tool available to our countries. The **regulatory corpus concerning security** at Group level, which is in line with the major reference standards (NIST, ISO 27001, etc.) and with the sector's best practices, has been further reinforced with a specific Security Policy. Lastly, we are busy consolidating the security ethos in the Group via many communication and training initiatives, including internal phishing simulation campaigns.

We are measuring **operational risk** following the regulatory standards and with qualitative and quantitative models that allow us to grasp our most important exposures and to define the adequacy of the existing controls.

## Climate change

Climate change is a material risk with potential more limited effects over the short term, however potentially catastrophic over the long term. Associated with this risk is a high degree of uncertainty in accurately determining a time frame and magnitude of the impacts, especially at the local level. The identified impacts can be classified as physical risks and transition risks (from which litigation risks might emerge) and opportunities.

The **physical risks** are determined by the change or intensification of weather phenomena, including extreme natural events such as storms and cyclones, flooding, floods, fires and a rise in sea level. For the insurance sector, these phenomena above all affect pricing risk and natural catastrophe risk in the P&C segment, impacting - conditions being equal - on the number and cost of the claims and their management expenses, as well as reinsurance costs. The Life segment might also be impacted. The intensification of the heat waves and the expansion of the habitats suitable for hosting carriers of tropical diseases indeed might worsen the expected mortality and morbidity rates.

Furthermore, the physical risk caused by climate change, which worsens the living conditions of the population and increases damages not covered by insurance, might lead to a deterioration of socio-political stability and the macro-economic and geopolitical conditions, with cascade effects on the overall economy and on the financial system. In the case of insufficient infrastructural and organisational measures to prevent and mitigate physical risk caused by climate change, in order to strengthen the resilience of the territories, the insurance sector might be subject to reputation risk tied to the tendential reduction in its ability to offer the population adequate insurance coverage at accessible economic terms and conditions.

The **transition risk** is associated with the decarbonisation of the economy: changes in domestic and international

public policies, in technologies and in consumer preferences might affect the value of investments linked to activities, sectors or countries having a high carbon footprint (so-called stranded assets). A good portion of the impact of these risks depends on the speed to come into line with stricter environmental standards and on the public support that will be guaranteed for reconversion. The transition risk is therefore influenced by factors marked by a high degree of uncertainty, such as political, social and market dynamics and technological changes. Even though the speed of transition and its risks are hard to determine today, they will probably have wide-ranging consequences, especially in several sectors such as energy.

One transition risk is **reputation risk** that comes from trade relations with companies of the coal sector, which are subject to increasing censure by public opinion.

Lastly, the climate change mitigation and adaptation strategies present **opportunities**. A connected increase in demand for protection through specific solutions is plausible as weather phenomena and extreme natural events change or intensify. The new regulations in Europe aimed at creating incentives for transition to a green economy, together with the changes in consumer preferences, are also supporting the market of insurance products tied to the renewable energy sector, and this strengthens the demand for investment products linked to green finance by both institutional investors and the retail segment, and boosts demand for insurance solutions that accompany the customer in adopting sustainable lifestyles.

Lastly, the decarbonisation of the economy and, more specifically, the large-scale spread of systems producing energy from renewable sources require substantial investments that are only partly covered with public funds, in this way increasing investment opportunities for private parties.

## and our management

We have defined **processes and tools to mitigate the risks and to seize the opportunities arising from climate change**.

These include monitoring the adequacy of the actuarial models to assess and rate risks, recourse to risk transfer mechanisms, periodical analysis of the investments, product and service innovation processes, dialogue with the stakeholders and development of partnerships in the sector to share knowledge and identify system solutions. Particularly noteworthy is our participation in the UNEP-PSI TCFD<sup>14</sup> work group, the PRI (Principles for Responsible Investments) Climate Action 100+ network, in the PRI and LSE (The London School of Economics and Political Science) Investing in a Just Transition, and the Investors Leadership Network.

We manage short-term **physical risk** by adopting a risk monitoring and underwriting strategy optimisation process with the use of actuarial models that are periodically updated in order to estimate potential damage, including natural catastrophe damage, influenced by climate change. We turn to reinsurance contracts and alternative risk transfer instruments, such as the issue of insurance securities protecting against natural catastrophe risk (cat bonds). Furthermore, in order to reduce exposure to the physical risk of our corporate customers in the Property & Casualty segment, we provide engineering consulting services to introduce technical-organisational improvements capable of increasing the protection of the insured assets even from natural calamity events, and we define claim prevention programmes and periodically monitor them. Lastly, we have set up special procedures to speed up damage appraisal and claims settlement in the case of natural catastrophes and extreme events so as to strengthen the resilience of the territories struck and to facilitate the post-emergency assistance and return to normality phase.

As regards the management of **transition risk**, we are reducing the already limited exposure of the investment portfolio to issuers of the coal and tar sand sectors. For the insurance activities, the Group no longer underwrites any risk tied to the construction of new coal-fuelled power plants or coal mines.

In those countries where coal accounts for over 45% of the domestic electricity mix<sup>15</sup>, to limit the negative social impacts deriving from our decision to quit this

sector, we are carrying out engagement activities with the companies with whom we have trade relations to implement the principle of just transition that combines the need to protect the climate with minimisation of consequences for local employment and energy procurement. The engagement activity is focused on monitoring emission reduction, worker protection and retraining, and community support plans by analysing their costs and investments allocated for these purposes. Lastly, to demonstrate consistency with the commitments requested of our customers, issuers and trade partners, we are monitoring the greenhouse gas emissions generated by our direct activities and implementing progressive reduction strategies, also by purchasing energy produced by renewable sources.



A continuous commitment to sustainability, p. 33

In order to seize the opportunities arising from mitigation and adaptation to climate change, we have developed and promoted the distribution of insurance solutions to protect customers from natural catastrophe damage, including damage influenced by climate change, to support customers in adopting sustainable lifestyles and coverage for the renewable energy sector. We are also expanding the offer of thematic investment products linked to green finance for the retail segment.



For further information, see the Annual Integrated Report and Consolidated Financial Statements 2019, Group's performance, p. 49 and Our main markets: positioning and performance, p. 65

In order to seize the opportunities linked to the decarbonisation of the economy and to carrying out measures to strengthen the resilience of the territories to meet climate change, we are increasing our investments in green bonds and in sustainable infrastructure projects. We also issued our first green bond to finance or refinance projects relating to, for example, the improved energy efficiency of the Group's real estate assets in 2019.



For further information, see the Annual Integrated Report and Consolidated Financial Statements 2019, Debt and liquidity, p. 60

1 The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) aiming at formulating a set of recommendations on reporting climate change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors..

2 Data provided by the International Energy Agency.

## Ageing and evolving social security

Modern communities continue to be influenced by distinct demographic and social phenomena with a strong impact on their socio-economic balances.

In the more mature European economies, we are witnessing a continual process of **population aging**, driven by an **increase in life expectancy** and a **decrease in birth rates**. The international **migration phenomena** only partially counter-balance this trend, which is in any case otherwise influenced by socio-political initiatives adopted locally. Outside of Europe, we are noticing similar phenomena, though of a diversified scope and in any case significant on a broader time horizon.

In the most European countries, the younger age groups are affected by a reduced and often discontinuous capacity to generate average income; this is strongly influenced by a flexible but precarious labour market that does not ensure reasonable certainty for financing the public welfare system. The result is increasingly unbalanced communities where higher post-retirement

pension and healthcare requirements are no longer properly financed and covered by the public system.

The **healthcare need** naturally evolves towards increasingly sophisticated, hence costlier, supplies and services. At the same time, an enhanced awareness of the bond between health, lifestyles and the environmental context is developing thanks to both public social initiatives and greater proactiveness and promotion from private market.

Erratic local political choices are weighing on the solidity of the welfare systems. A greater perception of uncertainty impacts the coverage of the immediate healthcare and public welfare access requirement, so it is altering system balances that can only take shape over a long-term horizon.

In the context described above, the limited financial resources produced by the younger categories of the population, or from private savings in general, have to be directed and valued more carefully.

Lastly, the matter of human rights grows in importance, especially in the less mature economies, where labour law is under development.

ARTIFICIAL AGING  
 MARKETS INTELLIGENCE  
 INTEREST RATES MIGRATIONS  
 HEALTHCARE SYSTEM INCLUSION  
 SMART WORKING DIGITALIZATION  
 CLIMATE MACROECONOMIC TECHNOLOGY  
 CHANGE CONTEXT



## and our management

We actively engage in creating more stable communities while monitoring and tackling the effects of a changing society. This is why we develop and offer **flexible and modular pension and welfare solutions** for the coverage of healthcare costs and other potential current and future needs for individuals, families and communities. We are committed to become a **Life-time Partner** to our customers, strengthening the dialogue with individuals during their entire period of interaction with our companies through new, streamlined services accessible 24/7. We are focused on **digitalization** both as a communication channel and as a lever of efficiency of services to our customers, as well as to our distribution network. In particular, we are focusing on the senior customers segment with modular solutions that combine savings, protection and services in a welfare perspective. We provide customers with **complete and easily accessible information on products and services** while helping them to understand the primary factors that may affect their income capacity and quality of life, and aiding them in accurately assessing their capacity to save as well as identifying their current and future needs. We believe that insurance coverage is the most appropriate tool to forecast and meet potential needs for people of all ages

with the required advance notice; we therefore formulate, and present offers even in the case of market contexts with little knowledge and low individual propensity for insurance solutions.

Life and Health products, including pension and welfare products, imply Generali's acceptance of **biometric underwriting risks**, typically mortality, longevity and health. We therefore need to manage them through underwriting processes that are based on an updated assessment of the socio-demographic conditions of the population whose purpose is to understand their relative trends. We also have solid **pricing and product approval processes** that offer a preliminary analysis of the cases regarding the biometric factors, in line with Local Product Oversight Governance Policies. Such processes are part of a structured governance defined in the **Group Policy on Life underwriting**. Lastly, we measure the mortality, longevity and health risks using the Group's Partial Internal Model. We also commit ourselves to and monitor the respect of human rights thanks to the Group's guidelines and policies, including the Code of Conduct, the Responsible Investment Guideline and the Responsible Underwriting Guideline.



Our rules for running business with integrity,  
p. 38

**CONSUMPTION**

**WOMEN REGULATORY PATTERNS**

**EMPOWERMENT DEVELOPMENTS PENSION**

**CYBERSECURITY SYSTEM**

**FINANCIAL BIG DATA NATURAL CATASTROPHES**

**INTEGRATED GOVERNANCE DECARBONIZATION**

**LIFESTYLE INEQUALITY**

# The Generali 2021 strategy

Being a Life-time Partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network

## Profitable Growth

### STRENGTHEN LEADERSHIP IN EUROPE:

reinforce #1 market position<sup>3</sup>

### FOCUS ON HIGH POTENTIAL INSURANCE MARKETS:

**15%-25%** earnings CAGR 2018-2021 depending on country/segmentv

## Capital Management and Financial Optimization

### INCREASE CAPITAL GENERATION:

> **€ 10.5 billion** cumulative capital generation 2019-2021

### ENHANCE CASH REMITTANCE:

**+35%** cumulative cash remitted to holding 2019-2021 compared to period 2016-2018

## Innovation and Digital Transformation, p. 26

### BECOME LIFE-TIME PARTNER TO CUSTOMERS, p. 27

### ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION, p. 27

**about € 1 billion** total investment in internal strategic initiatives 2019-2021

Three key enablers which drive the execution of the strategy:

**1. Our people, p. 29**

**2. A strong brand, p. 32**

<sup>3</sup> Based on IAS-IFRS gross written premiums in Europe at year-end 2017.

Leading the European insurance market for individuals, professionals and SMEs, while building a focused, global asset management platform and pursuing opportunities in high potential markets

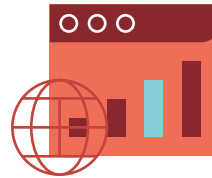
**DEVELOP GLOBAL ASSET MANAGEMENT PLATFORM:**  
15%-20% earnings CAGR 2018-2021

**REDUCE DEBT LEVEL AND COST:**  
€ 1.5-2.0 billion debt reduction by 2021;  
€ 70-140 billion reduction in annual gross interest expense by 2021 vs 2017

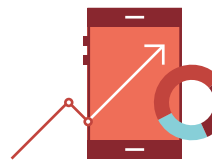
**TRANSFORM AND DIGITALIZE OPERATING MODEL,** p. 28

## Generali 2021 – Financial Targets

For further information, see the Annual Integrated Report and Consolidated Financial Statements 2019, Our performance, p. 47



**GROWING EARNINGS PER SHARE:**  
**6%-8%**  
EPS CAGR range<sup>4</sup> 2018-2021



**GROWING DIVIDEND:**  
**55%-65%**  
dividend payout range<sup>5</sup> 2019-2021



**HIGHER RETURN FOR SHAREHOLDERS:**  
**> 11.5%**  
average return on equity<sup>6</sup> 2019-2021



**3. A continuous commitment to sustainability,** p. 33

<sup>4</sup> 3 year CAGR; adjusted for impact of gains and losses related to disposals.

<sup>5</sup> Adjusted for impact of gains and losses related to disposals.

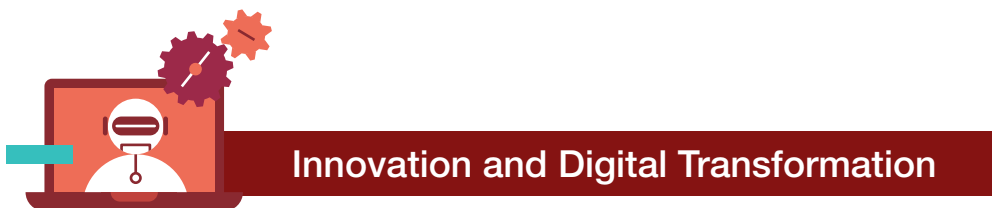
<sup>6</sup> Based on IFRS Equity excluding OCI and on total net result.

During 2019, we launched a number of initiatives to guarantee implementation of the new transformation strategy based on its ambition to become a Life-time Partner for our customers.

The **strategic initiatives** are applied to both the corporate functions and the Group's geographies throughout. They therefore involve all the business units and are focused on implementing the priorities identified in Generali 2021, such as the creation of a European platform for developing mobility, the launching of a new range of modular products and the transforming the operational model.

The strategic initiatives actively involve hundreds of colleagues throughout the Group, and their goal is to accompany the business units on their paths to meeting the objectives of the strategic plan by promoting an agile and entrepreneurial work method, by increasing the level of involvement and sharing between all employees.

We have also developed another tool supporting the strategy called FastBoard. It is a dashboard that summarises the performance of the key indicators functional for carrying out the Generali 2021 strategy, and it is used to both monitor progress and as a tool for communicating and sharing with all Group employees.



## Innovation and Digital Transformation

### Investments in internal strategic initiatives

2019 in line with 2021 target, amounting to about € 1 billion

The third pillar of Generali 2021, based on innovation and digital transformation, has the following objectives :

- make Generali Life-time Partner for its customers;
- support the digital transformation of its distributors;
- transform the operational model in order to make it more digital-oriented.

We therefore launched a number of projects oriented toward the creation of innovative solutions to develop business and aimed at making Generali an important player in the field of innovation and digitalisation. The launch of the Pan-European platform for mobility and development of the new digital strategy are examples of this.

More specifically, the strategic initiative concerning implementation of the **mobility platform** sets the goal of developing digital services for the integrated mobility market in both the retail and corporate areas by leveraging innovative solutions defined by Jeniot, the new services company created in Italy. We are aiming at developing an offer at European level, starting from the markets where the Group is mostly present. In 2019, we signed an agreement aimed at developing traditional and connected insurance business with FCA in Italy, Germany, France and Poland.

As far as the **new digital strategy** is concerned, we are aiming at offering excellent experiences to our customers, distributors and employees, by transforming Generali into a data-based agile organisation and by leveraging innovation and collaboration with technological start-ups (for example, partnerships with Plug and Play and HITS - House of Insurtech Switzerland).

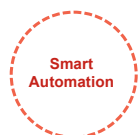
We have singled out **five key enablers**:



give inspiration and methods to best exploit new business and technological opportunities



reinvent customer journeys, customer knowledge, touchpoints, transparency and interactions



accelerate process automation thanks to re-engineering and adoption of new technologies



guide business decision-making process and enhance competitive advantage through data, analytics and artificial intelligence



a lean, flexible and empowered organisation will enable us to move more quickly



Glossario available in the Annual Integrated Report and Consolidated Financial Statements 2019 at the end of document

## BECOME LIFE-TIME PARTNER TO CUSTOMERS

## ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION

Life-time Partner is our transformation strategy. It's an operational and cultural transformation that combines simplicity and innovation with empathy and care at all touchpoints and channels.

For customers, it is about making them feel that we are not only the trusted partner for their insurance needs, but that we are always accessible, that we care for their needs, that we are proactive, and that we can offer protection, prevention and assistance in every field that is relevant for them (family, home, mobility, health, safety etc.). In other words, that we can stand by them over the course of their entire lives.

It's a journey that started listening to our customers and distributors, understanding their needs and acting based on their feedback. Now key role in this journey is played by 8 **Hallmarks**. We have identified four customer hallmarks, distinguishing traits that we want our customers to experience in their relationship with us, and four distributor hallmarks, which will allow our distributors to better meet all client needs.

### Customer Hallmarks to become Life-time Partners to our customers

n.m.

**61 million customers<sup>7</sup>**

#### Human & caring experience



Our mission is to ensure Human & Caring experiences are perceived everywhere in the customer journey, across all channels and touchpoints, in the language we speak, in our products, in our attitude.

#### B1 language



We want to write all our documents in B1 language, a language level that 95% of the population understands. Our documents and daily communications must be clear and transparent, avoiding complicated sentences and jargon.

#### Differentiating value propositions propositions



Our aim is to offer personalized solutions that help our customers to get the best out of their life's, every day. We add value added services such as prevention, protection, assistance to all our products in order to strengthen the relationship with our customers.

#### Seamless omnichannel experience



Our goal is to build the best digital omnichannel experience for all our customers around the world and continuously improve it. We want our tools to become the easiest and fastest channel of interaction for our customers 24 hours a day, offering value and inspiration, fostering engagement and loyalty through seamless digital interaction.

<sup>7</sup> The number of customers refers to all insurance entities, banks and pension funds (line-by-line consolidated entities, few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings, and relevant direct B2C - Business to Consumer - business of Europ Assistance in Belgium, Italy, France, Spain and USA).

### Distributor Hallmarks for our Life-time Partner distributors

+0.9%

**156 thousand distributors<sup>8</sup>**

#### Digital visibility



80% of consumers start their search online when they seek product or service information. That is why our first hallmark is for our 156 thousand distributors to be present online, including social media..

#### Management of generated leads



We will generate and manage leads with a data driven and performance focused approach, in order to boost conversion. An always-on, targeted marketing paired with digital tools to enhance the distribution of leads will activate sales in the most efficient way, creating a positive impact on our distribution network.

#### Needs'-based advisory



Our distributors will gain access to a tool with a 360° view of customer data so that they can advise their customers and find the best solutions matching their goals and lifestyle. Products will be modular and data will allow for a high level of personalization.

#### Paperless



We want to be a sustainable Group. We want to be efficient. Part of this means providing an increasingly digital experience and reducing our use of paper documents. This will allow for e-signatures, make it easier to store information and cut down on waste

### TRANSFORM AND DIGITALIZE OPERATING MODEL

The **digital transformation** of the operational model is systemic.

In Generali, it passes through the revision and radical reappraisal of **processes, computer systems, procedures and roles** of the entire Group structure.

We are particularly redesigning the processes using the design thinking methodology, involving both experts of the sector and direct interesting parties and leveraging the new technologies such as automation. We are developing Artificial Intelligence technology-based tools and are introducing new tools to manage, in mobility or totally digital, customer relations, and we are also creating innovative products based on data generated by Internet of Things sensors.

We also believe that it is necessary to adapt and expand **knowledge and skills** of our people. GPeople Strategy is planning a specific training programme for reskilling and upskilling that will affect 50% of our employees over the next two years, so that they can perform activities with more effective tools while relying on information and records generated by evolved analysis systems.

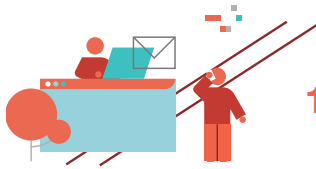


Our people, p. 29

Digital transformation also has a significant external impact, first and foremost on the offer to our customers and in the experience of our agents. We undertake to create and consolidate **digital access points** able to guarantee the use of the information and the services with a rich, simple and quick experience using many digital channels. We are also continuing down our **technology observation and testing** journey to support the digitalisation of the operating model and ecosystem in which we operate. New platforms, like those made possible by Blockchain and Distributed Ledger, automatic image analysis tools and biometric technologies are allowing processes, even those that are highly complex, involving Group customers, partners and companies to be transformed.

<sup>8</sup> The number of distributors refers to all insurance entities with relevant traditional distribution networks (line-by-line consolidated entities and few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings).

## Three key enablers of our strategy which drive its execution:



### 1. Our people

+1.7%  
**71,936 employees**

The acquisitions during 2019 led to an increase in the number of employees, that was higher than the reduction due to the disposals of German and Belgian businesses.

+0.2 pps  
**51%**

-0.2 pps  
**49%**

In line with the launch of the new strategic plan and business priorities, in 2018 we developed the new Generali People Strategy, **GPeople 2021**, which will guide the Group's priorities and initiatives in 2019-2021. This strategy was defined through a co-creation process involving more than 400 of the Group's people at various organizational levels. The result was the definition of **five lines of transformation**:

- promote a culture of innovation, customer-centricity and inclusion;
- build and develop key competencies for the digital age;
- favour the development of leaders and global talent;
- leverage excellence and the creation of sustainable value;
- become a simple, agile and efficient organization..

All the lines of transformation are supported by specific global and local initiatives and targets defined and monitored in line with Generali 2021.



### Promote a culture of innovation, customer-centricity and inclusion

Generali encourages an environment where people are open and inclusive, supporting genuine values, consistent behaviours and a common purpose.

#### Life-time Partner - Behaviours

In order to promote a culture of innovation and become the **Life-time Partner to our customers**, the adoption of four new behaviours is key: **ownership, simplification, innovation** and the **human touch** in everything that we do.

In 2019, a training experience called **Behaviours in action experience** was designed. It allowed over 9,800 people working at the various Group companies to experience these four behaviours. The objective was to train all our people through this format provided both in the classroom and through an e-learning platform.

#### Managerial Acceleration Program (MAP)

In 2017, we launched the **Managerial Acceleration Program (MAP)**, dedicated to all people managers of the Group. It is based on the eight **Generali Empowerment Manifesto (GEM)** behaviours and its aim is to encourage a people empowerment-based managerial culture. In 2019, the programme was updated in line with Generali 2021, and the remaining managers were trained, which contributed toward the goal of training 100% of our people managers.

The MAP is held by our managers who are properly prepared with training and ad hoc coaching (207 managers trained for the MAP trainer role).

## Generali Global Engagement Survey

As to measure and promote the engagement of our people, in June 2019 we carried out the third edition of the **Generali Global Engagement Survey**, a managerial tool for continuous improvement.



The engagement score is based on the average percentage of favourable responses collected, based on the following items:

I strongly believe in the goals and objectives of my Company

**82%** favourable responses

I am proud to work for the Generali Group

**86%** favourable responses

I am willing to work beyond what is required to help my Company succeed

**87%** favourable responses

I fully support the Values for which the Generali Group stands

**86%** favourable responses

I would recommend the Generali Group as a place to work

**82%** favourable responses

My Company inspires me to do my best work

**71%** favourable responses

We want to accelerate towards excellence, leveraging on our current strengths and acting quickly upon our main opportunities for improvement. **Three global priorities** were identified on the basis of the results achieved:

- eliminate bureaucracy to boost efficiency and decision making;
- unlock people potential fostering transparent meritocracy, recognition and growth;
- nurture an inclusive environment to embrace diversity.

More than 430 local actions were identified to be communicated and launched as from January 2020.

## Diversity & Inclusion Strategy

The Group sped up the advancement of both an environment and an organisation culture that are inclusive, that promote all diversities. We implemented the **Diversity & Inclusion index (D&I index)**, a tool that monitors the progress on **four priorities**: gender, age, culture and inclusion.

Many initiatives were launched on a global scale: the **From unconscious bias to conscious inclusion** programme aimed at raising the awareness of business leaders on the subject of unconscious bias, the **Lioness Acceleration Program** to develop the feminine pipeline, the **gender pay gap** analysis and related mitigation actions. Preparatory work is also underway to recognize and enhance the LGBT (Lesbian, Gay, Bisexual and Transgender) ecosystem, which will result in concrete actions during 2020. People's engagement is at the basis of the creation of the first **D&I Community**, that leverages the collective intelligence of employees to launch and spread new initiatives.

In 2019, the Group renewed its commitment to combat all forms of discrimination and harassment, including sexual harassment, by focusing on greater transparency and communication and raising awareness on the use of the internal helpline and the publication of dedicated articles and videos. The Group and the European Works Council endorsed the joint Diversity & Inclusion Declaration. Borsa Italiana gave us the **Best D&I Employer award at the Women In Finance - Italy award** for our governance and measures implemented.

## 77% D&I index<sup>9</sup>

## Full Performance Management Framework

Increasing the accountability of our people also means boosting a performance culture. Through **Group Performance Management** we focus our efforts on spreading this culture while also strengthening transparency and meritocracy in line with what our people asked in the Generali Global Engagement Survey. In 2019, 99%<sup>10</sup> of our people was engaged in the performance management process. The framework is divided into different phases: objectives' definition, performance assessment, feedback and individual development plans.

<sup>9</sup> The index refers to all relevant Group business units and countries where applicable on the basis of the priorities which are part of the index itself.

<sup>10</sup> The data refer to Group companies, equal to 57,438 employees (80% of the total), that are included in the scope of the Group Performance Management process.





## Build and develop key competencies for the digital age

The trends of the sector, our ambition to become the Life-time Partner of our customers and the new technologies demand the development of new skills. We will provide our people with the skills to continue to grow and to assert themselves in the digital age, and to support the strategic business priorities.

A methodology has been defined and spread throughout the Group in order to identify in advance how the roles and skills of the future will evolve. On the one hand, it helps identify the roles and skills most widely exposed to change and, on the other, it helps establish the initiatives to fill the personnel training gap consistently with the strategy. As regards the latter, the We LEARN programme is of basic importance.

We LEARN aims to carry out **reskilling for 50% of the employees by the end of 2021**. It breaks down into **3 training components** - Foundation, New Skills for Evolving Roles and New Role Schools (mini-master) - and a **new, innovative, interactive Group digital platform** that enable to develop new business, technical, technological and behavioural skills.

### 19.7% reskilled employees<sup>11</sup>

In 2019, taking into consideration the overall training available to Group's employees, 97.7% of them were involved in at least 1 training programme. The training investment totalled € 60.3 million and 2.4 million training hours were supplied.

+6.4%

### 36.4 average hours of training per capita



## Favour the development of leaders and global talent

Guiding and implementing our strategy requires strong leadership capabilities. Our future leaders must guide the organisation to transformation, have a global mentality and be an example with behaviour for becoming the Life-time Partner for our customers.

We stimulate sharing and local cascading of the Group strategy and **we support the development of leaders and global talent** with personalised training courses, including:

- **Leading the Lifetime Partner transformation - the role of the CEO:** 46 CEOs, 3 days at the London Business School;
- **Leading the Lifetime Partner transformation:** 38 Senior Leaders, 3 days at the London Business School;
- **Global Leadership Program - Take Off:** 36 Group Talent Managers, 3 days at Insead and 5 weeks online;
- **Global Mentoring Program:** 41 Senior Leaders and 41 Group Talent Managers.



## Leverage excellence and the creation of sustainable value

Our ambition is to foster a meritocratic environment, where the performance of our people is recognised and rewarded. This is possible through our Group Reward Strategy, which encourages alignment with the strategic objectives and the participation of all our people in the value creation process. Therefore, we have conceived and launched **We SHARE, the first share plan of its kind for Group employees**, with the goal of involving the highest number of people around the world to become Generali shareholders.

In line with Generali 2021, We SHARE acknowledges the crucial role that our people play in achieving strategic objectives through an ownership culture, one of the basic behaviours for reaching our ambition of becoming the Life-time Partner for our customers.

We SHARE was launched in 35 countries for approximately 60,000 employees. 21,430 of them joined the plan, with a **participation rate of 35.3%**. That is proof of both the important level of engagement of our people and the strong commitment to the Group's strategy. Related to the plan, over € 420,000 were assigned to The Human Safety Net Foundation thanks to the donations of employees and that of Generali for each participant.

<sup>11</sup> The indicator refers to Group employees, except for sales force.



## Become a simple, agile and efficient organization

Our objective is to strengthen our ability to adapt to change, to focus our attention on the customer and to instil responsibility in our people through simpler and more flexible organisations. We will adopt new work methods in order to leverage our collective intelligence. The Group's organization is a fundamental asset for ensuring the proper execution of the strategy and the achievement of business objectives. We believe in a clear and simple organisational model that also encourages **new methods of working that are more streamlined** in order to facilitate speed, collaboration, accountability and innovation. Within this context, **we support smart working**, which will be extended to the entire Group by the end of 2021.

### 62% of organizational entities<sup>12</sup> with smart working



Glossary available at the end of the document

Confirming the centrality of people in our strategy, we held 11 meetings with the European Works Council - the representative body for Group employees - at the permanent forum dedicated to social dialogue.

We developed a framework for the assessment and management of **operational risks** inspired by international best practices and consistent with the requirements of the Solvency II directive. As part of the assessment conducted every year by the Group companies, the risks that could impact areas concerning our people were identified and precisely analysed, and the initiatives implemented with a view to mitigating such risks were evaluated. The areas of analysis regarded the following specific categories:

- employment relationships, with a particular focus on matters relating to key people and business ethics;
- safety at work;
- discrimination, diversity and inclusion.

In 2019, a new risk was added to the catalogue of operational risks. It is about the possibility to fail in the acquisition of new skills and competences for the execution of the Group strategy.

The assessment is satisfactory, also in light of the initiatives implemented within the Generali People Strategy described and the centrality of our people within the Group strategy.



## 2. A strong brand

We strive towards our brand ambition to become a Life-time Partner to our customers aligned with the Generali 2021 strategy.

The goal is to shift Generali from a product seller to an integrated solutions provider demonstrating our core values of simplicity, innovation with empathy and care. Together with technology, we must connect the human aspect helping people to live a better life, while creating value beyond policy.

It's key to focus on customer experience and building deeper relationships, integrating protection with prevention and assistance, creating tailor-made products and services.

We aim to provide a seamless omnichannel experience, both in the digital and physical world: our strong network made up of 156 thousand distributors<sup>13</sup> worldwide is at the very heart of our transformation. Data and technology

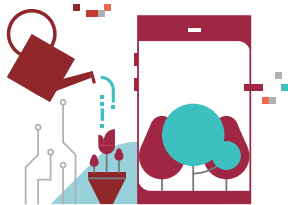
<sup>12</sup> Where applicable in accordance with local laws and regulations.

<sup>13</sup> The number of distributors refers to all insurance entities with relevant traditional distribution networks (line-by-line consolidated entities and few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings).

are crucial levers that will provide the opportunity to adapt products and services to suit the distributors' needs through mobile, web and in person interactions.

We are committed to strengthening our brand to **become 1<sup>st</sup> choice in the Relationship Net Promoter Score (RNPS) among our European international peers by 2021**, fostering change. We must get consumers to consider, prefer and acquire Generali, and connect them with our distributors. Our goal is to have a **higher brand preference than our market share**.

**+3 RNPS<sup>14</sup>**



 Glossario available in the Annual Integrated Report and Consolidated Financial Statements 2019 at the end of document

### 3. A continuous commitment to sustainability

Our commitment to sustainability is the third fundamental pillar of Generali 2021, and refers to the creation of long-term value for our stakeholders: not only shareholders, investors and customers, but also employees, suppliers, the environment, local communities and society in general.

The identified objectives are tied to our core business activities and to our commitment to the community. Specifically, as regards our insurer activities, by the end of 2021 we undertake to:

- increase premiums from environmental and social products by 7-9%;
- allocate € 4.5 billion for new green and sustainable investments.

#### Objectives, metrics and results of managing climate change impacts

The Group initiated a process to assess the sustainability and resilience of its business model in the face of climate change, with particular focus placed on the investment, underwriting and customer and other stakeholder relations management activities.


 Challenges and opportunities of the market context, p. 18

Following this analysis, we have defined objectives and metrics to mitigate the risks and to seize the opportunities arising from climate change and from a transition to a low environmental impact society.

#### Objectives and metrics to seize opportunities

#### 2019 results

€ 4.5 bln new green and sustainable investments (2018-2021)	>	€ 2,667 mln new green and sustainable investments <sup>15</sup>
Increase in premiums from environmental products	>	+5.5% € 1,359.5 mln premiums from environmental products
Sustainable finance	>	Issue of a green bond worth € 750 mln

 For further information, see the Annual Integrated Report and Consolidated Financial Statements 2019, Group's performance, p. 49 and Debt and liquidity, p. 60

<sup>14</sup> The target audience span 20 markets where we operate in Europe and Asia.

<sup>15</sup> The new green and sustainable investments refer to the 2018-2019 cumulative data of Generali Insurance Asset Management and Generali Global Infrastructure. About 50% of these investments were made in 2019.

### Objectives and metrics to mitigate risks

### 2019 results

Exclusion of new investments in companies of the coal and tar sand and divestment of approximately € 2 bln

> No new investment and constant reduction of residual investments made up of run-off bonds

Exclusion of underwriting property coal-related risks for new customers of this sector and for the building of new coal capacity (coal plants)

> No new customers of the coal sector and no coverage for the building of new coal capacity (coal plants)

Premiums from customers of the coal sector below the 0.1% threshold of P&C premiums

> Lower insurance exposure, below the 0.1% threshold of P&C premiums

Engagement for a just transition of the eight companies of the coal sector operating in heavily coal-dependent countries, where the Generali Group has a primary presence as an investor and/or insurer. Six out of eight companies are identified by Urgewaald in its Top 120 Coal Plant Developers' 2018 list

> Interruption of investments and property underwritings with two companies, due to their unwillingness to confront the issue. Ongoing engagement with six companies, two of which are among the top 120 operators in the world by expansion of coal capacity, as identified in the Urgewaald 2019 database

### Objectives and metrics to reduce our direct impact

### 2019 results

20% reduction in greenhouse gas emission tied to the Group's direct activities (2013-2020)

> The Group's carbon footprint<sup>16</sup> is t 96,784 CO<sub>2</sub>e (-20.1% compared to 2013)

Increase in purchases of electricity from renewable sources

> +11 pps  
99% of the total purchases of energy from renewable sources<sup>16</sup>

In addition to **EnterPRIZE** - an international award for the best sustainable SMEs created by Generali and for which in 2019 we started up a work group with the main European countries - here follow the other 2 strategic initiatives that fully integrate the sustainability of our process to create value:

### Responsible consumer

Generali is drawing up a distinctive offer dedicated to responsible consumers who want to have a positive impact on the environment and society. The offer consists of **environmental and social products** and **sustainable investment solutions**.

In 2019, we started up the activities to identify the requirements and needs of the responsible consumer and we are studying insurance and investment solutions. The first sustainable investment solutions, consistent with these purposes, have been launched by Banca Generali and by Generali Italia, linking their offer to the United Nations Sustainable Development Goals.



Annual Integrated Report and Consolidated Financial Statements, Group's performance, p. 49



Glossary available in the Annual Integrated Report and Consolidated Financial Statements at the end of document

### The Human Safety Net

Initiatives for the communities where the Group operates have been addressed to The Human Safety Net since 2017, with a view - provided in **internal guidelines** - to focusing on a smaller number of more similar and impactful initiatives compared to the past. It aims to **activate both financial and technical resources, as well as the network of people and the skills of Generali's employees and agents to meet shared goals**, favouring contact with local communities and making lasting change in the lives of recipients.

<sup>16</sup> The greenhouse gas emissions and purchases of electricity from renewable sources comprise the impacts generated by the employees working in offices managed by the Group in Austria, France, Germany, Italy, Czech Republic, Spain and Switzerland, equal to 42% of the total of our people.

Total emissions are calculated according to the location-based method; we also report them according to the market-based method on our website. The base year 2013 was re-determined (now t 121,161 CO<sub>2</sub>e, reduced by t 3,495 CO<sub>2</sub>e compared to past disclosures) in line with the update of the new methodology used to calculate emissions from the corporate fleet of our people. The new methodology harmonised at Group level the criteria for dividing the use of the car for business reasons (70% of total journeys), included in the calculation of emissions, from its use for private reasons, excluded from the calculation of Group emissions (30% of total journeys).

**For Families**

We help parents nourish the first six years of their children's lives with the essential abilities for their future lives.

**For Refugee Start-ups**

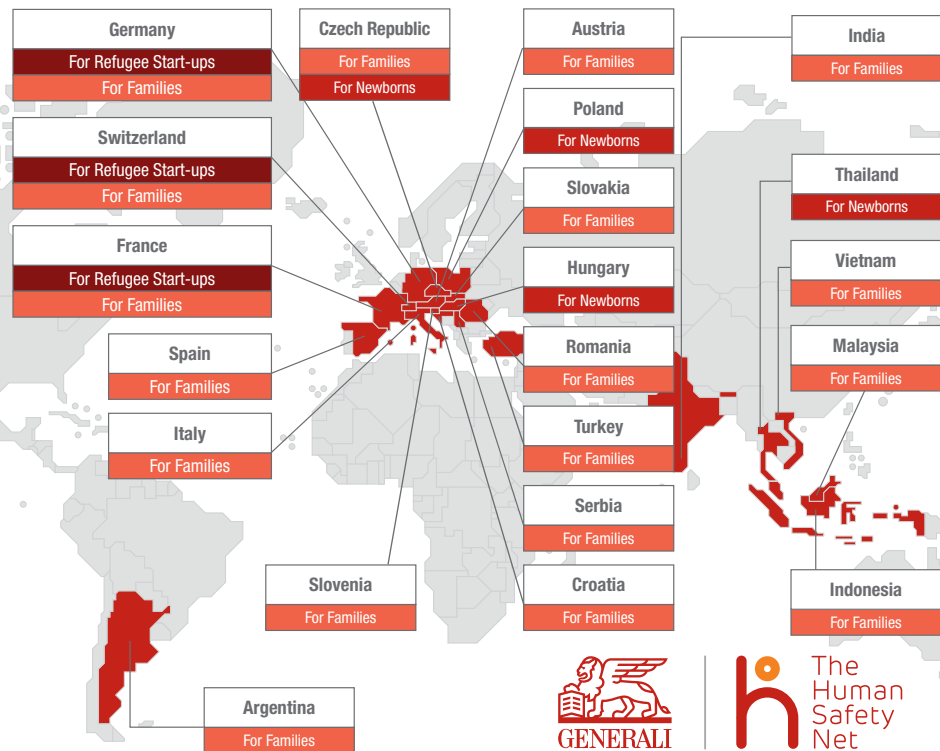
We support refugees start their businesses by promoting their social and economic integration in their host countries.

**For Newborns**


We improve care and support for premature newborns, or those with complications at birth such as neonatal asphyxia, so that they can survive and develop in the best way possible.

+16.7%  
**21 countries**

+91.7%  
**46 partners**



The Human Safety Net is active through three programmes with the shared mission of freeing the potential of disadvantaged people to enable them to improve the living conditions of their families and communities, by working alongside partners, like local social businesses and non-governmental organizations. Every country and business unit of the Group can choose to participate in one of these three programmes, identifying, conducting due diligence on and suggesting one or more partners to directly manage activities with beneficiaries. All of the activities and the results achieved are monitored through a measurement system based on the London Benchmarking Group's international standard.

 Glossary available in the Annual Integrated Report and Consolidated Financial Statements at the end of document

In the coming three years, our ambition is to further extend The Human Safety Net. We aim to achieve it by keeping high quality programmes that so far have characterized us, while enhancing initiatives where we are present through active engagement of employees and distributors, including volunteering activities, as well as of customers and other third-party organizations that share its approach and mission.

The revitalisation of the St. Mark's Square area in Venice is continuing. The project to restore the Procuratie Vecchie in St. Mark's Square, the future home and global Hub of The Human Safety Net.

Together with The Human Safety Net, we are helping people like Dima, an art teacher of Syrian origin intent on opening a creativity school for children in Saarbrücken, Germany, or Ana, an Indonesian mother who was able to give a positive change to her children's lives by improving the life of her family in the Jakarta suburbs.

 [www.thehumansafetynet.org/newsroom/all](http://www.thehumansafetynet.org/newsroom/all) to discover more information on the stories

 [www.thehumansafetynet.org](http://www.thehumansafetynet.org) for further information on the initiative

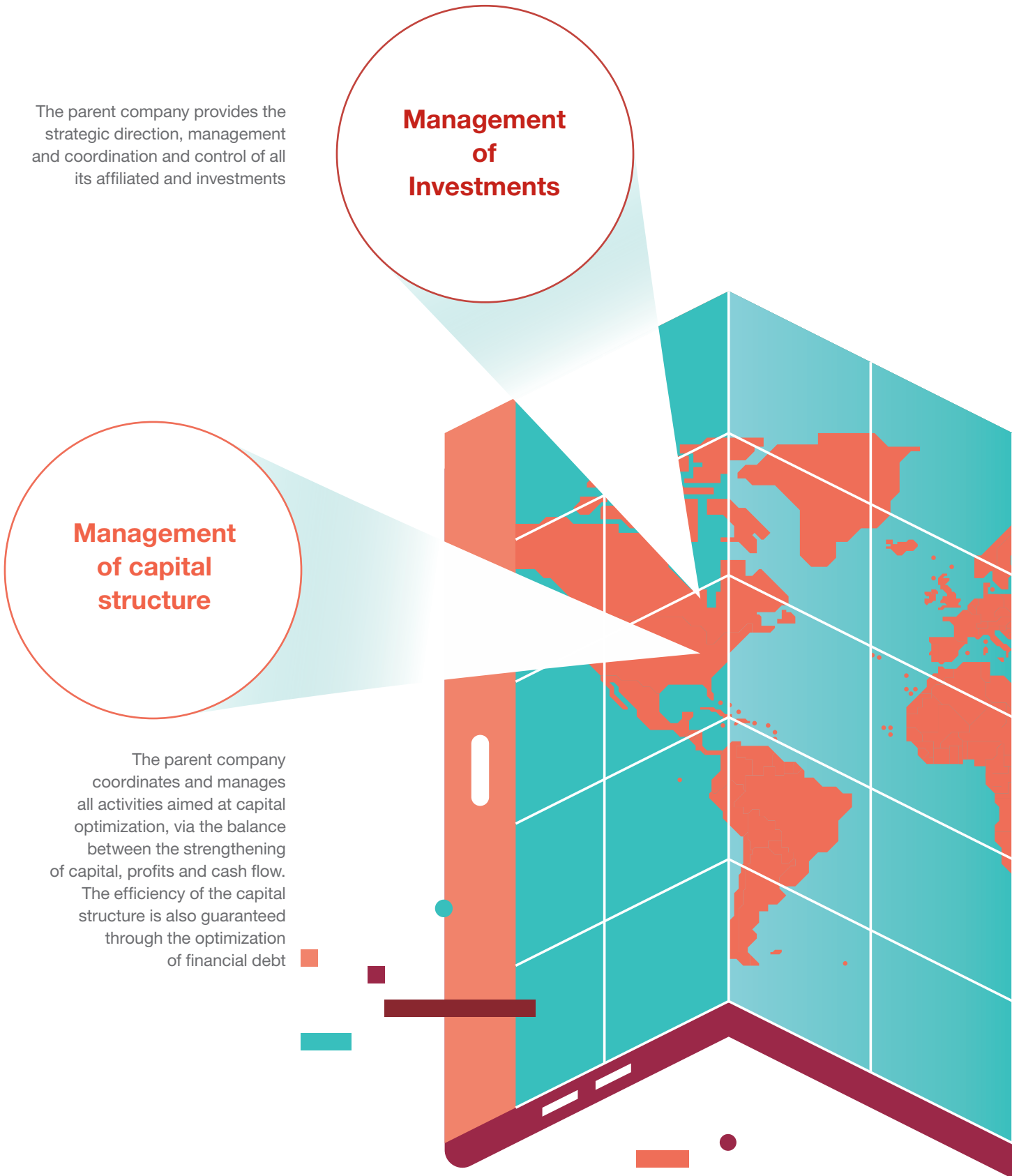
# Business model of Assicurazioni Generali S.p.A.

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

## Management of Investments

## Management of capital structure

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





**Direction and  
coordination  
activities**

The parent company sets guidelines to improve efficiency in operational management

**Insurance and  
reinsurance  
activity**

The insurance and reinsurance business of the parent company is conducted through both the Head Office and foreign branches

## Our rules for running business with integrity

We run our business in compliance with the law, internal regulations and codes, and professional ethics. We are continuously monitoring the developments of the national and international regulatory system, also by talking with legislators and the institutions, in order to assess both new business opportunities and our exposure to the risk of non-compliance and to take prompt measures to adequately manage it. We have a governance, management and reporting system that guarantees compliance with the principles of sustainability and their actual integration in everyday decisions, in line with the goal of promoting sustainable development of the business and of generating long-lasting value.

Our sustainability model is based on the **Charter of Sustainability Commitments**, approved by the Board of Directors of Assicurazioni Generali, which is broken down into three pillars:

1. do business in a sustainable manner, focusing on excellence in the corporate processes;
2. experience the community by playing an active role where the Group operates and going beyond everyday activities;
3. adopt governance and rules that are appropriate for running business with integrity.

A Sustainability Committee was established at top management level, together with work groups integrated with the Head Office business functions and the Group's business units.



We have a collection of **Group public policies and guidelines** which support our operations in a sustainable and responsible manner, such as:

- **Group Sustainability Policy** that, approved by the Board of Directors in March 2019, outlines the system for identifying, assessing and managing the risks connected with environmental, social and corporate governance (ESG) factors). It particularly defines the rules for:
  - identifying, assessing and managing ESG factors that might present risks and opportunities for achieving corporate objectives;
  - identifying, assessing and managing the positive and negative impacts that the decisions and corporate activities might have on the outside environment and on the legitimate interests of the stakeholders;
- **Code of Conduct** that defines the basic behavioural principles which all the personnel of the Group are required to comply with: these principles are outlined in specific guidelines that refer, for example, to the promotion of diversity and inclusion as well as the management of conflicts of interest, personal data protection and corruption prevention;
- **Group Policy for the Environment and Climate** that contains the guiding principles for the strategies and objectives of environmental management;
- **Responsible Investment Guideline** that codifies the responsible investment activities at Group level;
- **Responsible Underwriting Group Guideline** that outlines principles and rules aimed at assessing environmental, social and governance features of customers and prospects in the P&C underwriting process;
- **Ethical Code for suppliers** that highlights the general principles for the correct and profitable management of relations with contractual partners.



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

Together, these Group policies and guidelines contribute to ensuring respect for human rights. For example, the Responsible Investment Guideline filter allows us each year to identify and exclude from our investments those companies that have committed serious human rights violations.

In order to reinforce, where necessary, the controls already in place on this topic, in-depth analysis has been started, in line with the most important international principles and tools, including the United Nations Universal



Declaration of Human Rights, the core international standards of the International Labour Organisation and the UN Guiding Principles on Business and Human Rights. The analysis assessed the potential impact on human rights by taking into consideration both the risk tied to the businesses directly carried on by the Group companies and the country risk of those countries where said companies operate. For this purpose, we have identified a list of the key human rights potentially impacted by the Group's operations in the various businesses and, for each, the tools already implemented to mitigate risks, assessing their level of control, considering it in line with their positioning and practices common to the sector.

The Group will keep up its ongoing monitoring action to guarantee a more and more virtuous and responsible behaviour in all of its businesses.

We have a structured **internal Group regulatory system**, regulated by the Generali Internal Regulation System (GIRS) Policy that aims to promote a solid, efficient governance and coherent implementation of the internal Group regulations at local level.

The Group regulations cover the governance system, the internal control system, the risk management system that is particularly linked to monitoring solvency (Solvency II), and the other primary areas of risk.



Corporate Governance and Share Ownership Report 2019, p. 34

The main non-compliance risks are monitored through specific programmes spread throughout the Group. We regularly monitor - by means of specific risk assessment activities - our exposure to these risks with the aim of minimizing potential reputational and economic damages deriving from the violation of regulatory provisions, including those which aim to prevent money laundering, financing terrorism and corruption.

We are firmly committed to preventing the use of our products and services for **money laundering and financing terrorism** purposes and to being in compliance with the provisions concerning international sanctions. We have adopted both Group policies and high standards in line with the European and international regulations, as well as the most appropriate risk mitigation measures.

We condemn and combat all forms of **corruption**. Our employees, suppliers and customers can use, also anonymously, several communication channels, including the Group Compliance Helpline, always reachable with direct access from the Group Portal and the website, which has been simplified in its navigation and enriched with a video tutorial in order to better guide the whistleblower. These channels, active 24/7, ensure an objective and independent management of reports of behaviour or actions which might violate law, the Code of Conduct, its internal rules or other corporate rules, in accordance with the **process on managing reported concerns** and the **whistleblowing policy** which we have been applying for years. We have also adopted a rigorous **policy against retaliations**.



[www.generali.com/our-responsibilities/responsible-business/code-of-conduct](http://www.generali.com/our-responsibilities/responsible-business/code-of-conduct) for further information on the Code of Conduct, communication channels and the process on managing reported concerns



[www.youtube.com/watch?v=ZeFiFJLmf7E](https://www.youtube.com/watch?v=ZeFiFJLmf7E)

+9.6%

## 149 managed reports

### 1 Compliance Week

**A path of Trust. Step by step we can shape a safer future** was the motto of the last edition of Compliance Week. The campaign was associated with the Generali 2021 strategy topics, in which trust and the human touch are essential elements for becoming the Life-time Partner. Group Compliance was made available to Group colleagues to raise their awareness and to answer their questions on the Code of Conduct and ethical behaviour.

We are committing to rendering our HR training system increasingly effective. We continue to work in activities for creating awareness and training on the different themes of the Code. The implementation of specific training programmes - both online as well as in the classroom - combined with a global communication programme aims to create full awareness within all employees of the importance of the Code and their responsibility to report each violation that one becomes aware of. Everybody is encouraged to voice their concerns or request clarifications on any topic handled by the Code.

-2.6%

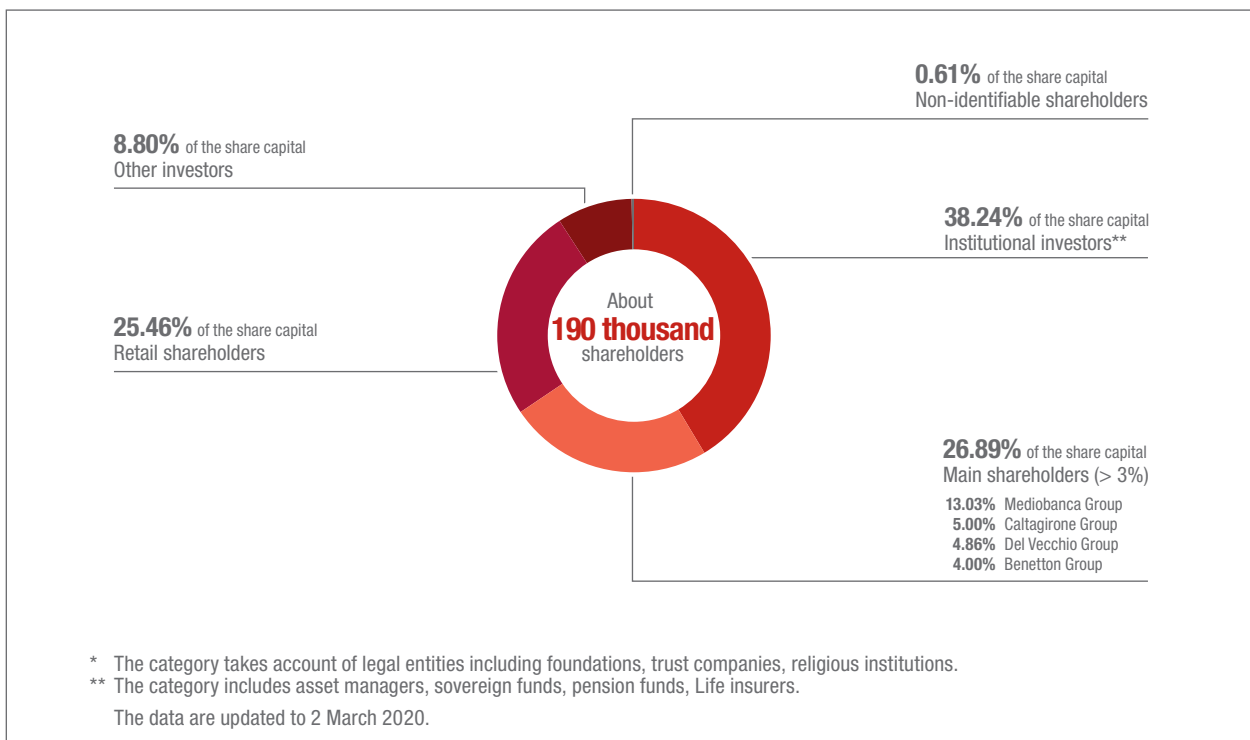
**52,197** employees<sup>17</sup> have completed the training course on the Code of Conduct

<sup>17</sup> The trained employees represent 72.6% of the total.

## Our governance and remuneration policy

### Our governance

Within a challenging economic and financial environment, we are convinced that our governance - which complies with the best international practices - is adequate for effectively pursuing our strategy of creating value for all stakeholders in the medium-long term.



Share performance, p. 64 for further information on the share

As of today, there is no employee shareholding system according to the provisions of the Testo Unico delle disposizioni in materia di Intermediazione Finanziaria (TUIF), also if it is reported that the three-year share plan for Group employees, approved by the Shareholders' Meeting held in May 2019, will have the effect of assigning them a stake of shares in November 2022. This plan, promoted as part of the Generali 2021 strategy, is aimed at achieving the strategic objectives in the perspective of a culture of ownership and empowerment, and the participation of employees in the creation of sustainable value within the Group.

We also facilitate participation in shareholders' meetings for beneficiaries of long term incentive (LTI) plans - which are based on Generali shares - by providing them with a designated representative.



[www.generali.com/governance/remuneration/share-plan-for-the-generali-group-employees](http://www.generali.com/governance/remuneration/share-plan-for-the-generali-group-employees) for further information on the share plan for the Group employees



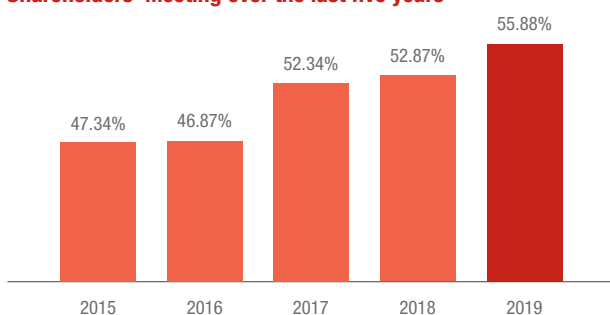
Our people, p. 29

We maintain **continuing relations with all external stakeholders**: institutional investors, proxy advisors, financial analysts and retail shareholders. Our intense relationship activities consist of various types of interaction with individual stakeholders or groups, as part of roadshows and sector conferences, as well as ad hoc occasions for the discussion of specific topics, ranging from business, financial and performance matters to corporate governance, remuneration and sustainability topics relevant to the various financial community representatives. Some of the main recurring occasions for interaction with the Company's top management are the annual Shareholders' Meeting, events on the strategic plan (Investor Day) and the main presentation of the financial results.

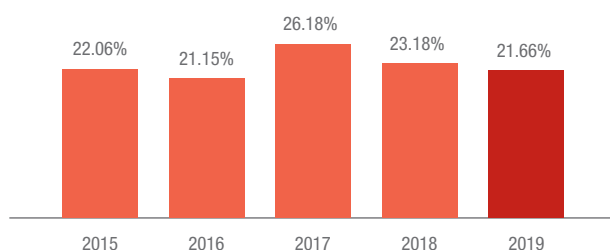


Notes to the Management Report, p. 136 for further information on stakeholder relations

### Percentage of share capital represented in the Shareholders' Meeting over the last five years



### Percentage of share capital represented by institutional investors in the Shareholders' Meeting over the last five years

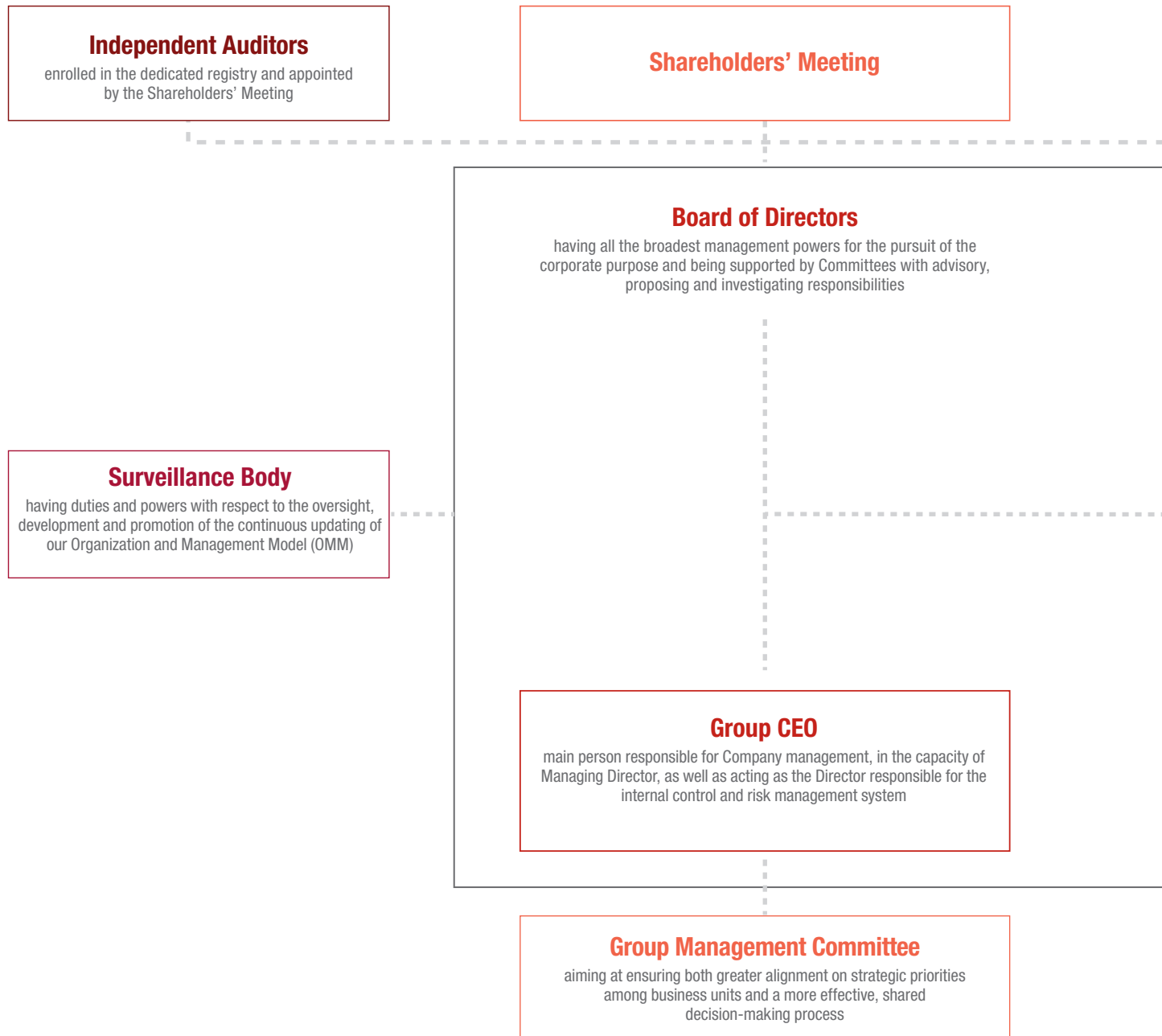


In 2019, we reached the fourth edition of the **Shareholders' Meeting Extended Inclusion (SMEI)** programme, which has the purpose of facilitating participation in Shareholders' Meetings and of facilitating use of the Shareholders' Meeting venues and interaction of shareholders who have motor, auditory and visual difficulties. We have provided and extended several dedicated services helpful to overcome any physical, communication and sensory barriers, like simultaneous translation into many languages, sign language and captioning in Italian - services available starting from the last Shareholders' Meeting also for the streaming of the opening remarks of the Chairman, the Group CEO and the Group CFO - and reception and check-in, as well as professional medical assistance. Moreover, reporting on the SMEI services was added to with the publication of a new page on the Group website and with the distribution of a specific booklet to those participating in the Shareholders' Meeting. One of the driving forces characterising the programme ever since the beginning is the participation of dozens of Group employees who each year embrace the initiative in the guise of volunteers, working in synergy with the specialised professional operators.

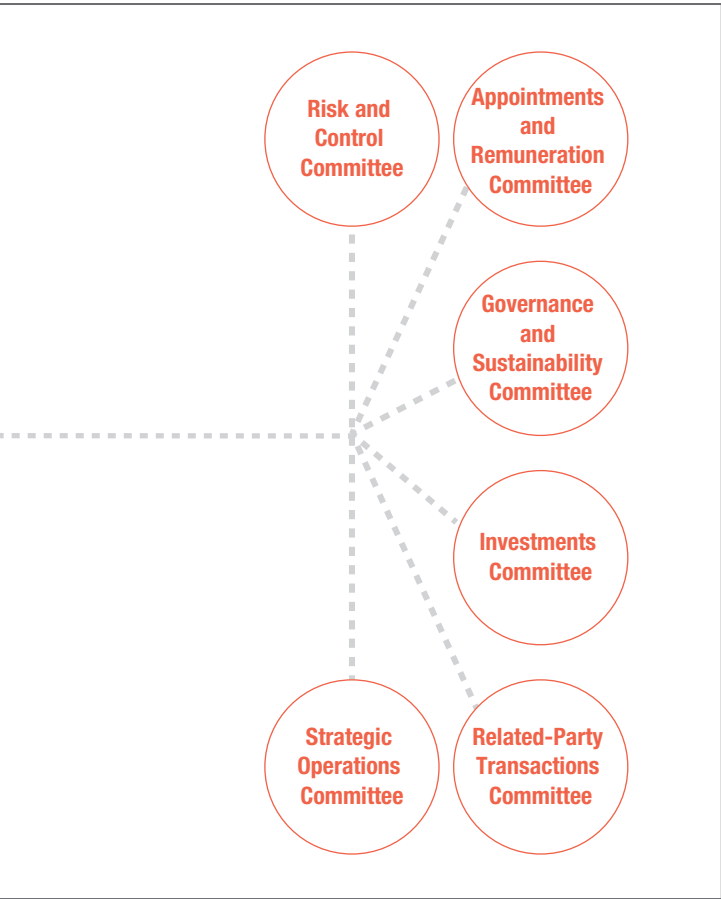


[www.generali.com/governance/annual-general-meeting](http://www.generali.com/governance/annual-general-meeting) for further details on the SMEI programme

The Board of Directors has structured its own organization - even through the establishment of special Board Committees - in a manner that meets the need to define strategic planning in line with the Group's purpose, values and culture and, at the same time, monitors the pursuit of this strategy with a view to the sustainable value creation over the medium to long term. Our **integrated governance** also leverages the varied and in-depth professional skills present in the Board and ensures effective oversight of management's activities.



**Board of Statutory Auditors**  
ensuring compliance with the applicable laws, regulations, and the Articles of Association as well as management control



**Governance monitoring climate change management**

The Group governance is structured in such a way as to favour effective management of the risks and opportunities tied to climate change, which is considered one of the ESG factors most material for the Group and for its stakeholders.

Specifically, the **Board of Directors** ensures that the Group organisation and management system is complete, functional and effective in monitoring climate change-related impacts. It therefore adopted the Climate Change Strategy in 2018 and is informed through the **Governance and Sustainability Committee** on the measures taken by the management to implement that strategy and on the results achieved. These elements were analysed during four Committee meetings in 2019. The **Sustainability Committee at top management level** guides and assists the decisions necessary so that the assessment and consistent management of the climate change impacts can be integrated in the main corporate processes. The decisions taken by the Committee are implemented by the competent management, each one for their own area of responsibility.













This interdepartmental approach is also reflected in the **Climate Strategy Task Force**, which pools together the Group Investment, Asset & Wealth Management, Group P&C Retail, Group P&C Corporate & Commercial, Group Life & Health, Group Integrated Reporting and Group Risk Management functions, coordinated by Group Sustainability & Social Responsibility. The goal of the work group is to guarantee the management of the risks and opportunities tied to climate change in compliance with the strategy defined by the Board and to ensure the reporting on these aspects both to the competent in-house bodies and to the outside stakeholders, in line with the TCFD recommendations. Furthermore, a **project led by the Risk Management function** involving the main interested corporate functions was launched in 2019 more specifically to define a reference framework for managing risks tied to climate change in a forecasting prospective. It is broken down into the four main risk management steps, i.e. identification, measurement, management and reporting of risks.



[www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate-for-further-information-on-the-climate-change-strategy](http://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate-for-further-information-on-the-climate-change-strategy)

## Focus on the Board of Directors

in office until the 2022 annual Shareholders' Meeting

						
	<b>Gabriele Galateri di Genola</b> Chairman	<b>Francesco Gaetano Caltagirone</b> Deputy Vice-Chairman	<b>Clemente Rebecchini</b> Vice-Chairman	<b>Philippe Donnet</b> Group CEO	<b>Romolo Bardin</b> Director	<b>Paolo Di Benedetto</b> Director
Age	72	76	55	59	41	72
Nationality	Italian	Italian	Italian	French	Italian	Italian
Professional background	manager	entrepreneur	manager	manager	manager	lawyer
In office since	8 April 2011	28 April 2007, Vice-Chairman since 30 April 2010	11 May 2012, Vice-Chairman since 6 November 2013	17 March 2016	28 April 2016	28 April 2016
Board Committee						
Independent <sup>18</sup>					✓	✓
Executive				✓		

■ Risk and Control Committee

■ Appointments and Remuneration Committee

■ Governance and Sustainability Committee

■ Investments Committee

■ Related-Party Transactions Committee

□ Strategic Operations Committee

▲ Director responsible for the internal control and risk management system

P Committee Chairman

**60.4**  
average age

**38%**  
female directors

**61.5%**  
independence level

**1**  
executive director

**95%**  
average attendance at meetings

**14**  
meetings

In 2019, induction sessions were held on the impacts of the future application of IFRS 9 and IFRS 17, on IT impacts on the insurance sector (Insurtech) and on financial, risk and governance matters.

### Skills and experiences

**69%**  
international experience

**77%**  
managerial experience

**15%**  
entrepreneurial skills

**23%**  
academic experience















**85%**  
knowledge of legal context and regulatory requirements

**85%**  
financial and accounting skills

**85%**  
industrial (insurance) experience






**31%**  
experience in large cap companies

 Corporate Governance and Share Ownership Report 2019, p. 57 for further information on the diversity of administration, management and control bodies

						
<b>Alberta Figari</b>	<b>Ines Mazzilli</b>	<b>Antonella Mei-Pochtler</b>	<b>Diva Moriani</b>	<b>Lorenzo Pelliccioli</b>	<b>Roberto Perotti</b>	<b>Sabrina Pucci</b>
Director	Director	Director	Director	Director	Director	Director
55	57	61	51	68	58	52
Italian	Italian	Italian	Italian	Italian	Italian	Italian
lawyer	manager	manager	manager	manager	professor	professor
30 April 2013	7 May 2019 elected from the minority slate	7 May 2019	28 April 2016	28 April 2007	28 April 2016 elected from the minority slate	30 April 2013
						
✓	✓	✓	✓		✓	✓

## Focus on the Board of Statutory Auditors

in office until 2020 annual Shareholders' Meeting

<b>Board of Statutory Auditors</b>					
	<b>Carolyn Dittmeier</b> Chairwoman	<b>Antonia Di Bella</b> Permanent Statutory Auditor	<b>Lorenzo Pozza</b> Permanent Statutory Auditor	<b>Francesco Di Carlo</b> Alternate Auditor	<b>Silvia Olivetto</b> Alternate Auditor
Age	63	54	53	50	69
Nationality	Italian and American	Italian	Italian	Italian	Italian
In office since	30 April 2014	30 April 2014	30 April 2014	30 April 2014	30 April 2014

**58**  
average age

**60%**  
female auditors

**93%**  
average attendance at Board meetings

**100%**  
average attendance at meetings

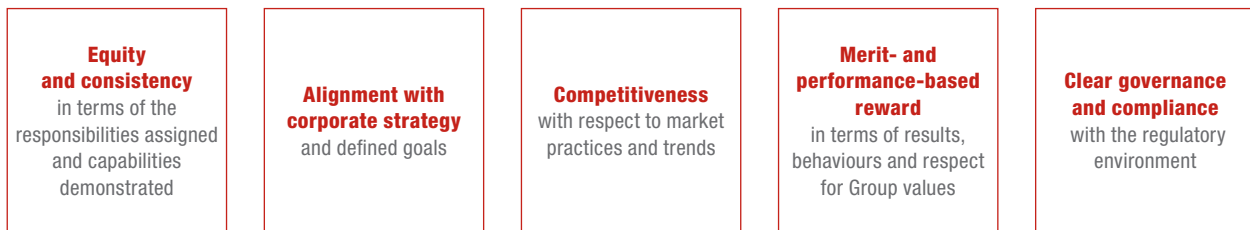
**25**  
meetings

The Board of Statutory Auditors attended the same induction sessions held for the Board.

## Our remuneration policy

Our remuneration policy is designed to attract, motivate and retain the people who - due to their technical and managerial skills and their different profiles in terms of origin, gender and experience - are key to the success of the Group, as reflected in our values. Our remuneration policy reflects and supports both our strategy and values: to be a global insurance Group aiming at creating value and sustainable results, while valuing our people and maintaining commitments to all stakeholders.

Our policy is based on the following principles that steer remuneration programmes and related actions:



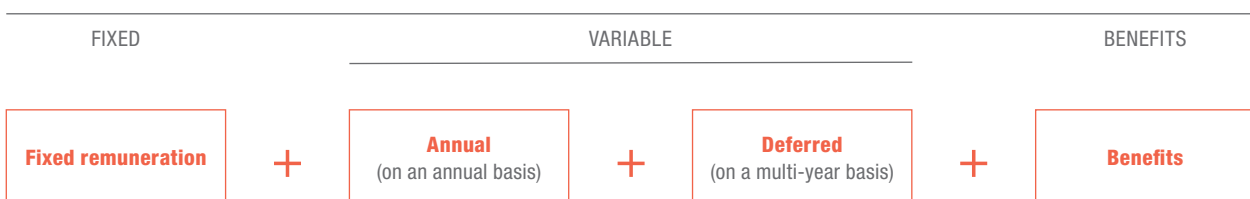
The **remuneration policy** for **non-executive directors** establishes that remuneration consists of an annual fixed component as well as an attendance fee for each Board of Directors' meeting in which they participate, in addition to the reimbursement of expenses incurred for participation in such meetings. Directors who are also members of the Board Committees are paid remuneration in addition to the amounts already received as members of the Board of Directors (except for those who are also executives of the Generali Group), in accordance with the powers conferred to those Committees and the commitment required in terms of number of meetings and preparation activities involved. This remuneration is established by the Board of Directors. In line with the best international market practices, there is no variable remuneration.

The **Managing Director/Group CEO**, who is the unique executive director, and the **relevant personnel not belonging to key functions** receive a remuneration package consisting of a fixed component, a variable component with no-claims bonus and claw back mechanisms, and benefits.



Glossary available at the end of this document

### Total target remuneration<sup>19</sup>



<sup>19</sup> It represents the remuneration package for all those described, except for the key functions to whom specific remuneration policy and rules are applied.



The fixed component remunerates the role held and responsibilities assigned, also considering the experience and skills required, as well as the quality of the contribution made in terms of achieving business results.

The annual variable remuneration is based on an incentive system, whereby a cash bonus ranging from 0% to 200% of the individual target baseline can be accrued depending on:

- the Group funding, connected with results achieved in terms of Group operating result and adjusted net profit as well as the achievement of a minimum threshold of Regulatory Solvency Ratio;
- the achievement of the objectives defined in the individual balanced scorecards, which establish up to 8 objectives at Group, business unit, region, country, function and individual level - as appropriate - based on the following perspectives:

2019 PERSPECTIVES		
<b>Economic &amp; Financial Risk Adjusted Performance</b>	<b>50+%</b>	<b>Core business KPIs</b> <ul style="list-style-type: none"> <li>– focus on net profit and total expenses;</li> <li>– total remittance in mature markets or ROCE in developing markets;</li> <li>– RORC as mandatory risk adjusted KPI.</li> </ul>
<b>2019 - 2021 Strategic Projects/KPIs</b>	<b>30 - 40%</b>	<ul style="list-style-type: none"> <li>– KPI linked to the implementation of Group strategic projects at global level for all leaders/sponsors of the projects;</li> <li>– KPI linked to the implementation of local strategic plans, including sustainability initiatives/KPIs (e.g. % social and green products, % green and sustainable investments, quality of non-financial information &amp; reporting);</li> <li>– customer/brand KPI based on specific KPIs evidence (e.g. % customer retention, brand preference).</li> </ul>
<b>People Value</b>	<b>10 - 15%</b>	<ul style="list-style-type: none"> <li>– managerial assessment based on specific KPIs evidence, with focus on Engagement Survey and other selected objectives (e.g. % talent pool retention, % reskilling plan execution, D&amp;I index, local HR initiatives).</li> </ul>

In line with Generali 2021, focused on profitable growth, value creation, innovation and digital transformation, two KPIs linked to the implementation of Group and local strategic projects - including **sustainability** initiatives - are provided in all individual balanced scorecard for the achievement of the plan objectives.

A focus remains on the customer & brand goals, based on results linked to the managerial assessment of specific projects and performance indicators (e.g. customer retention ratio and brand preference).

The deferred variable remuneration is built on a multi-year plan based on Assicurazioni Generali shares (subject to Shareholders' Meeting approval). The maximum potential bonus to be disbursed in shares amounts to 200% of the fixed remuneration for the members of the Group Management Committee (GMC) and to 175% for other relevant personnel. Here the features of the plan are:

- it is based on an overall three-year performance period linked to specific Group performance goals (average net Return on Equity, earning per share growth and relative total shareholder return<sup>20</sup>) and is subject to the verification of the achievement of a minimum threshold of the Regulatory Solvency Ratio;
- it is based on deferral periods differentiated on the basis of the beneficiary population cluster and additional lock-up periods on granted shares (i.e. minimum holding) of up to two years.

Benefits consist of, for example, a supplementary pension and healthcare assistance for employees and their families, in addition to a company car and further benefits, including some linked to domestic or international travel (e.g. accommodation expenses, travel and education for children), in line with market practices.



[www.generali.com/governance/remuneration](http://www.generali.com/governance/remuneration) for further information on remuneration policy and the Report on Remuneration Policy and payments, also including information about remuneration



Additional information in the Notes of the Annual Integrated Report and Consolidated Financial Statements 2019 for further information on pension benefits of the Group employees

<sup>20</sup> It is calculated as a change in the shares' market price, including distributions or dividends reinvested in the shares, as compared to a selected list of peers.



# Management Report

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## Part A – Result of operations

### Foreword

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

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

The data in this Management Report is expressed in thousand euro, unless otherwise indicated.

### Significant operations

- The new branch set up in the Grand Duchy of Luxembourg during 2018 under the right of establishment dedicated to the Employee Benefits business (GEB) commenced operations in the Group's reinsurance sector starting from January.
- In January, Assicurazioni Generali S.p.A. launched a subordinated bond issue in the bullet format with ten-year expiry for a total amount of 500 million, addressed to institutional investors. The issuance, which is a tier 2 regulatory capital instrument, is intended to partially refinance 750 million of the subordinated Group debt with the first call date in 2019, early repayment which, by law, obtained prior authorization by IVASS.
- On 24 January 2019, the authorisation petitions necessary to establish two branches in the United Kingdom, one for the Life segment and one for the Non-Life segment, in place of the current mixed branch located in London. These petitions meet the regulatory requirements provided for by applicable legislation due to the United Kingdom's exit from the European Union. While the petitions sent to the United Kingdom supervisory authorities are pending still today, those sent to IVASS were approved on 1 April 2019 subject to the requirements still being met on the effect date of the Brexit, as assessed by the supervisory authority.
- In January, Assicurazioni Generali S.p.A. reported that it exercised the option of early repayment of the 7.236% Perpetual Fixed/Floating Rate Notes for the amount of 350 million. The repayment was settled on 4 March 2019.
- In January, Assicurazioni Generali S.p.A. reported that it exercised the option of early repayment of the 8.5% Perpetual Fixed/Floating Rate Notes for the amount of 350 million. The repayment was settled on 6 March 2019.
- In March, Assicurazioni Generali S.p.A. finalised the transfer of its equity interest in Generali Link Limited, in which it held 100% of the share capital, following an agreement signed in July 2018. The transaction generated an insignificant amount in gross capital gain.
- On 7 April 2019, Assicurazioni Generali S.p.A. completed the share capital increase to 1,569,600,895, in execution of the Long Term Incentive Plan adopted by the Shareholders' Meeting of the Company on 28 April 2016.
- During the month of May, Assicurazioni Generali S.p.A. concluded an agreement to transfer its Life run-off portfolio of its London Branch to a third-party insurance company. The portfolio, mainly consisting of annuity policies under payment, will be transferred after the competent Supervisory Authorities approve the transaction. In the meantime, Assicurazioni Generali S.p.A. signed a reinsurance contract that covers payment of all claims arising from most of the run-off portfolio transferred. The balance sheet and income statement at 31 December 2019 therefore reflect the effects of this reinsurance disposal. Specifically, the technical provisions ceded to reinsurance amount to 681 million, while the economic effects are, as a whole, of an insignificant amount.
- In July, Assicurazioni Generali S.p.A. exercised the option of early repayment of the 9.00% Perpetual Fixed/Floating Rate Notes for the amount of 50 million.

- On 5 July 2019, the period of measurement of the performance of the special stock plan of the Group CEO Philippe Donnet, approved by the Shareholders' Meeting of 27 April 2017, came to an end. The Plan, referring to the performance period from 5 July 2016 until 5 July 2019, involved assigning the Group CEO a maximum number of 200,000 free shares of the Company (in addition to a maximum number of 50,000 extra dividend equivalent shares) based on the level of increase in the Total Shareholders Return (TSR) realised in the above-mentioned period of reference. Based on the result in TSR terms recorded at 5 July 2019 relating to the period of performance of the plan, and having checked that all of the additional conditions set out in it are
- in place, a capital increase amounting to 172,508 shares of the Company of the par value of € 1.00 each, including the additional dividend equivalent shares that will be assigned to Mr Philippe Donnet, was resolved. The shares will be subject to the so-called minimum holding period, as set forth in the plan rules.
- During September, Assicurazioni Generali S.p.A. successfully completed the repurchase of three subordinated securities with first call date in 2022 for 714,100 thousand euros and 252,500 thousand pounds. The Company also placed a new security for the value of 750,000 thousand, issued in the form of green bond.

## Overall economic performance

### Net profit

+41,344 thousand

**€ 1,514,628** thousand

Net profit for the period amounted to 1,514,628 thousand, an increase compared to 1,473,283 thousand versus the previous year. The increase is characterized by:

– A decrease in the profit from ordinary operations of 57,555 thousand, impacted by:

- an increase in ordinary financial operations, net of technical interest attributed to the net Life underwriting balance, of 316,827 thousand. This increase is primarily due to greater dividends coming from the subsidiaries;
- a decrease in the net underwriting balance of 220,459 thousand. The drop concerned both the Life segment (-170,705 thousand) and the Non-Life segment (-49,754 thousand). The decrease in the Life segment result is mainly due to the increase in technical provisions concerning the reinsurance agreement with the subsidiary Generali Personenversicherungen AG, while the Non-Life segment result suffered from the considerable decline in the result of the London office;
- a considerable increase in ordinary net costs of 153,922 thousand. Particularly affecting this trend was the negative impact made by the regulated repurchase of subordinated securities in early October 2019.

### Profit from ordinary operations

-57,555 thousand

**€ 1,078,290** thousand

### Profit from extraordinary operations

-22,088 thousand

**€ 168,552** thousand

– A decrease in the profit from extraordinary operations of 22,088 thousand. The previous year was mostly characterised by the realized gains arising from the operations to optimize the Group's geographical presence.

### Income taxes

+120,987 thousand

**€ 267,785** thousand

– Greater tax income of 120,987 thousand, referring primarily to the rise in income from the relevant IRES.

(in thousand euro)	2019	2018
Net premiums	2,634,238	2,343,644
Change in technical provisions (a)	168,098	433,915
Claims, maturities and surrenders	-2,621,729	-2,409,668
Operating costs	-527,711	-434,643
Other technical income and charges	-2,269	7,965
Technical interests of the life segment	212,798	142,671
<b>Net underwriting balance</b>	<b>-136,575</b>	<b>83,884</b>
Income allocated to technical accounts	479,656	469,282
<b>Net technical result</b>	<b>343,081</b>	<b>553,166</b>
Financial result (b)	2,809,191	2,422,237
minus income allocated to technical accounts	-692,454	-611,953
Other ordinary income and charges	-1,381,528	-1,227,606
<b>Profit from ordinary operations</b>	<b>1,078,290</b>	<b>1,135,844</b>
Profits and losses on the realisation of other durable invest.	116,185	159,435
Other extraordinary income and charges	52,367	31,206
<b>Result before taxation</b>	<b>1,246,842</b>	<b>1,326,485</b>
Income tax	267,785	146,798
<b>Profit for the year</b>	<b>1,514,628</b>	<b>1,473,283</b>

(a) Including mathematical provisions

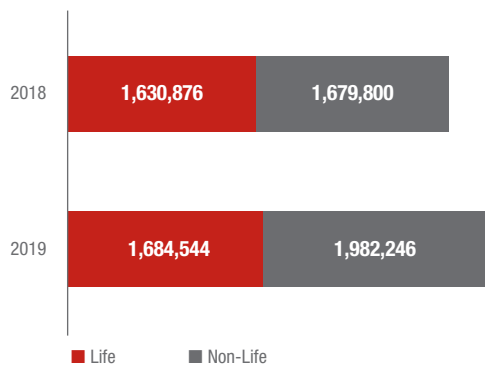
(b) Including net income on investments, net income on realisation, value adjustments and net profits on internal fund investments

%	2019	2018
Total expense ratio	20.0	18.5
Combined ratio	97.4	92.5

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

## Gross premiums collection

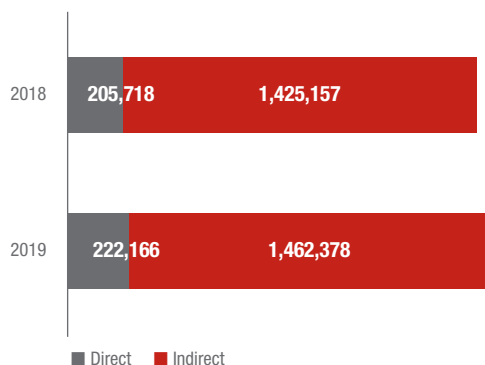
### Total premiums



Gross written premiums amounted to 3,666,790 thousand, significantly up from the 3,310,676 thousand of the previous year. In detail, the inflows from the Life segment amounted to 1,684,544 thousand (1,630,876 thousand in 2018) while from the Non-Life segment was 1,982,246 thousand (1,679,800 thousand in 2018).

As regards the insurance business carried out by way of free provision of services, in the European Union a total of 16,551 thousand was collected in premiums.

### Life premiums



The gross premium collection from the Life segment amounted to a total of 1,684,544 thousand, up compared to 1,630,876 thousand in 2018.

The premiums from indirect business were mostly underwritten by the Luxembourg Branch for 1,137,138 thousand (1,042,671 thousand in 2018), by the Parent Company Reinsurance unit for 309,220 thousand (369,109 thousand in 2018) and by the Hong Kong Branch for 16,020 thousand (13,186 thousand in 2018).

The growth of the Luxembourg Branch, operating in the

employee benefits line, is distinguished by both growth in new business and a reinsurance contract renewal rate higher than that of the previous year. These trends affected both the reinsurance acceptances by Group Companies and by non-Group companies.

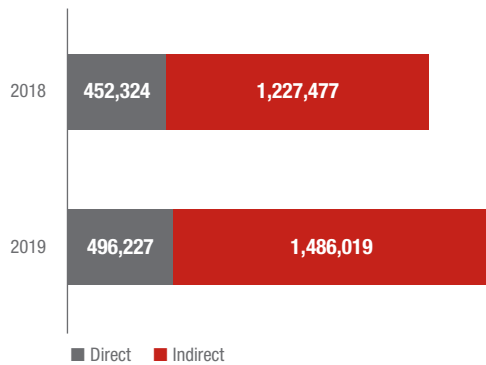
Both the termination of several reinsurance contracts with the Group Companies divested in the previous year and the automatic decrease in volumes of the reinsurance acceptances in run-offs by the subsidiary Alleanza Assicurazioni S.p.A. influenced the decrease in inflows from the Parent Company's reinsurance unit.

With reference to the premiums from the direct business, more than 60% of the inflows is concentrated in the London Branch (143,603 thousand compared with 109,176 thousand in 2018) as part of the Employee Benefits insurance portfolio.

The other Branches active in the direct business of the Life segment are: Dubai and Hong Kong, to which the direct portfolio of the Head Office is added to reach total inflows of 78,562 thousand (96,542 thousand in the previous year). Particularly affecting the overall decrease is the divestment of the Panama Branch in the previous year.



## Non-Life premiums



The gross premium collection from the Non-Life segment amounted to a total of 1,982,246 thousand, significantly higher than the 1,679,800 thousand in 2018.

The inflows from indirect business comes primarily from the London Branch (596,595 thousand compared to 423,689 thousand in 2018), from the Parent Company's reinsurance unit (520,643 thousand versus 521,215 thousand), from the Luxembourg Branch (210,814 thousand compared with 180,392 thousand) and from the Hong Kong Branch (150,875 thousand compared to 97,925 thousand).

The other branches of the Company and the Head Office portfolio contributed with 7,092 thousand (4,255 thousand in 2018).

As regards the most important changes, growth in London Branch inflows is particularly driven by the Global Corporate & Commercial business. The Hong Kong Branch reported significant growth in the Global Health line. For the Luxembourg Branch, new business development in the employee benefits line is significant in reinsurance acceptances from both other Group Companies and non-Group Companies.

The inflows of premiums from direct business was provided by the various Company Branches, to which the Head Office's direct portfolio should be added. As regards the increase of 43,903 thousand (from 452,324 thousand to 496,227 thousand), growth in the Global Corporate & Commercial and Global Health businesses for the total amount of 63,565 thousand is reported, as well as a decline totalling 19,662 thousand due to the divestments of the Panama and Tokyo Branches.

## Life net underwriting result

### Technical result

(in thousand euro)	2019	2018
Net premiums	1,277,081	1,209,144
Change in technical provisions (a)	193,815	461,490
Claims, maturities and surrenders	-1,633,848	-1,610,243
Operating costs	-212,924	-204,807
Other technical income and charges	8,538	17,909
Technical interests of the life segment	212,798	142,671
<b>Net underwriting balance</b>	<b>-154,541</b>	<b>16,164</b>
Income allocated to technical accounts	307,296	330,422
<b>Net technical result</b>	<b>152,756</b>	<b>346,586</b>

%	2019	2018
<b>Total expense ratio</b>	<b>16.6</b>	<b>16.9</b>
Acquisition costs / net premium	12.9	13.0
Administration costs / net premiums	3.7	3.9

Net technical result amounted to 152,756 thousand (346,586 thousand in the previous year). The result is comprised of the net underwriting balance amounting to -154,541 thousand (16,164 thousand in the previous year) and of the financial income transferred to the technical account, net of technical interest, which totalled 307,296 thousand (330,422 thousand in 2018).

The increase in the technical provisions regarding the re-insurance acceptance by the subsidiary Generali Person-  
enversicherungen AG mainly influenced the considerable reduction of the net underwriting balance.

Following are further details on the net underwriting balance.

## Net underwriting balance by branch

(in thousand euro)	2019	2018
Reinsurance accepted directly by the Parent Company	-162,929	14,227
Luxembourg	-23,843	-18,532
United Kingdom	13,319	6,805
Other branches	18,911	13,664
<b>Total</b>	<b>-154,541</b>	<b>16,164</b>

The previous table shows separately the underwriting results from the reinsurance accepted directly by the Parent Company, of the Luxembourg Branch and of the London Branch which for premium collection and technical commitments, individually represent the most significant items in the technical underwriting of the Life segment of the Company.

As with reference to the reinsurance accepted directly by the Parent Company, for almost all of the other Group Companies the result shows a decline of 177,156 thousand (from 14,227 thousand to -162,929 thousand), in the presence of premium inflows equal to 309,220 thousand (369,109 thousand in the previous year). The increase in the technical provisions regarding the reinsurance acceptance by the subsidiary Generali Personenversicherungen AG significantly influenced the reduction of the result for the amount of 244,040 thousand.

With reference to the Luxembourg Branch, the reinsurance contribution from both the Group and non-Group companies of employee benefits line showed a negative underwriting result, falling by 5,311 thousand (from -18,532 thousand to -23,843 thousand) against a significant rise in gross inflows (from 1,042,671 thousand to

1,137,138 thousand). Affecting the decreased result was an increased number of claims noted on several reinsurance acceptances, mainly from non-Group companies.

As regards the London Branch, the Life segment is represented by the following portfolios of direct insurance: employee benefits, individual income and unit linked. The overall net underwriting balance was 13,319 thousand (6,804 thousand in the previous year) with significantly higher gross inflows (from 109,177 thousand to 143,603 thousand) in the employee benefits line. As pointed out previously, the closed-end portfolios of the individual and unit-linked annuities were almost entirely ceded in reinsurance to a third party during the year. A future transfer of portfolio to the same counterparty will follow the reinsurance disposal.

The "Other branches" item of the previous table includes the underwriting balance of the Hong Kong Branch for 9,862 thousand (5,302 thousand in 2018), Head Office's portfolio for 6,316 thousand (6,366 thousand in 2018) and Dubai Branch for 2,733 thousand (1,252 thousand in 2018). The lower claims of the year and significant growth in new business made an impact on the most important change concerning the Hong Kong Branch.

## Non Life net underwriting result

### Technical result

(in thousand euro)	2019	2018
Net premiums	1,357,157	1,134,500
Change in technical provisions (a)	-25,717	-27,576
Claims, maturities and surrenders	-987,881	-799,425
Operating costs	-314,787	-229,836
Other technical income and charges	-10,807	-9,944
<b>Net underwriting balance</b>	<b>17,966</b>	<b>67,720</b>
Income allocated to technical accounts	172,360	138,861
<b>Net technical result</b>	<b>190,325</b>	<b>206,581</b>

%	2019	2018
Loss ratio	74.2	72.2
Total expense ratio	23.2	20.2
Acquisition costs / net premium	19.1	15.4
Administration costs / net premiums	4.1	4.8
<b>Combined ratio</b>	<b>97.4</b>	<b>92.5</b>

Net technical result amounted to 190,325 thousand, down by 16,255 thousand compared to 2018 (206,581 thousand). The result is comprised of the net underwriting balance amounting to 17,966 thousand, considerably lower than the 2018 figure (67,720 thousand) and of the financial income transferred to the technical account, which totalled 172,360 thousand (138,861 thousand in the previous year).

The considerable decrease in the underwriting balance was affected by the lower result of the London Branch for 87,370 thousand (from -12,661 thousand in 2018 to -100,031 thousand), only partly mitigated by the positive trend of the reinsurance directly accepted by the Parent Company, up by 38,197 thousand (from 70,454 thousand to 108,536 thousand).

## Net underwriting balance by branch

(in thousand euro)	2019	2018
Reinsurance accepted directly by the Parent Company	108,536	70,454
Luxembourg	12,936	7,017
United Kingdom	-100,031	-12,661
Other branches	-3,476	2,910
<b>Totale</b>	<b>17,966</b>	<b>67,720</b>

The previous table shows separately the underwriting results from the reinsurance accepted directly by the Parent Company, of the Luxembourg Branch and of the London Branch which for premium collection and technical commitments, individually represent the most significant items in the technical underwriting of the Non-Life segment of the Company.

The reinsurance directly accepted by the Parent Company, primarily from other companies of the Group, posted a result of 108,536 thousand (70,454 thousand in the previous year). This growth is due to an exceptionally low number of claims against slightly lower premium inflows (520,643 thousand compared to 521,215 thousand in 2018).

Claims, maturities and surrenders in fact amount to -108,964 thousand, compared to -171,815 thousand in the previous year, with a loss ratio of 42.5% (61.2% in 2018).

Operating costs total 29,794 thousand (29,633 thousand in 2018), and the ratio on net premiums stands at 11% (10.1% in 2018).

Overall, the combined ratio of the reinsurance directly accepted by the Parent Company stood at 53.5% versus the 71.3% of 2018.

With reference to the Luxembourg Branch, the reinsurance contribution from both the companies of the Group and outside of the group, in the accident and health lines, showed an underwriting result increasing from 7,017 thousand to 12,936 thousand, with gross inflows sharply rising, from 180,392 thousand in 2018 to 210,814 thousand.

Particularly affecting the improved result are the greater premiums collected by the subsidiary Generali Assuranc-

es Gènères and by another two non-Group companies in terms of both new business and renewals.

Claims, maturities and surrenders amount to 115,916 thousand (101,324 thousand in 2018), with a loss ratio of 76.1% (75.0% in 2018). Operating costs total 23,457 thousand (26,804 thousand in 2018), and the ratio on net premiums stands at 16.6% (20.9% in 2018). The comparison with 2018 is affected by the presence in the previous year of the profit sharing recognised to the subsidiary Generali Assurances Gènères and of the simultaneous release of technical provisions. These economic effects, offsetting in terms of overall impact on the result, were recorded after the termination of a significant reinsurance contract within the scope of the reinsurance acceptances by the aforementioned subsidiary.

Overall, the combined ratio of the Luxembourg Branch stood at 92.7% versus the 95.8% of 2018.

As regards the London Branch, the underwriting result was negative for 100,031 thousand and sharply fell compared to the previous year (-12,661 thousand) despite the substantial growth in gross inflows in all business lines (from 597,962 thousand in 2018 to 801,021 thousand).

The increase in claims and resulting decline in the result concerned all business sectors of the branch: reinsurance accepted by other Group companies in the *Global Corporate & Commercial* business line (from -5,746 thousand to -55,041 thousand), Global Corporate & Commercial underwritten in the United Kingdom (from -2,983 thousand to -20,070 thousand) and Global Health (from -3,932 thousand to -24,920 thousand).

In general terms, the loss ratio of the London Branch stood at 87.9% compared with 77.1% of the previous year. The ratio of administration costs to net premiums

was 26.3% compared to 24.2% in 2018. The higher commission expenses in the Global Corporate & Commercial business accepted as reinsurance by other Group companies particularly influenced the increased percentage of administration costs on premiums. This increase considerably affects most of the growth in percentage of the administration costs on premiums of the entire Company.

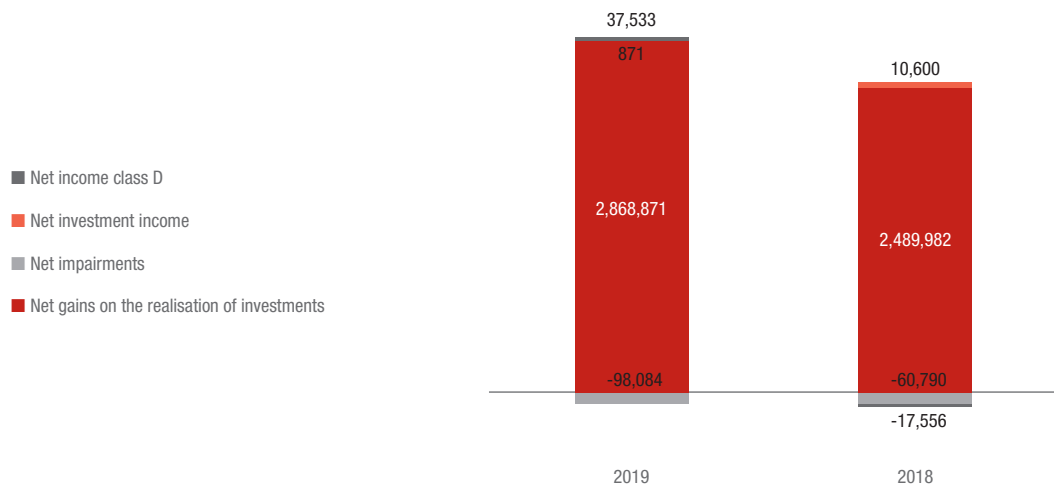
The combined ratio stood at 114.1% compared with 101.3% of the previous year.

The item “Other branches” includes the underwriting results from the Hong Kong, Dubai, and USA Branches as well as the Head Office’s portfolio. The Branches that mostly impacted the total are the Hong Kong Branch with an underwriting result of -13,071 thousand (-2,701 thousand in 2018) and the New York Branch with 7,931 thousand (1,967 thousand in 2018). Both branches are particularly active in the Global Corporate & Commercial business, with sizeable growth in premium inflows during the year, but with claims further worsening for the Hong Kong Branch.

## Financial result

The results of the ordinary financial operations amount to 2,809,191 thousand for the year and 2,422,237 thousand in the prior year. Income allocated to technical accounts amounts to 692,454 thousand for the year and 611,953 thousand in the prior year.

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

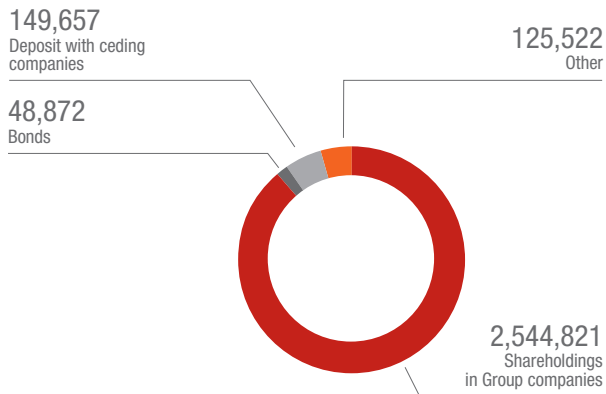
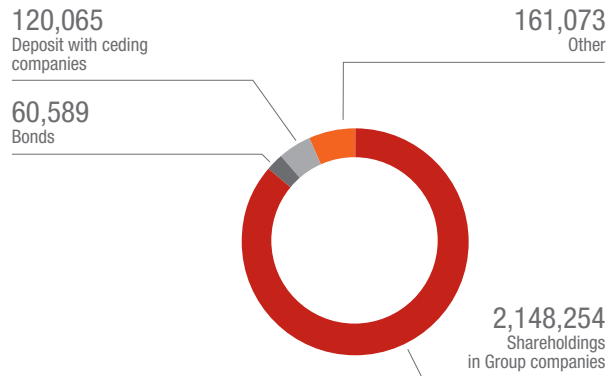


The class D net income amounted to 37,533 thousand, up compared to the net charge of 17,556 thousand of the previous year. The change can mainly be attributed to net unrealized capital gains, which amounted to 24,557 thousand compared to the net unrealized capital losses of 16,261 thousand of the previous year, for the most part on the portfolio of the Dubai Branch, consisting of mutual fund units. Realized gains amounting to 7,950 thousand also make a contribution (realized losses totalled 636 thousand in 2018), 4,805 thousand attributable to the portfolio of the London Branch and 3,132 thousand to the Dubai Branch portfolio. Interest income on reinsurance deposits also contributed to the growth in net income of the category, standing at 4,245 thousand (-1,858 thousand in the previous year); the most significant change concerns the reinsurance deposit at the assignor Generali Zavarovalnica d.d. Ljubljana.

Realized gains and losses were positive for 871 thousand; in the previous year they amounted to 10,600 thousand mainly due to the closing of some derivative positions.

Investment adjustments, net of the gains and losses for the year, amounted to 98,084 thousand compared with 60,790 thousand in 2018. The equity line value adjustments amounted to 54,811 thousand (16,433 thousand in the previous year) and are mainly attributable to the Group company Generali Brasil Seguros S.A. The net value adjustments of the derivative financial instruments also contributed an amount of 48,899 thousand (23,364 thousand in 2018), mainly with reference to interest rate swap forward starting instruments (20,698 thousand) and hedging of Motor TPL loss ratio on 12 Group companies (insurance linked security Horse) classified in this category because the risk subjected to the hedging is not in the insurance portfolio of the Company (19,175 thousand). The value adjustments are offset by the reversals of impairment on bonds for 11,130 thousand (net charge of 18,189 thousand in 2018), mainly in the portfolio of the Hong Kong Branch.

Details of the net income from investments, totalling 2,868,871 thousand (2,489,982 thousand in the previous year), are provided below.

**Net investment income 2019****Net investment income 2018**

The dividends received from the companies of the Group totalled 2,544,821 thousand, an increase of 396,566 thousand compared with the previous year (2,148,254 thousand). Mainly making an impact on the increase were the dividend received from the subsidiary Generali France for 239,951 thousand (the subsidiary did not pay any dividend to the Company in the previous year) and the higher amount paid by Generali Italia for 136,000 thousand (from 1,000,000 of the previous year to 1,136,000 thousand).

Net interest on reinsurance deposits amounted to 149,657 thousand, increasing compared with the previous year (120,065 thousand). The growth is mainly due to the reinsurance acceptance by the subsidiary Alleanza Assicurazioni S.p.A. (+28,780 thousand) as a result of an improvement in its financial profitability.

Income from bonds is equal to 48,872 thousand (60,589

thousand in the previous year), of which 21,013 thousand deriving from government bonds (24,149 thousand in 2018) and 27,858 thousand deriving from corporate bonds (36,440 thousand in 2018). The outflows of securities from the portfolio of the Company resulting from the divestment of the Panama Branch during the previous year and to the transfer of assets to cover the closed-end Life portfolio of the London Branch, implemented during the year as part of the reinsurance disposal transaction described above, mostly contributed to the decreases.

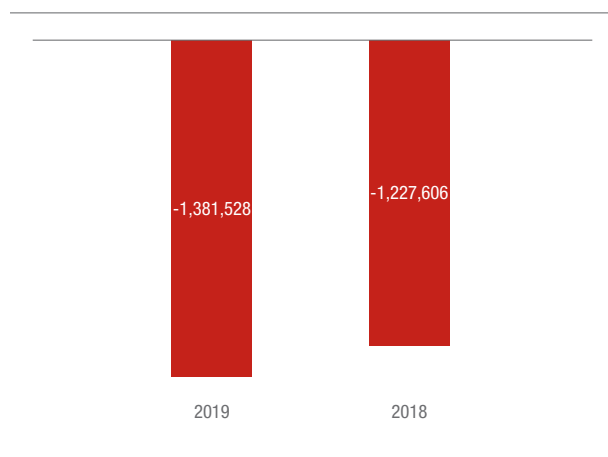
Other income net of other expense fell from 161,073 thousand to 125,522 thousand, mainly due to lower interest on loans to Group companies.

Ordinary return on investments<sup>1</sup>, determined on the basis of the average rate of return, therefore stands at 7% (6.1% in 2018), owing to growth in the dividends received from Group companies.

<sup>1</sup> The average rate of return on investments is the ratio of income for the period to half the sum of investments at book value at 31/12/2019 and 31/12/2018



## Other ordinary income and charges



Other ordinary income and charges show a negative balance of 1,381,528 thousand (also negative in the previous year at 1,227,606 thousand).

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

(in thousand euro)	2019	2018
Interest expenses on financial debt	-704,066	-768,591
Allocation to non technical provisions	55,978	-30,003
Holding expenses	-410,583	-365,162
Amortisation of intangible assets	-20,745	-15,950
Other	-302,112	-47,900
<b>Total</b>	<b>-1,381,528</b>	<b>-1,227,606</b>

A discussion on the items of the above table is provided below, with exception made for the interest expenses on financial debt that is specifically discussed in the next section.

The net income resulting from the allocations to future non-technical provisions amounted to 55,978 thousand, compared to the net cost of 30,003 thousand of the previous year. Release of the provisions for tax risks and charges totalling 22,417 thousand significantly contributed to the balance of the year. They regarded the taxes on property transfers, allocated following the repurchase of the minority interest in the subsidiary Generali Deutschland AG.

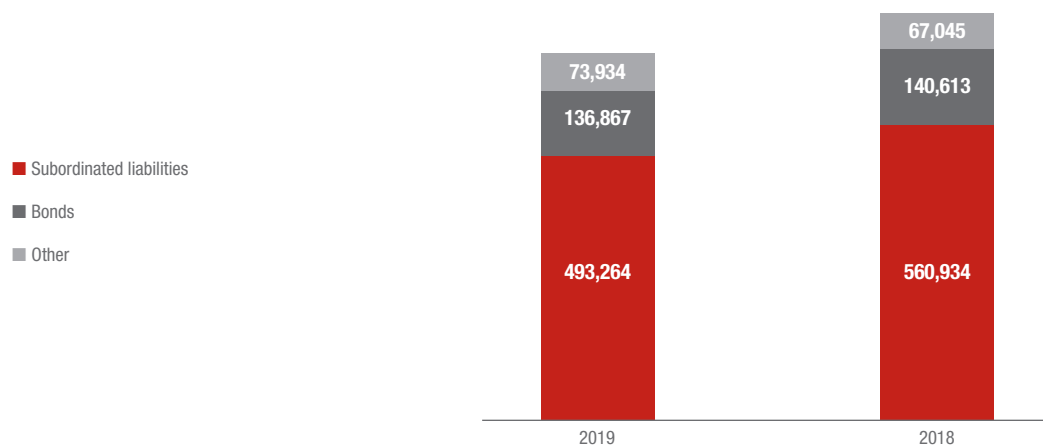
Releases of the provisions for risks and charges are added to this component, for the following amounts: 11,076 thousand tied to transfer of the Japanese portfolio; 8,418 thousand tied to setting up the Luxembourg Branch; 4,249 thousand relating to the contribution to the closed-end pension fund for London Branch employees.

Affecting the balance of the previous year were allocations to the future non-technical provisions amounting to 20,203 thousand relating to the transfer of the portfolio of the Japanese Branch and to the opening of the Luxembourg Branch, as well as the allocation to the solidarity provision (INPS Circular no. 56 dated 10 March 2015) for 13,469 thousand.

The expense borne by the Company for the direction and coordination of the companies belonging to the Group, net of the income from brand royalties, amounted to 410,583 thousand, an increase versus the same figure of the previous year (365,162 thousand). The increase is mainly due to costs borne for the M&A activities and for the projects associated with adoption of the new international accounting standards carried out during the year.

For the remaining items in the table, "Other", which decreased by 254,212 thousand, the main negative impact was due to the repurchase of subordinated securities in early October 2019.

## Interest expenses on financial debt

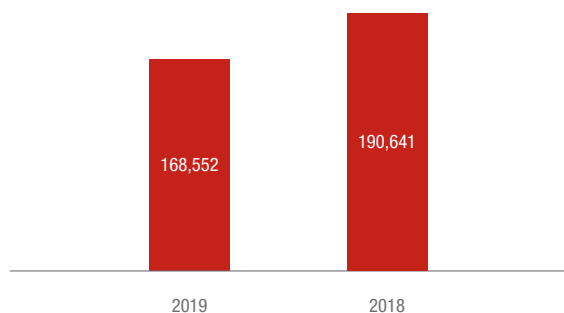


Interest expense on the financial debt of the Company amounted to a total of 704,066 thousand, a decrease from 768,591 thousand in 2018.

The most significant change regards the lower interest on subordinated liabilities (from 560,934 thousand in the previous year to 493,264 thousand) versus early repayments of the hybrid loans for 750,000 thousand

(the repayment was made in several tranches, of which 700,000 thousand in March 2019 and 50,000 thousand in July 2019) and the repurchase of securities for another 714,100 thousand euros and 252,500 thousand pounds in October 2019. The impact is only partially offset by the new issues, of which 500,000 thousand settled in January 2019 and 750,000 thousand in October 2019, distinguished by interest rates lower than the paid-off debts.

## Extraordinary operations



The results from extraordinary operations are positive, at 168,552 thousand (190,641 thousand in the previous year).

Mainly contributing to formation of this result are the net realised gains coming from the early closing of the loan receivable from the subsidiary Generali Beteiligungs-GmbH for the amount of 84,821 thousand, the gains from the sale of the equity stake in Sara Assicurazioni for 29,631 thousand and realised gains from the sale of the Japanese portfolio for 8,742 thousand.

## Income taxes

Income taxes for the year show an overall income of 267,785 thousand (146,798 thousand last year). The increase is primarily due to deferred IRES taxes.

In detail, deferred IRES taxes amounted to 312,840 thousand (189,612 thousand in 2018), the IRAP tax charge came to 6,544 thousand (compared to deferred

The result also comprises the income for taxes of prior years for 42,740 thousand (negative for 30,434 thousand in the previous year), mostly attributable to application of the Patent Box tax regulations (following finalisation of the relevant agreement with the Italian Revenue Agency) and recalculation of the income taxes of previous years of several foreign subsidiaries.

The positive result is partially offset by the expense for voluntary employee retirement incentive plans amounting to 6,249 thousand.

Mainly affecting the result of the previous year were the realized gains coming from the transfer of the Panama Branch (77,459 thousand) and of the shareholdings in the following companies: Generali PanEurope dac (120,667 thousand), Generali Colombia Seguros Generales S.A. and Generali Colombia Vida - Compañía de Seguros S.A. (13,896 thousand), Assurances Maghreb S.A. and Assurances Maghreb Vie S.A (4,911 thousand), Sara Assicurazioni (12,243 thousand). The result was partially offset by the income tax costs relating to prior years for 30,434 thousand in connection with the supplementary returns submitted during the year.

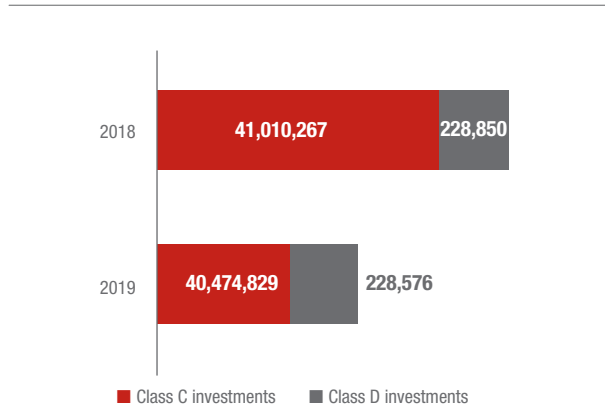
IRAP totalling 4,827 thousand last year), the charge for taxes due in Italy on the income of some Group subsidiaries overseas (Controlled Foreign Companies – CFC) amounted to 18,059 thousand (21,728 thousand last year), and lastly, a charge for taxes paid abroad amounting to 20,452 thousand (25,058 thousand in the last year).

## Asset and financial management

(in thousand euro)		2019	2018
Intangible assets		32,963	39,193
Investments		40,474,829	41,010,267
Class D investments		228,576	228,850
Reinsurers' share of technical provisions	Non-life	609,110	539,846
	Life	1,210,592	551,801
<b>Total</b>		<b>1,819,702</b>	<b>1,091,647</b>
Debtors		1,985,775	1,837,675
Other assets		735,647	966,024
Accrued income and deferred charges		144,254	180,815
<b>TOTAL ASSETS</b>		<b>45,421,746</b>	<b>45,354,471</b>
Provisions for other risks and charges		78,624	132,149
Deposits received from reinsurers		498,532	518,396
Creditors and other liabilities		12,755,018	11,973,307
Accrued expenses and deferred income		268,054	317,339
Technical provisions non life		2,550,106	2,166,273
Technical provisions life	class C	6,091,608	6,753,491
	class D	266,411	225,895
<b>Total</b>		<b>8,908,125</b>	<b>9,145,659</b>
Subordinated liabilities		7,834,489	8,290,802
Shareholders' funds			
Subscribed share capital or equivalent fund		1,569,773	1,565,165
Reserves		11,994,503	11,938,372
Profit for the year		1,514,628	1,473,282
<b>Total</b>		<b>15,078,904</b>	<b>14,976,819</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>45,421,746</b>	<b>45,354,471</b>

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

## Investments

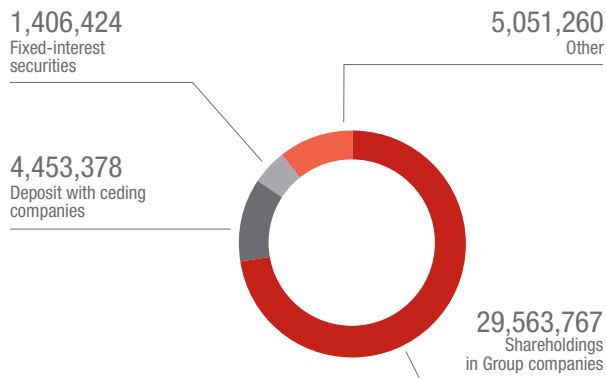


Investments amount to 40,703,405 thousand compared to 41,239,117 thousand of the previous year.

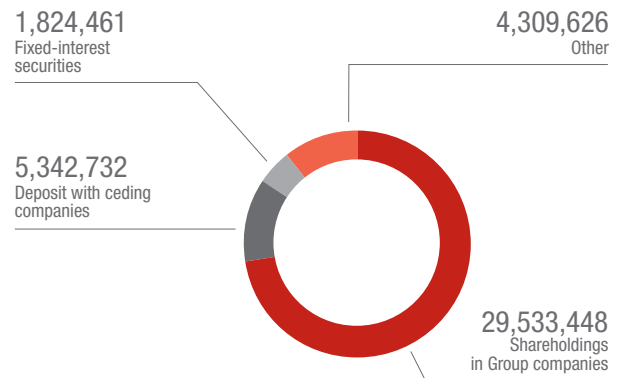
Class C investments, i.e. the investments of the Company excluding those benefiting the Life-insurance policyholders who bear the risk, show a decrease from 41,010,267 thousand to 40,474,829 thousand.

Class D investments, i.e. the investments of the Company benefiting the Life-insurance policyholders who bear the risk, amount to 228,576 thousand, slightly lower than the previous year (228,850 thousand).

### Class C Investments 2019



### Class C Investments 2018



Shareholdings in Group companies increased from 29,533,448 thousand to 29,563,767 thousand. The change is mainly due to the increases in value of the investments in Generali Vietnam Life Insurance (+15,858 thousand), Europ Assistance Holding S.A.S. (+8,803 thousand) and Generali Financial Asia Limited (+6,448 thousand) for increases in capital and the counter-measurement in euro of the investments in foreign currency (+35,341 thousand). The increase is partially offset by the decrease in value of the investment in Generali Brasil Seguros S.A. (-22,882 thousand) for the value adjustment recorded at year-end, net of the capital increases made during the first half of 2019.

Reinsurance deposits decreased from 5,342,732 thousand to 4,453,378 thousand. The reinsurance acceptances by Alleanza Assicurazioni S.p.A. and Generali Deutschland AG in the Life segment and by Generali

IARD S.A. in the Non-Life segment mainly affected the change. Deposits at the assignor Alleanza Assicurazioni S.p.A. fell by 461,353 thousand as a result of the natural decrease of the portfolio reinsured in run-off. Deposits at the assignor Generali Deutschland AG dropped by 685,292 thousand following the closing of proportional reinsurance contracts regarding the portfolio of the company Generali Lebensversicherung divested during the year. Deposits at the assignor Generali IARD increased by 147,357 thousand after the reinsurance structure was revised from non-proportional to proportional, with a resulting increase in technical provisions and relevant reinsurance deposits.

The item "Other" increased from 4,309,626 thousand to 5,051,260 thousand. The change mainly arises from greater units of mutual funds (change of 2,242,961 thousand), almost entirely due to the sale of units of the

Generali Money Market fund. The net reduction of loans to the Group companies contributed to the balance of the item (change of 1,493,171 thousand). In detail, during the year reductions in the loans to Generali Beteiligungs-GmbH (change of 1,556,903 thousand) and Generali Deutschland AG (change of 313,997 thousand) for early repayments and to Generali (Schweiz) Holding AG (change of 37,500 thousand) that reached maturity were posted. These decreases are offset by the issues to Generali Personenversicherungen AG (change of 363,000

thousand), Generali Investments Holding S.p.A. (change of 40,000 thousand) and Europ Assistance North America, Inc. (change of 11,581 thousand).

Bond investments amounted to 1,406,424 thousand, down from the previous year (1,824,461 thousand). This decrease can be attributed to lower investments in corporate bonds (change of 309,048 thousand) and to investments in government bonds (change of 108,989 thousand).

## Net technical Provisions

(in thousand euro)	Amount		Change (%)	Incidence %	
	2019	2018		2019	2018
<b>Technical provision of life business</b>	<b>5,147,428</b>	<b>6,427,585</b>	<b>-19.9</b>	<b>72.6</b>	<b>79.8</b>
Mathematical provision	3,590,031	5,211,738	-31.1	49.8	64.1
Provision for claims outstanding	982,984	868,160	13.2	13.9	10.8
Provisions relating to contracts linked to investments funds and market index and relating to the administration of pension funds	224,935	225,895	-0.4	3.2	2.8
Other provisions	349,478	121,792	186.9	5.7	2.1
<b>Technical provision of non life business</b>	<b>1,940,995</b>	<b>1,626,427</b>	<b>19.3</b>	<b>27.4</b>	<b>20.2</b>
Provision for unearned premiums	310,093	271,744	14.1	4.4	3.4
Provision for claims outstanding	1,630,338	1,354,216	20.4	23.0	16.8
Other provisions	564	467	20.8	0	0
<b>Total life and non life business</b>	<b>7,088,423</b>	<b>8,054,012</b>	<b>-12.0</b>	<b>100.0</b>	<b>100.0</b>

With regard to the technical provision of Life segment, the most important changes concerned the mathematical provision, down by 1,621,707 thousand (from 5,211,738 thousand to 3,590,031 thousand) and Other reserves, up by 227,686 thousand (from 121,792 thousand to 349,478 thousand).

Mainly affecting the reduction in the mathematical provision was the Reinsurance accepted directly by the Parent Company (-1,107,790 thousand) and the London Branch (-531,089 thousand). The closing of proportional reinsurance acceptances from Generali Deutschland AG regarding the portfolio of the company Generali Lebensversicherung divested during the year influenced the Reinsurance accepted directly by the Parent Company; as a result, the technical provisions dropped by 686,109 thousand.

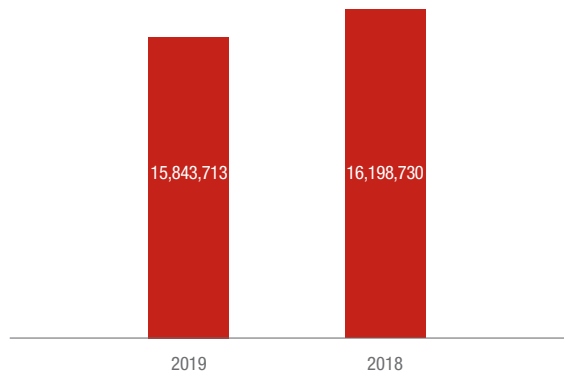
Added to this was the natural decrease of technical provisions regarding the reinsurance acceptance in run-off from the subsidiary Alleanza Assicurazioni S.p.A. (-461,353 thousand).

The decrease in mathematical provisions of the London Branch comes for the previously mentioned reinsurance disposal agreement stipulated during the year with a third-party company regarding the closed-end individual income and unit-linked portfolio.

As far as the Other provisions item is concerned, the increase is mainly due to the reinsurance agreement with the subsidiary Generali Personenversicherungen AG for 205,939 thousand.

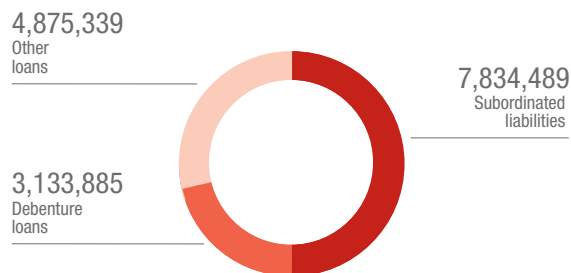
Non-Life technical provisions increased by 314,569 thousand (from 1,626,427 thousand to 1,940,995 thousand). Growth in the claims provision and premium provision is mostly attributable to the London Branch consistent with the change of reinsurance treaty with the subsidiary Generali IARD S.A. from non-proportional to proportional and the technical trend of premiums collection and claims previously described.

## Debt management

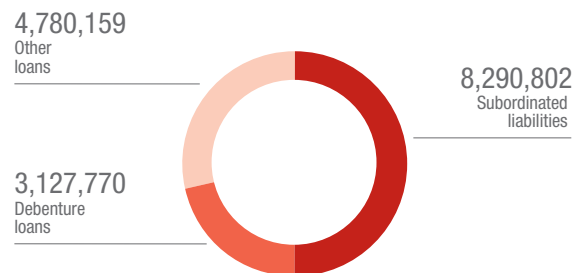


The total debt of the Company decreased by 355,018 thousand, from 16,198,730 thousand to 15,843,713 thousand, particularly due to the decrease in subordinated liabilities..

### Debt 2019



### Debt 2018



Subordinated liabilities decrease a total of 456,313 thousand. The decrease is mainly attributable to:

- the early repayment of two perpetual subordinated notes totalling 700,000 thousand in March 2019;
- the early repayment of another 50,000 thousand in July 2019;
- repurchase of three sets of subordinated notes for 714,100 thousand euros and for 252,500 thousand pounds, settled on 1 October 2019;
- the placing on the market of a new loan in the form of green bond for the value of 750,000 thousand, settled on 1 October 2019;
- subordinated bond issue of 500,000 thousand settled in January 2019.

The loans increased by 95,180 thousand. New issues to report include the loans with the subsidiaries Generali Participations Netherlands N.V. (130,000 thousand) and Cosmos Lebensversicherungs Aktiengesellschaft (75,000 thousand). By way of partial compensation were the repayments of loans to Generali Participations Netherlands N.V. (50,000 thousand) and Generali Investments Holding S.p.A. (55,000 thousand).

Debenture loans as a whole increased with a new issue underwritten by Generali Italia S.p.A. for 70,000 thousand, partially offset by the annual repayment amount of the loan taken out to fund the tax recognition of goodwill of Alleanza Assicurazioni S.p.A., which came to 63,885 thousand.

## Subordinated liabilities

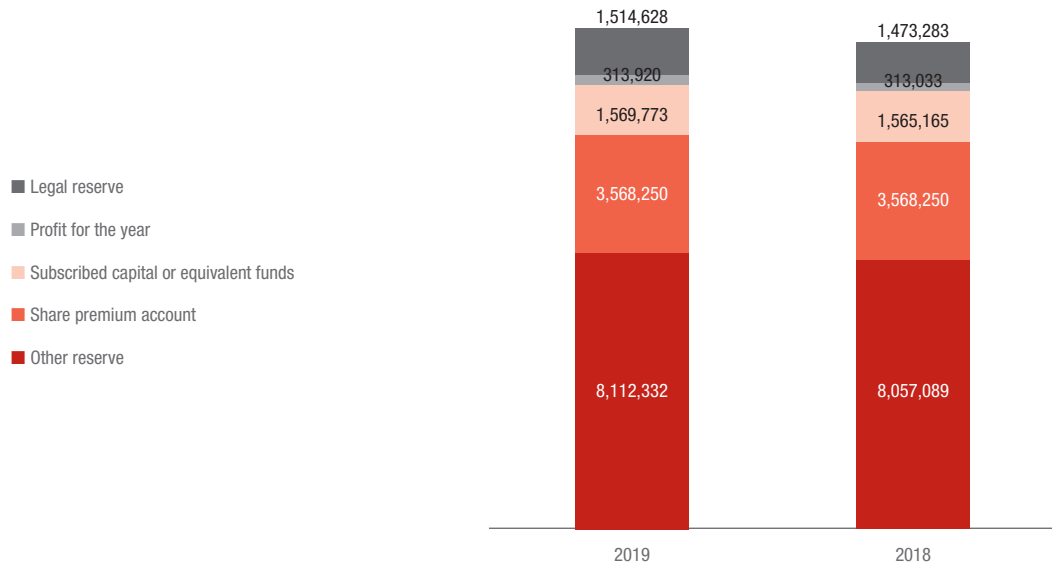
Nominal interest rate	Nominal value	Currency	Book value	Issue date	Call	Expiration date
6.27%	350.0	GBP	413.1	16/06/2006	16/06/2026	PERP
6.42%	252.5	GBP	286.2	08/02/2007	08/02/2022	PERP
4.60%	1,500.0	EUR	1,500.0	21/11/2014	21/11/2025	PERP
10.13%	750.0	EUR	301.6	10/07/2012	10/07/2022	10/07/2042
7.75%	1,250.0	EUR	984.3	12/12/2012	12/12/2022	12/12/2042
4.13%	1,000.0	EUR	1,000.0	02/05/2014	n.d.	04/05/2026
5.50%	1,250.0	EUR	1,250.0	27/10/2015	27/10/2027	27/10/2047
5.00%	850.0	EUR	850.0	08/06/2016	08/06/2028	08/06/2048
3.88%	500.0	EUR	500.0	29/01/2019	n.d.	29/01/2029
2.12%	750.0	EUR	750.0	01/10/2019	n.d.	01/10/2030

## Debenture loans

Nominal interest rate	Nominal value	Currency	Book value	Issue value	Expiration date
5.13%	1,750.0	EUR	1,750.0	16/09/2009	16/09/2024
EURIBOR 12M + 220 bps	560.0	EUR	63.9	14/05/2010	14/12/2020
0.34%	70.0	EUR	70.0	16/10/2019	16/10/2024
2.87%	1,250.0	EUR	1,250.0	14/01/2014	14/01/2020



## Shareholders' Fund



Shareholders' Funds amounted to 15,078,904 thousand, compared with 14,976,820 thousand in the previous year.

Subscribed share capital increased by 4,608 thousand due to the following:

- assignment of Generali shares in favour of Group management on 7 April 2019, in implementation of the Long Term Incentive Plan 2016 for the amount of 4,436 thousand;
- assignment of Generali shares in favour of the Group CEO Philippe Donnet on 5 July 2019, in implementation of the special share-based plan for the Group CEO for the amount of 172 thousand.

The legal reserve rose by 887 thousand in order to reach the minimum level required by law in connection with the above-mentioned share capital increase to implement the Long Term Incentive Plan 2016.

Other equity reserves increased by 55,244 thousand. The increase includes the following changes:

- allocation to special reserve after the 2018 profit was allocated for 59,852 thousand;
- withdrawal from the special reserve for 4,608 thousand for the aforesaid share capital increases.

Please note that the portfolio includes 107,256 own shares with a nominal value of 1 euro each.

## Other information

Following is the additional information requested in compliance with the provisions under ISVAP Regulations (now IVASS) no. 22 of 4 April 2008, modified and supplemented by the IVASS provision no. 53 of 6 December 2016, Annex 6.

## Personnel organisation and social and environmental commitment

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

Our strategy regarding employees, called GPeople2021, is based on five priorities:

- Promote an innovative and customer-focused culture with a high degree of involvement;
- Make global and diversified leaders and talents grow;
- Become a simple, agile and adaptable organization;
- Acquire and develop key skills for the digital era;
- Reward excellence and the creation of sustainable value.

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

As at 31 December 2019, the Company employs a workforce of 1,757 units (1,686 units as at 31 December 2018), including a total of 578 staff employed in the foreign branches (584 as at 31 December 2018).

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

With the objective of fostering the growth of leaders and talents and investing in the improvement of their skills and expertise, in 2019 a training programme, namely Global Leadership Programs, has been redeveloped at the Group Level, with the purpose of enhancing strategic thinking and leadership capacities, providing management tools and accelerating the shift from manager to leader. In the year in question, the initiatives *Leading the Life-Time Partner Transformation* reserved to the CEO and GLG (Generali Lead-

ership Group) and *Take Off*, reserved to the Group Talent Managers, were carried out.

In the year in question, the training programme *Managerial Acceleration Program*, launched in 2017, continued for the purpose of promoting a Generali management model, shared and uniform, providing all current and future Managers of Assicurazioni Generali and the Group, with the mind-set, the skills and tools necessary to effectively manage people, projects and budgets.



*Managerial Acceleration Program is a training programme that aims at fostering the development of a managerial culture centred on empowerment and engagement that would allow all managers of the Group to effectively manage persons and organisations by sharing common approaches, skills, processes and instruments.*

The *We LEARN Program*, a strategic suite of different learning initiatives organized on multiple levels was launched in order to acquire and develop technology-associated skills and the new business models, in addition to the existing technical skills, in a context of innovation and transformation: *Skill Assessment, Foundation* (e.g. *Digital Acumen*), *New Skills for evolving roles and New Role Schools*.

To increase and update management, transversal and technical skills of the entire corporate population, the international programmes of technical excellence (e.g. *Generali Advanced Technical Education*) were confirmed and updated. Training classes on managerial soft-skills, offered transversally to all organisational levels and involving all functions, were

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# 1,757

employees

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# 3,505

man-days  
training

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added to this initiative; the *Tam Tam Talks*, which by proposing multiple view points and multidisciplinary experiences on the realities of the present, pursue the objective of increasing the collective capacity of understanding future contexts characterised by volatility, uncertainty, complexity and ambiguity.

As a major component of the *GPeople2021*, there were several *Diversity & Inclusion* initiatives in 2019, including events, workshops and seminars, in order to maximize the value of diversities, teamwork and inclusion (e.g. *From Unconscious Bias to Conscious Inclusion*, *Lioness Acceleration Program*).

In support of the implementation of a strong system for performance evaluation of the employees of Assicurazioni Generali and of the whole Group, in 2019 the training on the *Performance Management* process continued.

Moreover, the offer of training and update programmes for the development of language skills continues, along with other initiatives supporting the specialized knowledge of professional skills (e.g. *Compliance Academy*, *Audit Academy*).

As regards mandatory training, the classes for a better understanding of security measures to be adopted for the processing of personal information (Italian Legislative Decree 196/2003) and for the control of aspects related to occupational health and safety (Italian Legislative Decree 81/2008), continued. On a regular basis, classes intended to foster the dissemination and operating application of the “Organisational, management and control model”, as required by Legislative Decree 231/2001, also continued, as well as courses on anti-money laundering as required by Italian Legislative Decree 231/2007 and regulatory provisions of the Supervisory Authority of the sector.

With respect to training on laws and regulations, employees were required to participate in specific e-learning classes regarding training and awareness-raising, through specific initiatives, on matters dealt with in the Code of Conduct. Remuneriamo le nostre persone secondo quanto previsto nel CCNL di settore e nel contratto integrativo aziendale.

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

In 2019, the average gross remuneration of administrative personnel amounted to 112,500 euro (111,000 euro in 2018). The average cost amounted to 160,800 euro (158,800 euro in 2018).

We also offer additional benefits including supplementary pension plans, death or permanent disability insurance, long term care insurance, discounted insurance coverage extendible also to family members and a company welfare plan. To reconcile work, personal and family commitments, our employees can also benefit from flexible hours, part-time work, unpaid leave of absence and child day-care.

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

In the **environmental field**, we plan to play an active role in order to support the transition toward a more sustainable economy and society. Consistent with what is declared in our **Group Policy regarding Environment and Climate**, we continue to monitor and reduce our direct and indirect impacts through our products, services and investments, by dialoguing and cooperating with Governments and Associations.

As declared in our climate change strategy, our commitment to contribute to the transition entails specific actions regarding investments and underwriting, increasing exposure to green activities, and defining a clear stance on coal-linked companies. It also identifies dialogue and involvement of our interlocutors as the tool for fostering the transition.

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**€ 112,500**  
gross average  
remuneration

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**€ 160,800**  
average cost

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As regards direct impacts, for years we have been committed to reducing our energy, water and paper consumption and making waste management more efficient as well as improving corporate mobility. For instance, we often intervene in our real estate assets, according to eco-efficiency criteria, using state of the art equipment and technologies. We give priority to the use of eco-sustainable resources, such as power provided by renewable energy sources, as well as the use of certified paper. All the electric power provided to our offices is certified with the guarantee of the renewable origins of the sources. We try to reduce travelling and to enhance further the tools used for remote communication, and to encourage smart working. All our initiatives are focused on minimizing our **greenhouse gas emissions** and reaching our objective of a further **20% reduction by 2020 (base year 2013)**.

We also issued the first green bond to finance or refinance projects relating to, for example, the improved energy efficiency of the Group's real estate assets in 2019.

As for our public commitment, we have supported several important international initia-

tives for years (Paris Pledge for Action, The Geneva Association - Climate Risk Statement, European Financial Services Round Table), and in 2018 we declared our support to the Task Force on Climate-related Financial Disclosure (TCFD).

We actively participate in international work round tables, including the UNEP FI work group Principles for Sustainable Insurance (PSI) on implementation of the TCFD Recommendations by insurers and the Investor Leadership Network, promoted in G7 Investor Global Initiatives, in which we also study climate change in depth with the leading actors of the financial sector.

As proof of our commitment to the environment, in the 2021 Generali Group strategy we have undertaken to increase **environmental and social product premiums by 7%-9% and to allocate 4.5 billion in new green and sustainable investments by 2021**.



These and other social and environmental aspects are discussed in the section dedicated to Sustainability of the website [www.generali.com](http://www.generali.com)

## Outward reinsurance

With reference to outward reinsurance, the business model adopted by the Group calls for, in principle, the transfer of 100% of the treaties of the subsidiaries to the Parent Company, except for any exceptions due to local legislation or regulations. The Parent Company acquires appropriate protection on behalf of the entire Group, in this way benefitting from advantages coming from the breadth of the portfolio and from the scale economies.

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

Contractual reinsurance provides the transfer of risk for

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

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

Based on the rules and policies presently in effect, the reinsurance structures were presented to the Balance Sheet Committee at its 10 December 2019 meeting, which agreed on the efficiency and recommended that it be implemented.

## Claims settlement velocity of the direct Italian portfolio

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

	Claim settlement velocity %	
	Current origin year	Previous year
Motor TPL	61.5	62.5
Motor material damage	83.2	88.6
Accident	26.2	52.0
Health	93.4	87.7
Fire	24.0	76.2
Property other than fire	35.6	68.0
General Liability	15.0	76.4
Marine, aviation and transport (a)	32.5	69.6
Other LOB (b)	55.1	89.0
<b>Total</b>	<b>82.4</b>	<b>80.6</b>

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

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

## Litigation

The disputes in which the Company is involved, whose risk of losing is probable and for which a reliable estimate of the amount of the obligation was made, are described in detail in the Explanatory Notes, section 12 – Provision for other risks and charges.

With reference to the major disputes in progress, during 2016 Generali received from Banco BTG Pactual S.A. requests for damages by means of a notice of arbitration as provided by the Share and Purchase Agreement of BSI S.A. To this regard, the following major developments with respect to what has already been explained in the previous financial statements are summarized.

The deadlines for lodging final and reply briefs originally granted by the Arbitration Court were postponed to 31 January 2020 and 26 April 2020, respectively. The parties therefore lodged the final briefs in which they reiterated their positions in fact and in law. Generali once again reiterated its firm objection to the opposing claims as well as the preliminary exceptions raised.

In the light of the complexity and uncertainty of the dispute, with reference to both “an” and “quantum” and the relevant legal opinions acquired, the conditions are not met to perform a reliable estimation of potential allocations for risks concerning the previously mentioned request of damages

## Shareholders, share performance and stock options

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

On the basis of article 36 of Consob resolution no. 16191/2007, as subsequently amended, and article 2.6.2, paragraph 12, of Rules for the Markets organized

and managed by Borsa Italiana S.p.A., it is hereby certified that in the Generali Group are met the “conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries” and that adequate procedures have already been adopted to ensure full compliance with the foregoing regulation.

## Direction and coordination

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

## Stock performance

The trade price of the security Generali as at 31 December 2019 was 18.4 euro. The security has recorded, from early 2019, a minimum of 14.51 euro on 2 January 2019 and a maximum of 19.50 euro on 12 November 2019. Market capitalisation as at 31 December 2019, was 28,875,982 thousand euro



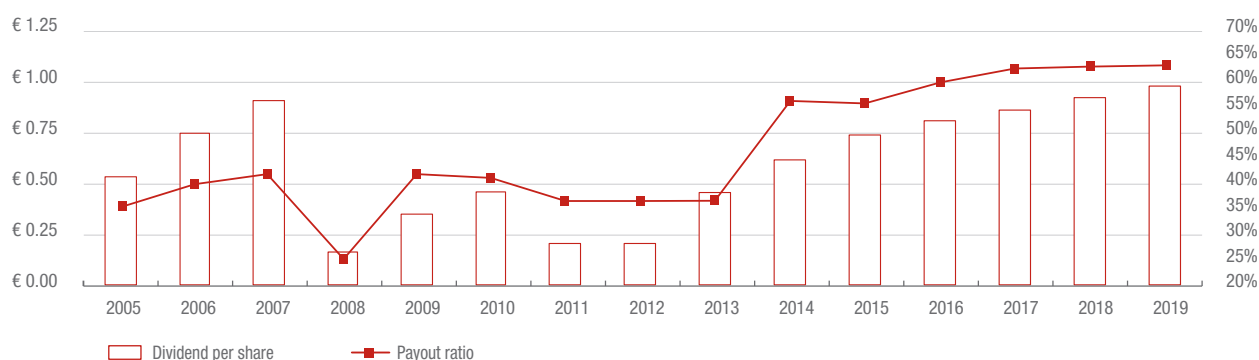
## Main indicators per share

	2019	2018
<b>Share price information (in euro)</b>		
Earnings per share	1.70	1.48
Normalised earnings per share	1.40	1.43
Normalised earnings without one-off liability management per share	1.52	1.43
Dividend per share	0.96	0.90
Payout ratio normalised without one-off liability management (*)	63.6%	63.3%
<b>Total dividend (in € million)</b>	<b>1,513</b>	<b>1,413</b>
<b>Share price information (in euro)</b>		
Share price	18.40	14.60
Minimum share price	14.51	13.75
Maximum share price	19.50	17.06
Average share price	16.85	15.07
<b>Share volume information</b>		
Weighted average number of ordinary shares outstanding	1,567,927,100	1,563,742,903
Market capitalization (in € million)	28,876	22,851
Average daily number of traded shares	4,863,683	5,778,912
Total shareholders' return (TSR) (**)	33.95%	1.39%

(\*) The payout ratio at 31 December 2019 calculated on the net normalised earnings including one-off liability management (€ 2,191 million) is 69.1%. The figure for 2018 has been recalculated based on the normalised earnings of that year.

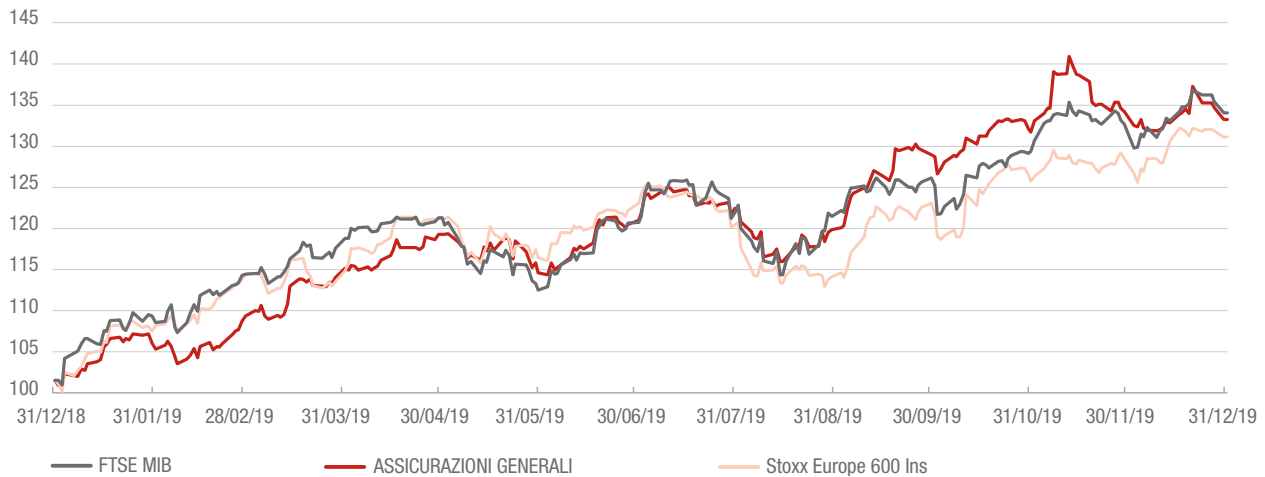
(\*\*) The total shareholders' return is the measurement of the performance which takes into account of both the change of share price and dividends paid, in order to show the global remuneration to shareholders by mean of an annual percentage rate.

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



<sup>2</sup> The payout ratio for 2012 is not shown in the graph as it is insignificant and not in proportion to the Group's result for the period and it is impacted by the specific dividend payments policy applied by the Group.

## 2019 performance of total shareholders' return



## Stock option

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

## Information regarding own shares

As at 31 December 2019, the Company held 107,256 own shares with a nominal value of 1 euro each, the same as the previous year.

VAT number (01333550323) has been assigned, which identifies all the participating companies, as the only taxable person VAT.

The Parent company Assicurazioni Generali S.p.A. is the representative of the "Assicurazioni Generali VAT Group".

## Other information

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

Pursuant to Italian Legislative Decree no. 254/2016, article 6, paragraph 1, the Company is not subject to the obligation of preparing an Individual Statement of a Non-Financial Nature, under article 3 of the Decree itself, since the Company is included in the Consolidated Non-Financial Statement, prepared by the Generali Group pursuant to article 4.

During 2019, the Company, together with its Italian subsidiaries, opted for the adoption of the VAT Group institute. For this purpose, the "Assicurazioni Generali VAT Group" was set up from January 1, 2020, to which a new

## Transactions with related parties

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

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

With regard to CONSOB communications 97001574 of 1997, 98015375 of 1998 and 6064293 of 2006 concerning transactions with related parties, the Company states that transactions with Group companies are conducted



as part of its normal activity of coordination and are, moreover, subject to specific ISVAP (now IVASS) supervisory controls. No transactions carried out during the year were atypical with respect to normal business operations. The main intra-Group transactions, settled at fair market conditions or at cost, involved reinsurance and co-insurance, administration and management of the securities and property portfolio, claims management and settlement, IT services, loans and guarantees and loans to employees. The above-mentioned transactions and contractual performances permitted operational functions to be rationalized and the level of services to be improved.

For further details, see the Explanatory Notes.

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

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

Article 30, paragraph 2, of the Italian Law 24/03/2012 no. 27 introduced the requirement for insurance companies authorized to operate in the motor vehicle liability line of business, to indicate an estimate of the reduction in charges for fraudulent, claims resulting in from independent fraud control and prevention activities. IVASS on 11 March 2014, in a letter, provided stringent and unique calculation rules to the entire market, including the obligation to publish the estimated savings in a report attached to the financial statements. Based on the above and on the calculations made by the Company, no amounts are to be disclosed for 2019.

## Group highlights

### Economic highlights

(in thousand euro)	2019	2018
Gross written premiums	69,785	66,691
Consolidated operating result	5,192	4,857
Operating return on equity	12.4%	11.3%
Result of the period	2,670	2,309

### Financial highlights

(in thousand euro)	2019	2018
Total investments	630,126	488,327
Total third parties asset under management	161,814	72,332
Regulatory Solvency II	224%	217%

The Generali Group's consolidated financial statements as at 31 December 2019 were prepared taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606/2002, Italian Legislative Decree 58/1998 and Italian Legislative Decree 209/2005, as amended by Italian Legislative Decree 32/2007.

Consolidated entities were 463 as at 31 December 2019 compared to 455 as at 31 December 2018. In detail, entities consolidated line by line increased from 419 to 423 and those valued at equity went up from 36 to 40.

More complete information of the Group's data and significant indices is provided in the 2019 Integrated Annual Report and Consolidated Financial Statements.

## Significant events after 31 december 2018

- During the month of January, Assicurazioni Generali S.p.A. completed the acquisition in Portugal of 100% of the company Seguradoras Unidas and the service company AdvanceCare. The transaction, announced in July 2019, represents an important step in the execution of the Group's three-year strategy which aims to strengthen Generali's leadership in Europe.
- The senior debt of 1.250,000 million issued in 2014 reached maturity in January 2020. Consistent with what was forecast in May 2019 at the Exploring Generali event, this repayment was not refinanced as part of the plan to reduce debt according to the Generali 2021 strategy.
- British Parliament completed the procedure of ratifying the law implementing the agreement on exiting the EU that sanctioned the exit of the United Kingdom from the EU starting from 1 February 2020. On 29 January 2020, the European Parliament approved the agreement, which guarantees an orderly withdrawal of the United Kingdom from the Union, and concerns the rights of citizens, the economic aspects, the transition period, the protocols on Ireland/Northern Ireland, Cyprus and Gibraltar, governance and other questions pertaining to the separation. The transition period commenced on 1 February 2020 and will expire at the end of December 2020. Any agreement on the future relations between the EU and the United Kingdom should be concluded before this date in order it to take effect on 1 January 2021. Please note that Assicurazioni Generali S.p.A. started, from September 2017, an activity with the topmost purpose being that of taking all actions necessary so that the operations of the company in the United Kingdom carried forward under the right of establishment through its branch located in London would not be impaired, even in the case of withdrawal without an agreement. The results of this activity in terms of solutions singled out to meet the capital, governance and structural needs were approved by the Board of Directors on 7 November 2018. In the aftermath of this resolution, on 24 January 2019 the authorisation petitions necessary to establish two branches in the United Kingdom, one for the Life segment and one for the Non-Life segment, in place of the current mixed branch located in London were presented. These petitions meet the regulatory requirements provided for by applicable legislation due to the United Kingdom's exit from the European Union. While the petitions sent to the United King-

dom supervisory authorities are pending still today, those sent to IVASS were approved on 1 April 2019; the effect of the approval is conditional on the Company presenting a declaration on the requirements examined by IVASS still being met close to the effect date of the Brexit.

## Conclusion and outlook for operations

World GDP for 2020 is expected to grow to 2.4%. Eurozone internal demand will remain weak, and the GDP is forecast to rise by approximately 0.4% with inflation at about 1.2%. World and European GDP growth forecasts could be revised downwards. In this context, the world's major central banks could strengthen their accommodating policy. The Fed cut the reference rate in early March and could cut it once again during 2020; the ECB will maintain quantitative easing. Both could extend the system's credit and liquidity support policies.

With reference to the financial markets, concerns about the impact of Coronavirus on the real economy will keep risk-free returns low. The outlooks for a further drop in core Eurozone yields are however limited. The stock market, despite having suffered a significant fall in this first part of 2020 due to the uncertainty linked to the Coronavirus and fears of a negative impact on the economy, still remains attractive compared to bonds, albeit with an extremely prudent attitude in the short term by investors.

In the event of global contagion higher than the expected scenario, the core Eurozone government rates could record new lows and risky assets could be characterized by high volatility for a longer period. In a context of greater uncertainty and volatility linked to the further spread of Coronavirus, on whose medium-term impacts it is currently not possible to make a reasonable estimation, our focus remains on the disciplined execution of the strategy. Generali promptly implemented a series of initiatives to ensure business continuity and to protect the health of the people who work for the Group and the customers.

Generali is a global insurance player with an increasing use of digital technologies for advice and relations with customers and is confirmed as one of the most solid operators in the sector, thanks to the excellent level of Solvency and efficient financial management.

As regards the insurance sector as a whole, given the negative performance of the financial markets recorded in this first part of the year, in the Life segment an improvement in performance compared to that recorded in

market observed in the first part of the year. Growth in the Non-Life segment will continue, in line with 2019, in major Eurozone countries despite the economic slow-down forecast, especially in the health business.

The international reinsurance market recorded a certain frequency of natural catastrophe claims in 2019, most of which were in the Pacific and Caribbean islands areas, in addition to devastating fires in California for the third year in a row that in some cases generated significant technical losses for reinsurers that were only partly compensated by adequate asset management.

This trend of recent years has brought out the reinsurers' need to adopt greater discipline in providing reinsurance capacity. All of this has led to a reversal in the reinsurance cycle with stable costs or costs subject to even significant increases, at least for the cedant companies hit by claims. The growth trend is even more evident in the long-tail sectors, where the very low interest rates

that preclude the possibility to get satisfactory financial returns bear significant weight.

The Generali Group was able to benefit from favourable conditions due to its centralized reinsurance structure which allows for greater control over risk retention levels and good diversification in reinsurer portfolios. Minimal increases were found only on treaties characterised by a higher claims frequency or on business classes more sensitive to the interest rate trends, or where the capacity offer is generally smaller.

Within this context, the results for the year of the Parent Company will be mainly influenced by the ability of the subsidiaries to distribute dividends, against a reduction of total costs for management and coordination and financial charges.

The net underwriting result is expected to show growth, both in the Life and Non-Life segments.

## Parte B – Risk report

### Executive Summary

The purpose of this section is to provide an overview on the Company's solvency position and risk profile.

In terms of risk profile representation, the Company uses the Partial Internal Model (PIM) of the Generali Group. The use of the PIM has been approved by the Supervisory Authority for the Solvency Capital Requirement calculation. The PIM has become the cornerstone of the risk measurement and assessment and its use is embedded in all risk and capital management related processes.

The Solvency Ratio is equal to 260.4%, increasing from the previous year for 3.5 p.p. (256.9% as at 31 December 2018).

Since Assicurazioni Generali is the Parent Company of Generali Group, the participations in subsidiaries represent the main asset class within the balance sheet. As a result, the main contribution to the Company's risk profile is given by equity risk.

In addition to financial and credit risks, the Company is exposed to life and non-life underwriting risks, which arise from the reinsurance accepted mainly from Group companies and from the foreign branches.

The liquidity profile remains robust, in consideration of the effective coordination of the liquidity cash flows between the Parent Company and its subsidiaries.

Risk management processes and risk governance are regulated through a set of risk policies, which define the identification, measurement, management, monitoring and reporting processes for each risk category on the basis of the risk strategy.

The Risk Report sections are structured as follows:

- section B provides a brief description of the risk management system;
- section C provides the Company's solvency position and the key elements of the capital management;
- section D provides an overview of the Company's risk profile.

### Risk Management System

#### System of Governance

The system of governance, which includes the internal control and risk management system, consists of the roles and responsibilities of the Board of Directors of Assicurazioni Generali S.p.A. (hereafter, Board of Directors), Senior Management and Key Functions. Furthermore, it consists of policies, administrative and accounting procedures and organizational structures aimed at identifying, assessing, measuring, managing and monitoring the main risks.

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

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

Internal Audit together with Actuarial, Compliance and Risk Management Functions represent the Key Functions.

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

- the Board of Directors is ultimately responsible for the system of governance; it adopts the Directives on the system of governance and the internal control and risk management policies and reviews them on an annual basis; it is also responsible for the management and the overall consistency of the system of governance and of the internal control and risk management system with internal and external regulations; it establishes the Key Functions, defining their mandates and the reporting lines as well as the supporting committees; defines the risk appetite on the basis of ORSA results;

- Senior Management is responsible for the implementation, maintenance and monitoring of the system of governance both at individual and Group level, according to the Board of Directors' provisions;
- the Key Functions, in particular:
  - the Risk Management Function supports the Board of Directors and the Senior Management in defining the risk management, risk monitoring and risk measurement strategies and provides, through an appropriate reporting system, the elements for the assessment of the overall risk management system;
  - the Compliance Function supports the Board of Directors and the Senior Management in assessing that the organisation and the internal procedures are adequate to manage the potential risk of incurring administrative or judiciary fines, economic losses or reputational damage as a consequence of the non-compliance with laws, regulations, provisions issued by the Supervisory Authorities or with the internal regulations, as well as the risk deriving from unfavourable changes in the law or judicial orientation (compliance risk);
  - the Actuarial Function supports the Board of Directors in accordance with Solvency II regulation, carrying out coordination and control duties on the calculation of technical provisions in line with Solvency II, on the valuation of the underwriting policies and of the reinsurance agreements, as well as contributing to the effective implementation of the risk management system;
  - the Internal Audit Function supports the Board of Directors by ensuring an independent evaluation of the adequacy and effectiveness of the internal control system, also providing support and advice.

The heads of Key Functions report to the Board of Directors.

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

## Risk Management System

The principles defining the risk management system are provided in the Risk Management Policy<sup>3</sup>, which is the cornerstone of all risk-related policies and guidelines. The Policy covers all risks the Company is exposed to, on a current and forward-looking basis.

The risk management system consists in the following phases:



### 1. Risk identification

The purpose of the risk identification is to ensure that all material risks to which the Company is or could be exposed are properly identified. The Risk Management interacts with the main business functions in order to identify their main risks, assess their importance and ensure that adequate measures are taken in order to manage them, according to a sound governance process.

Within this process, also emerging risks, related to new risks and trends, with uncertain and often systemic developments, are considered.

The categorization of the identified risks follows the structure provided by IVASS Regulation n. 38 of 3 July 2018, Art. 19.

<sup>3</sup> The Risk Management Policy covers all Solvency II risk categories and, in order to adequately deal with each specific risk category and the underlying business processes, it is complemented by the following risk policies: Group Investment Governance Policy; P&C Underwriting & Reserving AG Policy; Life Underwriting and Reserving AG Policy; Operational Risk Management Policy; Liquidity Risk Management Group Policy and other policies related to business processes, such as Capital Management AG Policy, Supervisory Reporting and Public Disclosure AG Policy, etc. All policies are updated on annual basis.

## 2. Risk measurement

The risk measurement process aims at assessing the identified risks by means of their contribution to the capital requirement (for the so-called quantifiable risks), complemented by other modelling techniques (for the so-called non-quantifiable risks) deemed appropriate and proportionate to better reflect the Company's risk profile. Using the capital metric ensures that each risk is covered by an adequate amount of capital that could absorb the losses incurred if the risks materialise.

The capital requirement is calculated by means of the Group PIM for financial, credit, life and non-life underwriting risks. Operational risks are measured by means of standard formula, complemented by quantitative and qualitative risk assessments. The PIM provides an accurate representation of the main risks, measuring not only the impact of each risk taken individually but also their combined impact on the Company's own funds.

PIM methodology and governance are provided in section Solvency Position.

Risks not included in the capital requirement calculation, such as liquidity risk and other risks, are evaluated based on quantitative and qualitative techniques, models and additional stress testing or scenario analysis.

## 3. Risk management and control

The Company's risks are managed in line with the risk appetite defined by the Board of Directors within the Risk Appetite Framework of Assicurazioni Generali S.p.A. (RAF). The RAF defines the level of risk considered acceptable in conducting business and provides the overall framework for embedding risk management into business processes. In particular, the RAF includes the risk appetite statement, risk preferences, risk metrics, tolerance and target levels.

The RAF statement is complemented by qualitative assertions (risk preferences) supporting the decision-mak-

ing processes as well as by risk tolerances providing quantitative boundaries to limit excessive risk-taking, as well as by a target operating range to provide indications on the solvency level at which the Company aims to operate. Tolerance and target levels are referred to capital metrics.

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

## 4. Risk reporting

The purpose of risk reporting process is to keep the business functions, Senior Management, Board of Directors and the Supervisory Authority informed on an ongoing basis on the development of the risk profile, the trends of the single risks and about the breaches of risk tolerances.

The Own Risk and Solvency Assessment (ORSA) Report is produced on an annual basis. This is the main risk reporting process with the purpose to provide a comprehensive view on the risk profile and of the overall solvency needs on a current and forward-looking basis. The main risks are assessed and documented in the ORSA process, also on a forward-looking basis. Both the risks included in the SCR calculation and those risks where no capital requirement is foreseen are taken into account.

The ORSA process is coordinated by the Risk Management, supported by other Functions for what concerns the own funds, technical provisions and other risks.

The ORSA Report is produced on an annual basis. The results of the ORSA, together with the indication of the methods used, are submitted once a year to the Board of Directors for discussion and approval.

## Solvency Position

### Overall Solvency position

The solvency position, provided on the basis of IVASS Provvedimento n. 53, 2016, is defined as the ratio between Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).

The solvency position, as presented below, increases

from 256.9% at 31 December 2018 to 260.4% at 31 December 2019.

The own funds' increase is the result of the increase of the participations' value of the subsidiaries influenced by the positive impact of the risk free yield curve increase, the robust business performance of the operating companies and the improvement in financial market conditions. As a result, solvency capital requirement and, in parallel, equity risk increase, in line with the participations' value.

### SCR Coverage

(in thousand euro)	2019	2018
EOF to meet the SCR	46,791,930	44,227,064
SCR	17,969,386	17,212,959
<b>Solvency Ratio</b>	<b>260.4%</b>	<b>256.9%</b>

EOF to meet the SCR are calculated based on the net equity, revaluing all assets and liabilities at market value. The main adjustments in net equity include:

- deduction of intangible assets;
- revaluation of investments at fair value (incl. participations and bonds);
- technical provisions (TPs) are accounted for based on Solvency II rules, as a sum of best estimate of liabilities and risk margin ;
- revaluation of non-technical provisions at fair value (e.g. financial and subordinated debt);
- net deferred taxes on the above evaluations;
- deduction of foreseeable dividends and Company's own shares.

Subordinated debt (with specific features in terms of availability, duration and absence of incentives to redeem or encumbrances) eligible to cover the SCR amounts to € 8.2 billion (more details on financial debt are presented in the Balance sheet).

Own funds (OF) are classified into Tiers, representing different levels of quality with respect to loss-absorption capacity criteria . Tier 2 OF refer to subordinated debt, while Tier 3 OF refer to deferred taxes.

<sup>4</sup> Preliminary figures, estimated based on proposed dividends of € 0.96 per share.

<sup>5</sup> Solvency II technical provisions reliability and adequacy are assessed by the Actuarial Function.

<sup>6</sup> To grant a high quality of available capital, the amounts of Tier 2 and Tier 3 items eligible to cover the SCR are subject to the following limits. The eligible amount of Tier 1 items shall be at least one-half of the SCR; in case of eligible subordinated liabilities and preference shares, exceeding 20% of total Tier 1, it is downgraded towards Tier 2. The eligible amount of Tier 3 items shall be less than 15% of the SCR. The sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 50% of the SCR..

### EOF to meet the SCR

(in thousand euro)	2019	2018
Tier 1	38,247,825	35,106,635
Tier 1 (restricted)	2,245,803	3,250,204
Tier 2	5,937,071	5,349,418
Tier 3	361,231	520,808
<b>Total</b>	<b>46,791,930</b>	<b>44,227,064</b>

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

In addition to the SCR coverage, the Company calcu-

lates the MCR required to determine the minimum level of capital, under which the Company would be exposed to an unacceptable level of risk when allowed to continue its operations. Moreover, to define MCR coverage, stricter OF eligibility rules are applied<sup>7</sup>. The MCR coverage ratio is presented in the following table.

### MCR Coverage

(in thousand euro)	2019	2018
EOF to meet the MCR	41,392,098	39,217,486
MCR	4,492,346	4,303,240
<b>Solvency Ratio</b>	<b>921.4%</b>	<b>911.3%</b>

The EOF to cover MCR are presented below:

### EOF to meet the MCR

(in thousand euro)	2019	2018
Tier 1	38,247,825	35,106,634
Tier 1 (restricted)	2,245,803	3,250,204
Tier 2	898,469	860,648
<b>Total</b>	<b>41,392,098</b>	<b>39,217,486</b>

<sup>7</sup> To cover the MCR, the eligible amount of Tier 1 items shall be at least 80% of the MCR; the same limitation on subordinated liabilities and preference shares is set. The eligible amount of Tier 2 items shall not exceed 20% of the MCR. No Tier 3 items are allowed to cover the MCR.



## Group Partial Internal Model

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

The PIM is structured around a specific risk map, which contains all quantifiable risks that the Group has identified as relevant to its business, allowing for the calculation of the SCR both at single risk level and at aggregated level.

### 1. Group PIM Methodology

In implementing the PIM, the Company has adopted the so-called Monte-Carlo approach with proxy functions to determine the Probability Distribution Forecast (PDF) of the change in the basic own funds over a 1-year horizon.

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

### 2. Group PIM Governance

PIM governance and processes are defined in the Group Internal Model Governance Policy to ensure that:

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

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

responsibilities in the implementation of major and minor changes.

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

The GCRO defines the processes and controls to ensure the ongoing appropriateness of the design and operations of the PIM, so that it continues to appropriately reflect the risk profile. The GCRO is also responsible for defining the methodology of each model component, on the basis of the Internal Model Committee's proposals, as well as for the results production, and ultimately for submitting the relevant Internal Model supporting documentation to the Board of Directors.

The Board of Directors, assisted by the Risk and Control Committee, ensures the ongoing appropriateness of the design and operations, the ongoing compliance of the PIM and also that the Internal Model continues to appropriately reflect the risk profile.

No material changes have occurred during the period with reference to the PIM governance.

### 3. Group PIM Validation

The PIM is subject to regular independent validation on an ongoing basis, which aims to gain assurance of the completeness, robustness and reliability of the processes and results, as well as their compliance with regulatory requirements.

The validation process follows the principles and procedures defined in the Group Internal Model Validation Policy and related guidelines, defined in accordance with Art. 124 of the Solvency II Directive.

The validation output is designed to support Senior Management and Board of Directors in understanding the appropriateness of the Internal Model, including improvement areas where PIM presents weaknesses and limitations, especially with regards to its use.

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

Within the validation activities, the results obtained during previous validation cycles are also taken into account, as well as developments within internal and external business environment, financial market trends and PIM changes. The Internal Model validation process excludes those aspects already covered by the assurance work of the Group Actuarial Function (i.e. technical provisions and related IT systems, actuarial platforms and their governance).

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

In order to warrant the appropriateness of the array of elements contained within the PIM, the validation covers both the quantitative and qualitative aspects of the Internal Model and is therefore not limited to the calculation engine and methodology.

The validation process is carried out periodically and, in any case, when requested by the Board of Directors or the Senior Management.

## Risk Profile

### Life Underwriting Risk

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

The life portfolio is given by traditional products, including mainly savings products, pure risk and health covers, and annuity portfolios.

Life underwriting risks can be distinguished in biometric and operating risks embedded in the life insurance policies. Biometric risks derive from the uncertainty in the assumptions regarding mortality, longevity, health, morbidity and disability rates taken into account in the insurance liability valuations. Operating risks derive

from the uncertainty regarding the amount of expenses and the adverse exercise of contractual options by policyholders. Policy lapse is the main contractual option held by the policyholders, together with the possibility to reduce, suspend or partially surrender the insurance coverage.

The main life underwriting risks of the Company are the following:

- mortality risk, defined as the risk of loss, or of adverse changes in the value of insurance liabilities, resulting from changes in mortality rates, where an increase in mortality rates leads to an increase in the value of insurance liabilities. Mortality risk also includes mortality catastrophe risk, resulting from the uncertainty of pricing and provisioning assumptions related to extreme or irregular events;
- longevity risk that, similarly to mortality, is defined as the risk resulting from changes in mortality rates, where a decrease in mortality rates leads to an increase in the value of insurance liabilities;
- disability and morbidity risk derives from changes in disability, sickness, morbidity and recovery rates<sup>8</sup>;
- lapse risk is linked to the loss or adverse change in liabilities due to a change in the expected exercise rates of policyholder options. The relevant options are all legal or contractual policyholder rights to fully or partly terminate, surrender, decrease, restrict or suspend insurance cover or permit the insurance policy to lapse. Mass lapse events are also considered;
- expense risk derives from changes in expenses incurred in servicing insurance or reinsurance contracts;
- health risk is related specifically to health products and

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

Capital requirements for life underwriting risks are calculated on the basis of the difference between the insurance liabilities after and before the application of the stresses.

Life underwriting risks are measured by means of the Generali Group PIM.

<sup>8</sup> Recovery rates refer to the assumptions adopted by the Company in the calculation of the technical provisions, with regards to the time period in which the policyholder will benefit of the disability, sickness and morbidity compensation.

In general, underwriting risk contribution to the risk profile after diversification remains limited due to the business of Assicurazioni Generali S.p.A. whose financial statement is mainly composed by participations and due to the high level of diversification with other risks.

Life underwriting risk management inherent to direct business is based on the product pricing process. This process consists of setting product features and assumptions regarding expenses, biometric and policyholders' behaviour assumptions to manage any adverse impact in the realization of these assumptions.

The Company reinsures part of its business with external reinsurers. The reinsurance program is updated on an annual basis and is subject to the Life Actuarial Function assessment regarding its adequacy in line with the Actuarial Function Group Policy and the Actuarial Function Guidelines.

## Non-Life Underwriting Risk

Given the Company acts as the main reinsurer of Generali Group companies, the non-life underwriting risks mainly derive from its indirect business and from the direct business underwritten by foreign branches (mainly UK, Hong Kong and United States) in the corporate & commercial and health & benefits segments.

Underwriting risks embedded in the non-life insurance policies are pricing and reserving risks:

- pricing risk (i.e. pricing and catastrophe risks) arising from the uncertainty related to the assumptions on frequency and severity used in the definition of insurance premiums; the distinction between pricing and catastrophe risks is only related to the nature of risks (i.e. extreme or exceptional events in case of catastrophe risks and other risks in case of pricing risks);
- reserving risk relates to the uncertainty of the assumptions for future payments used when defining the claims reserves posted in the financial statements.

Within catastrophe events, the main exposures refer to earthquakes in Italy and to storms and flood in Europe. Additional scenario analyses and stress tests are however conducted also for less material events.

The non-life underwriting risks are measured by means of the Generali Group PIM.

As already stated, underwriting risk contribution to the risk profile after diversification remains limited, given the nature of the business of Assicurazioni Generali S.p.A., whose Balance sheet is mainly composed by investments in participations.

Reinsurance is the key risk mitigation technique for non-life portfolio. It aims at optimizing the use of risk capital by ceding part of the underwriting risk to selected counterparties simultaneously minimizing the credit risk associated with such operation. The Company's non-life reinsurance strategy is embedded into the broader Group strategy and it is developed consistently with the risk appetite and the risk preferences defined in the RAF, taking into account the reinsurance market cycle. The Company has historically preferred traditional reinsurance as the main non-life catastrophe risk mitigating technique.

With the purpose of further optimising the reinsurance purchases and to continuously develop know-how in the most innovative risk transfer techniques, part of the Italian earthquake and European windstorms/flood exposures were placed in the more competitive Insurance-Linked Securities market.

Alternative risk transfer solutions are continuously analysed. As an example, in addition to traditional reinsurance, a protection is in place to reduce the impact of unexpectedly high Loss Ratios for the Group Motor Liability portfolio.

The process described, and the regular assessment performed on an annual basis enable to confirm the adequacy of the risk mitigation techniques. The operative limits proposed by the P&C, Life & Health Insurance and Reinsurance Functions are validated by the Risk Management Function which is also responsible for measuring, monitoring and preparing the risk profile reporting.

Further limits, related to the underwriting risks management and the reinsurance counterparty default risk at Group level, have been defined in the Risk Concentrations Management Group Policy – Reinsurance and Underwriting Exposure.

## Financial and credit risks

### Financial risks

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

In addition to the equity risk driven by participations, the Company invests, as a result of its insurance activity, the collected premiums in a wide variety of financial assets, with the purpose of honouring future promises to policyholders and generating value for its shareholders. Therefore, the Company is exposed to the risk that invested assets do not perform as expected because of falling or volatile market prices and that cash of maturing bonds is reinvested at unfavourable market conditions, such as low interest rates.

Financial risks are measured by means of the Generali Group PIM.

In addition to equity risk, the Company is also exposed to interest rate risk, arising from investments in bonds, and to currency risk arising from direct exposures due to branches (in particular linked to the UK branch) and from the participations in subsidiaries located in the non-Euro area, mainly in Central-Eastern Europe. The Company is also exposed to property risk and concentration risk.

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

To ensure a comprehensive management of the impact of financial risks on assets and liabilities the Strategic Asset Allocation (SAA) process needs to be liability-driven and strongly interdependent with the underwriting process. For this reason, the Company has integrated the Asset Liability Management (ALM) and the Strategic Asset Allocation (SAA) within the same process.

The aim of the ALM&SAA process is to define the most efficient combination of asset classes which, according to the Prudent Person Principle and related regulations, maximizes the investment contribution to value creation, taking into account solvency, actuarial and accounting indicators.

The assets' selection is performed by taking into consideration the risk profile of the liabilities held in order to satisfy the need to have appropriate and sufficient assets to cover the liabilities. This selection process aims to guarantee the security, quality, profitability and liquidity of the overall portfolio, providing an adequate diversification of the investments.

The aim of ALM&SAA is to optimize a risk-return profile over a predefined time horizon, identifying a target variable satisfying the expected return and a corresponding risk measure.

The main risk mitigation technique consists in the rebalancing of the assets portfolio by redefining the target weights for the different assets classes, duration and the related tolerance ranges, expressed in terms of investment limits. This technique contributes to an appropriate mitigation of financial risks.

Monitoring of assets and liabilities matching and compliance with the limits defined in the ALM&SAA, as well as of risk limits, is performed on a regular basis.

Regarding the investments, a reporting process is foreseen in order to allow the timely adoption of potential remedial measures. The content and frequency of this reporting is defined in the Delibera Quadro sugli investimenti. Based on the Delibera Quadro sugli investimenti, the Risk Management Function coordinates the reporting on compliance with limits set and on derivatives exposure.

The Company, also, uses derivatives with the aim of mitigating the risk of the asset and liability portfolios. The derivatives help the Company to improve the quality, liquidity and profitability of the portfolio, according to the Strategic Plan. Operations in derivatives are subject to a regular monitoring and reporting process, and in terms of governance specific authorization before entering into derivatives transactions is required.

## Credit risks

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

Credit risk includes:

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

Credit risks are measured by means of the Generali Group PIM.

It should be noted that the SCR calculated based on Solvency II does not include the allowance for credit risk on exposures to Italian government bonds, i.e. BTP, nor does it reflect benefits resulting from the Stochastic Volatility Adjustment. Given the reduced volume of the Company's exposure to these and the impact of Volatility Adjustment, the effect on solvency position would tend to largely balance out.

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

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

As envisaged in the internal regulation, investments in securities with a high credit rating (investment grade) and with a high level of risk diversification are preferred.

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

The internal credit rating assignment system at counterparty level is based on the evaluation of quantitative metrics and qualitative elements. The risk elements that are considered, among others, are referred to the assessment of the riskiness of the sector to which they belong, of the country in which the activities are carried out and of the controlling group where present. At financial instrument level, instead, the risk of its issuer is one of the main elements considered, including the peculiarities of the instrument itself.

The most important strategy for the mitigation of credit risk used by the Company is, as for financial risks, the application of a liability-driven SAA, which can limit the impact of the market spread volatility. The Company actively manages the counterparty default risk also by using collateralisation strategies in order to mitigate the losses that the Company might suffer as a result of the default of one or more of its counterparties.

As for the financial risk, the monitoring of the credit risk is in line with the Investments Risk Group Guidelines (IRGG) and with the Delibera Quadro sugli investimenti; a specific reporting on the compliance with limits defined and on derivative exposures is in place.

Further limits, related to the management of risk concentrations on investments and exposures to reinsurance counterparties, have been defined in the Risk Concentrations Management Group Policy – Reinsurance and Underwriting Exposures.

## Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. The operational risks to which Assicurazioni Generali S.p.A. is exposed are identified and declined within the Risk Map defined in the Risk Management Policy and in the Operational Risk Management Policy. These risks include also compliance risks and financial reporting risks, while strategic and reputational risks are excluded.

Operational risk is measured by means of standard formula and it is also assessed using a quanti-qualitative approach defined in a structured framework that identifies the main operational risk scenarios. Through this process the priorities of the actions to be undertaken and the allocation of resources to critical areas are established.

Although the ultimate responsibility for managing risk sits in the first line of defence (so-called risk owners), the Risk Management defines methodologies and processes for the identification, measurement, management and monitoring of the most important risk. In doing so, it provides management at all levels with a holistic view of the broad operational risk spectrum.

Since 2015, the Group has been exchanging economic loss data related to operational risk, properly anonymized, through the Operational Risk data eXchange Association (ORX), a global association of operational risk practitioners where the main banking and insurance players at global level also participate. The aim is to use the data to improve the risk management and to anticipate emerging trends. In addition, since losses are collected by the first line of defence, this process contributes to create awareness among risk owners on the main risks that actually hit the Company.

The loss data collection is integrated by the forward-looking assessments that aim to evaluate the evolution of the operational risk exposure in a given time horizon, foreseeing potential risks and supporting the appropriate decisions for an effective and timely response.

Based on the last assessments, the most relevant scenarios at Company level are related to Cyber-attacks and the risk of non-compliance with anti-money laundering regulation. These risks are currently managed through specific Group projects.

To further strengthen the risk management system and in addition to the usual risk owners' responsibilities, the Company established specialized units within the first line of defence with the scope of dealing with specific threats (e.g. IT risk, fraud risk, risk of financial reporting) and that act as a key partner for the Risk Management Function.

One of the main results from this cooperation is constituted by a series of risk mitigating measures triggered as a result of control testing, the assessments and the collection of operational risk events.

An example is the creation of a dedicated unit for the management and coordination of the IT Security (cyber risk) that steers the evolution of the IT security strategy and operating model, ensuring a timely detection and fixing of the vulnerabilities that occasionally affect the business.

## Other material risks

### Liquidity Risk

Liquidity risk is defined as the uncertainty, emanating from business operations, investment or financing activities, over the ability to meet payment obligations in a full and timely manner, in a current or stressed environment.

The Company is exposed to liquidity risk from cash flows related to operating activities, dividend policy, investing and financing activities.

The operating activity generates cash flows related to the direct insurance business, reinsurance activities towards Group companies and subsequent cessions to external reinsurers, in addition to administrative expenses and taxes.

The liquidity sources not related to the Company's operating activity are the dividends received from the subsidiaries, the cash inflows from loans received and from interests on loans and credits and other cash flows linked to disposals and investments.

Main liquidity uses, not arising from operating activity, are represented by cash outflows linked to payment of dividends to shareholders, loans granted and/or matured, passive interests and investments.

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

The expected cash flows are closely monitored, in particular through the planning and control tool called Annual Liquidity Forecast, represented by a cash flow projection over a time period of 12 months.

The Annual Liquidity Forecast is the main quantitative support to determine future cash flows, potential liquidity buffers to be held and any source of financing to be activated.

The Company manages its financial resources according to the sound and prudent management principles, based on the risk appetite established by the Board of Directors. Finally, the investment limits that have been set allow for the control of risk concentrations, taking into account a number of dimensions, including asset class, counterparty, rating, commodity sector and geographic area, given that significant concentrations of liquidity risk could derive from large exposures to individual counterparties and/or groups.

From a general point of view, liquidity risk monitoring and management are extended to the Group's perimeter in order to identify potential liquidity risks at Group companies' level. In case of potential critical issues, Group companies promptly inform the relevant Company's Functions.

The Company, being the Group Parent Company, coordinates and monitors the centralized Group liquidity management through the Group treasury. In particular, the centralized cash pooling allows increased flexibility in transferring cash and reduces the potential risks related to short-term liquidity needs, both at company level and at Group level.

## Reputational and emerging risks

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

Reputational risk refers to potential losses arising from a deterioration or negative perception of the image of Assicurazioni Generali S.p.A. by the stakeholders such as customers, shareholders, public authorities or other third parties, or increasing conflicts with policyholders due, for example, to poor quality of the services offered, placement of inadequate policies and behaviour during the sales, post-sales and liquidation phases. Within the Reputational Risk Group Guideline, the risk related to the so called ESG (Environmental, Social and Governance) factors as well as the second level reputational risk, normally deriving from operational risk, are specifically addressed.

Emerging risks arise from new evolving risks or trends, which are difficult to perceive and quantify, although typically systemic. These risks typically refer to environmental trends and climate change, technological changes and digitalisation, geopolitical developments and demographic and social changes. For the identification and assessment of these risks and to raise the awareness on the implications of the main observed trends, the Risk Management Function engages with a dedicated network including specialists from business Functions (Life & Health Insurance, P&C, Reinsurance, Investments, Asset & Wealth Management, Strategic Planning & Control, Data & Digital, Integrated Reporting, Chief Marketing & Customer Officer, Strategy, Sustainability and Social Responsibility, etc.). The Group also participates in the Emerging Risk Initiative (ERI), a dedicated working group of the CRO Forum which involves the Chief Risk Officers of the main European groups. Within ERI emerging risks common to the insurance industry are discussed and specific studies are published on selected emerging risks.

## Result for the year and proposed Shareholders' resolutions<sup>9</sup>

Dear Shareholders,

the profit for the year amounts to 1,514,627,502 euro.

The proposed allocation of the profit of the year and dividend distribution keeps into consideration the resolution of the Board of Directors of March 12, 2020. With such a resolution the Board of Directors has approved the assignment of Generali's shares in favor of the "Long Term Incentive Plan 2016" (LTI Plan 2017). For the purpose of assigning the shares to the management of the Group, the expected increase in Shareholders Capital amounts

to 6,278,44 euro, after the authorization of IVASS pursuant to art. 5 of ISVAP Regulation No.14 dated 18 February 2008.

Considering such increase in Shareholders Capital, the profit for the year is allocated for the amount of maximum 1,290,230 euro to Legal Reserve, in accordance with Art. 2430 of the Italian Civil Code, for 1,513,009,965 euro to dividend distribution and for 327,306 to extraordinary reserve

The total proposed dividend for each share amounts to 0.96 euro.

The total amount of the dividend will be taken from the distributable profit for the year.

(in euro)	2019
profit for the year	1,514,627,502
to legal reserve	1.290.230
to dividend	1.513.009.965
to extraordinary reserve	327,306

The dividend will be paid, net of applicable withholding taxes, as from 20 May 2020 at the appointed intermediaries by means of the Monte Titoli S.p.A. central deposi-

tory system. The ordinary shares of the Company will be negotiated, without the right to dividend and the allocation of earnings in kind, from 18 May, 2020.

Milan, March 12<sup>th</sup> 2020

**Board of Directors**

<sup>9</sup> After the date of approval of this document, the Board of Directors on April 10, 2020 took note of EIOPA's communication dated March 17, 2020 and IVASS's letter dated March 30, 2020 which, in relation to mitigating actions for the impact of Covid - 19 on the European insurance sector, invited insurance groups to follow prudent policies on dividend distribution as well as top management variable compensation. The Board of Directors has also taken into consideration the EIOPA communication dated April 2, 2020, that urged insurance companies, taking into account the current uncertainty, to temporarily suspend dividend distribution. Taking into account the above-mentioned recommendations communicated by the regulatory bodies and coherent with the fact that all of the conditions to proceed with the dividend distribution for 2019 continue to exist, including the solvency ratio, the Board of Directors decided to confirm the proposal to pay the dividend per share equal to 0.96 euro at the next Shareholders Meeting but to divide it into two tranches. The first tranche is equal to 0.50 euro to be paid in May and the second equal to 0.46 euro to be paid by year-end and subject to the Board's verification, inter alia, of the compliance with the limits set by the Group's Risk Appetite Framework as of September 30, 2020, as well as the positive confirmation of the compliance with the norms and the regulatory recommendations concerning dividend payments at that time. The payment of the first tranche of the dividend will be next May 20, while shareholders will be entitled to receive the dividend on May 19. The coupon date is May 18.



# Appendix to the Management Report



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

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

In addition to the income statement and balance sheet formats required by regulations of the sector, the Company also prepares statements representing the economic performance and financial position of the years, on the basis of which the comments and comparison indexes of the Management Report are drawn up. The income statement is reclassified since it aggregates the balances

of many balance sheet items and divides the result of extraordinary operations into its main components. A “net underwriting balance” is also shown, and is to be considered an alternative performance indicator in so far as it is not expressly required by the official financial statement formats. This indicator shows the balance of the purely technical items, including operating costs and technical interest contractually paid to the life policyholders, and is deemed more representative of the actual technical results of the sector since unlike the “net technical result” required in the official formats, it is not affected by the performance of financial operations.

The structure of the financial position statement is briefer than that of the mandatory format since it is based on showing balance sheet figures grouped by “macro class” rather than by single “items”, and so it provides an immediate analysis of the data that are not reclassified.

(in thousand euro)			2019	
Compulsory profit and loss account			Riclassified profit and loss account	
Item	Sign	Amount	Item	Amount
001	+	1,982,246		
002	-	625,089		
030	+	1,684,544		
031	-	407,463		
Total		2,634,238	Net premiums	2,634,238
003	-	7,180		
004	+	-18,440		
018	-	0		
028	-	97		
064	-	-193,815		
Total		168,098	Change in technical provisions	168,098
017	-	987,344		
019	-	537		
051	-	1,572,857		
065	-	60,991		
Total		-2,621,729	Claims, maturities and surrenders	-2,621,729
026	-	314,787		
072	-	212,924		
Total		-527,711	Operating costs	-527,711
007	+	1,143		
027	-	11,950		
044	+	9,666		
078	-	1,128		
Total		-2,269	Other technical income and changes	-2,269
			Technical interests of the life segment (*)	212,798
			<b>Net underwriting balance (**)</b>	<b>-136,575</b>

(continues)

(continues)

(in thousand euro)			2019	
Compulsory profit and loss account			Riclassified profit and loss account	
Item	Sign	Amount	Item	Importo
006	+	172,360		
042	+	1,547,351		
043	+	41,398		
076	-	20,258		
077	-	3,865		
079	-	1,044,531		
Totale		692,454		
minus tech. int. life		212,798		
<b>Total</b>		<b>479,656</b>	<b>Allocated investment returns</b>	<b>479,656</b>
029	+	190,325		
080	+	152,756		
<b>Total</b>		<b>343,081</b>	<b>Net technical result</b>	<b>343,081</b>
042	+	1,547,351		
043	+	41,398		
076	-	20,258		
077	-	3,865		
092	+	1,370,593		
097	-	126,028		
<b>Total</b>		<b>2,809,191</b>	<b>Financial result</b>	<b>2,809,191</b>
006	-	172,360		
042	-	1,547,351		
043	-	41,398		
076	+	20,258		
077	+	3,865		
079	+	1,044,531		
<b>Total</b>		<b>-692,454</b>	<b>minus allocated investment returns transferred to technical accounts and technical interests</b>	<b>-692,454</b>
099	+	240,848		
100	-	1,622,376		
<b>Total</b>		<b>-1,381,528</b>	<b>Other ordinary income and changes</b>	<b>-1,381,528</b>
101			Profit from ordinary operations	1,078,290
102	+	184,799	Profits and losses on the realisation of other durable investments	116,185
103	-	16,246	Other extraordinary income and charges	52,367
<b>Total</b>		<b>168,552</b>	<b>Total</b>	<b>168,552</b>
<b>105</b>		<b>1,246,842</b>	<b>Result before taxation</b>	<b>1,246,842</b>
106	-	-267,785	Income tax	-267,785
<b>107</b>		<b>1,514,628</b>	<b>Profit for the year</b>	<b>1,514,628</b>

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

(\*\*) Alternative indicator of performance

## Additional information on the preparation of the financial statements

The information on reclassified statements and alternative performance indicators presented pursuant to the Consob recommendation of 28 July 2006 are aimed at providing a better understanding of the data and of the company's operational performance for the users of the financial statements. In this perspective, we deemed it opportune to provide further elements for assessing the underwriting results of the company, by describing the criteria adopted in the formation of the key technical performance indexes generally used by the Company when drawing up the statement concerning the "significant data" of the year 2019, which are calculated net of reinsurance.

## Loss ratio of non-life segment

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

## Expense ratio

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

## Combined ratio of non-life segment

It is the sum of the percentage of claims with that of total incidence of costs on the premiums. It is essentially important in order to analyse the technical performance of the Non-Life segments because it represents the percentage of absorption that the technical costs (claims and operating costs) have compared to the premiums. The combined ratio is closely related to the "net underwriting balance" since it is not affected by the income of the investments. The less the combined ratio compared to 100%, the greater will be the "net underwriting balance" coming from insurance operations.

## Performance indexes

Compulsory profit and loss account				
Item	Description	Non life business	Life business	Total amounts
<b>LOSS RATIO</b>				
<b>Numerator</b>				
017	Claims incurred, net of recoveries and reinsurance	987,344		
019	Premium refunds and profit sharing, net of reinsurance	537		
Total		987,881		
<b>Denominator</b>				
005	Earned premiums, net of reinsurance	1,331,538		
018	Change in other technical provisions, net of reinsurance	0		
028	Change in the equalisation provision	-97		
Total		1,331,441		
<b>Index</b>		<b>74.2%</b>		
<b>EXPENSE RATIO</b>				
<b>Numerator</b>				
026 / 072	Operating expense	314,787	212,924	527,711
<b>Denominator</b>				
001 / 030	Gross premiums written	1,982,246	1,684,544	3,666,790
002 / 031	(-) Outward reinsurance premiums	625,089	407,463	1,032,552
Total		1,357,157	1,277,081	2,634,238
<b>Index</b>		<b>23.2%</b>	<b>16.7%</b>	<b>20.0%</b>
<b>COMBINED RATIO</b>				
For the non-life business is the sum of the loss ratio and of the index of costs on premiums		<b>97.4%</b>		

## The average rate of return on investments

The average rate of return on investments is the ratio of income for the period to half the sum of investments at book value for the year and that of the previous year.





# Parent Company Financial Statements

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# Parent Company Balance sheet and the Profit and loss account



Company

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

Subscribed capital euro **1,569,773,403** Paid up euro **1,569,773,403**

**FINANCIAL STATEMENTS****Balance Sheet**Year **2019**

(Amounts in Euro)

BALANCE SHEET  
ASSETS

Current Year

				Current Year	
				1	0
<b>A. SUBSCRIBED CAPITAL UNPAID</b>					
of which called-up capital	2	0			
<b>B. INTANGIBLE ASSETS</b>					
1. Acquisition commissions to be amortised					
a) life business	3	0			
b) non-life business	4	0	5	0	
2. Other acquisition costs		6	0		
3. Formation and development expenses		7	0		
4. Goodwill		8	0		
5. Other intangible assets		9	32,963,074	10	32,963,074
<b>C. INVESTMENTS</b>					
<b>I - Land and Buildings</b>					
1. Property used for own activities		11	547,990		
2. Property used by third		12	91,677,943		
3. Other properties		13	0		
4. Other realty rights		14	0		
5. Assets in progress and payments on account		15	2,388,083	16	94,614,016
<b>II - Investments in affiliated companies and other shareholdings</b>					
1. Interests in:					
a) parent companies	17	0			
b) affiliated companies	18	29,293,508,761			
c) affiliates of parent	19	0			
d) associated companies	20	214,045,816			
e) other	21	56,212,792	22	29,563,767,369	
2. Debt securities issued by:					
a) parent companies	23	0			
b) affiliated companies	24	0			
c) affiliates of parent	25	0			
d) associated companies	26	0			
e) other	27	0	28	0	
3. Loans to:					
a) parent companies	29	0			
b) affiliated companies	30	1,638,757,724			
c) affiliates of parent	31	0			
d) associated companies	32	0			
e) other	33	0	34	1,638,757,724	35
		carried forward			31,202,525,093
					32,963,074

Previous Year

					181	0
		182	0			
183	0					
184	0	185	0			
		186	0			
		187	0			
		188	0			
		189	39,193,311		190	39,193,311
		191	304,136			
		192	97,191,512			
		193	0			
		194	0			
		195	2,370,747	196	99,866,395	
197	0					
198	29,302,963,046					
199	0					
200	213,246,727					
201	17,238,292	202	29,533,448,065			
203	0					
204	0					
205	0					
206	0					
207	0	208	0			
209	0					
210	3,131,928,635					
211	0					
212	0					
213	0	214	3,131,928,635	215	32,665,376,700	
			carried forward			39,193,311

BALANCE SHEET  
ASSETS

		brought forward		Current Year	
				32,963,074	
C. INVESTMENTS (follows)					
III - Other financial investments					
1. Equities					
a) quoted shares	36	18,675,454			
b) unquoted shares	37	10,796,712			
c) other interests	38	7,908,019	39	37,380,185	
2. Shares in common investment funds			40	3,133,386,729	
3. Debt securities and other fixed-income securities					
a) quoted	41	1,360,486,578			
b) unquoted	42	45,937,433			
c) convertible bonds	43	0	44	1,406,424,011	
4. Loans					
a) mortgage loans	45	0			
b) loans on policies	46	362,364			
c) other loans	47	320,185	48	682,549	
5. Participation in investment			49	0	
6. Deposits with credit			50	145,997,432	
7. Other			51	441,481	
IV - Deposits with ceding			52	4,724,312,387	
			53	4,453,377,683	54 40,474,829,179
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS					
I - Investments relating to contracts linked to investments funds and market			55	228,575,752	
II - Investments relating to the administration of pension funds			56	0	57 228,575,752
REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS					
I - NON-LIFE INSURANCE					
1. Provision for unearned premiums			58	107,738,966	
2. Provision for claims outstanding			59	501,371,354	
3. Provision for profit sharing and premium refunds			60	0	
4. Other technical provisions			61	0	62 609,110,320
II - LIFE INSURANCE					
1. Mathematical provision			63	790,776,732	
2. Unearned premium provision for supplementary			64	26,852,560	
3. Provision for claims outstanding			65	346,335,518	
4. Provision for profit sharing and premium refunds			66	1,471,013	
5. Other provisions			67	3,679,819	
6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds			68	41,476,498	69 1,210,592,140
			carried forward		70 1,819,702,460
					42,556,070,465



				Previous Year	
		brought forward			39,193,311
216	15,760,342				
217	11,876,933				
218	7,628,991	219	35,266,266		
		220	890,425,386		
221	1,807,390,767				
222	15,907,204				
223	1,163,211	224	1,824,461,182		
225	0				
226	349,664				
227	393,381	228	743,045		
		229	0		
		230	142,059,510		
		231	9,336,882	232	2,902,292,271
				233	5,342,731,980
				234	41,010,267,346
				235	228,849,741
				236	0
				237	228,849,741
		238	131,011,356		
		239	408,834,248		
		240	0		
		241	0	242	539,845,604
		243	163,629,377		
		244	25,293,839		
		245	362,126,743		
		246	751,173		
		247	0		
		248	0	249	551,801,132
		carried forward		250	1,091,646,736
					42,369,957,134

**BALANCE SHEET**  
**ASSETS**

Current Year

				brought forward			42,556,070,465
<b>E. DEBTORS</b>							
I - Debtors arising out of direct insurance operations							
1. Policyholders							
a) for premiums – curr. year	71	144,500,166					
b) for premiums – prev. years	72	71,923,511	73	216,423,677			
				74	17,686,728		
				75	2,107,190		
				76	4,363,894	77	240,581,489
II - Debtors arising out of reinsurance operations							
1. Reinsurance companies							
				78	597,417,326		
				79	7,418,820	80	604,836,146
						81	1,140,357,432
						82	1,985,775,067
III - Other debtors							
<b>F. OTHER ASSETS</b>							
I - Tangible assets and stocks							
1. Furniture, office equipment, internal transport							
				83	1,204,314		
				84	1,123,136		
				85	0		
				86	447,098	87	2,774,548
II - Cash at bank and in hand							
1. Bank and postal deposits							
				88	467,307,474		
				89	77,904	90	467,385,378
IV - Other							
1. Deferred reinsurance items							
				92	5,161,382		
				93	260,325,258	94	265,486,640
						95	735,646,566
<b>G. PREPAYMENTS AND ACCRUED</b>							
1. Interests							
						96	50,254,194
						97	503,528
						98	93,495,831
						99	144,253,553
						100	<b>45,421,745,651</b>
<b>TOTAL ASSETS</b>							

						Previous Year	
		brought forward				42,369,957,134	
251	130,068,519						
252	16,807,304	253	146,875,823				
		254	6,125,380				
		255	1,920,601				
		256	3,764,881	257	158,686,685		
		258	594,627,512				
		259	8,612,472	260	603,239,984		
				261	1,075,748,666	262	1,837,675,335
		263	2,113,054				
		264	1,169,148				
		265	0				
		266	447,098	267	3,729,300		
		268	757,284,595				
		269	67,808	270	757,352,403		
		272	5,640,425				
		273	199,301,805	274	204,942,230	275	966,023,933
				276	70,678,907		
				277	559,230		
				278	109,576,818	279	180,814,955
						280	<b>45,354,471,357</b>

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

Current Year

<b>A. SHAREHOLDERS' FUNDS</b>			
- Subscribed capital or equivalent funds		101 1,569,773,403	
- Share premium account		102 3,568,250,216	
- Revaluation reserve		103 2,010,834,652	
- Legal reserve		104 313,920,179	
- Statutory reserve		105 0	
- Reserve for parent company shares		400 0	
- Other reserve		107 6,104,538,127	
- Profit or loss brought forward		108 0	
- Profit or loss for the financial year		109 1,514,627,502	
- Negative reserve for own shares held		401 3,040,355	110 15,078,903,724
<b>B. SUBORDINATED LIABILITIES</b>			111 7,834,488,804
<b>C. TECHNICAL PROVISIONS</b>			
<b>I - NON-LIFE INSURANCE BUSINESS</b>			
1. Provision for unearned premiums	112 417,832,378		
2. Provision for claims outstanding	113 2,131,709,847		
3. Provision for profit sharing and premium refunds	114 0		
4. Other provisions	115 0		
5. Equalisation provision	116 564,071	117 2,550,106,296	
<b>II - LIFE INSURANCE</b>			
1. Mathematical provision	118 4,380,807,382		
2. Unearned premium provision for supplementary	119 55,769,011		
3. Provision for claims outstanding	120 1,329,319,343		
4. Provision for profit sharing and premium refunds	121 94,434,255		
5. Other provisions	122 231,277,914	123 6,091,607,905	124 8,641,714,201
<b>D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>			
<b>I - Provisions relating to contracts linked to investments funds and market index</b>			
		125 266,411,252	
<b>II - Provisions relating to the administration of pension funds</b>			
		126 0	127 266,411,252
	carried forward		31,821,517,981

Previous Year

		281	1,565,165,364			
		282	3,568,250,216			
		283	2,010,834,652			
		284	313,033,073			
		285	0			
		286	0			
		287	6,049,294,314			
		288	0			
		289	1,473,283,235			
		501	3,040,355	290	14,976,820,499	
				291	8,290,801,730	
	292	402,755,611				
	293	1,763,050,263				
	294	0				
	295	0				
	296	466,957	297	2,166,272,831		
	298	5,375,367,001				
	299	46,556,819				
	300	1,230,286,390				
	301	81,609,401				
	302	19,671,165	303	6,753,490,776	304	8,919,763,607
			305	225,895,413		
			306	0	307	225,895,413
	carried forward					32,413,281,249

BALANCE SHEET  
LIABILITIES AND SHAREHOLDERS' FUNDS

Current Year

		brought forward			31,821,517,981
<b>E. PROVISIONS FOR OTHER RISKS AND CHARGES</b>					
1.	Provision for pensions and similar obligations		128	0	
2.	Provisions for taxation		129	12,239,400	
3.	Other provisions		130	66,385,030	131 78,624,430
<b>F. DEPOSITS RECEIVED FROM REINSURERS</b>					
<b>G. CREDITORS</b>					
<b>I - Creditors arising out of direct insurance operations</b>					
1.	Insurance intermediaries	133	14,416,578		
2.	Current accounts with insurance companies	134	6,914,630		
3.	Premium deposits and premiums due to	135	21,820,277		
4.	Guarantee funds in favour of policyholders	136	0	137	43,151,485
<b>II - Creditors arising out of reinsurance operations</b>					
1.	Reinsurance companies	138	236,604,885		
2.	Reinsurance intermediaries	139	52,825,717	140	289,430,602
<b>III - Debenture loans</b>					
<b>IV - Amounts owed to credit institutions</b>					
<b>V - Loans guaranteed by mortgages</b>					
<b>VI - Other financial liabilities</b>					
<b>VII - Provisions for severance pay</b>					
<b>VIII - Other creditors</b>					
1.	Premium taxes	146	4,472,375		
2.	Other tax liabilities	147	58,768,076		
3.	Social security	148	1,442,300		
4.	Sundry creditors	149	2,938,385,605	150	3,003,068,356
<b>IX - Other liabilities</b>					
1.	Deferred reinsurance items	151	5,333,382		
2.	Commissions for premiums in course of collection	152	18,215,150		
3.	Miscellaneous liabilities	153	367,966,948	154	391,515,480
			carried forward		155 12,755,017,938
					45,153,692,148

				Previous Year	
brought forward				32,413,281,249	
		308	0		
		309	34,656,456		
		310	97,492,102	311	132,148,558
				312	518,395,869
313	12,126,849				
314	6,598,193				
315	10,806,823				
316	0	317	29,531,865		
318	200,103,166				
319	43,451,685	320	243,554,851		
		321	3,127,769,573		
		322	989,805,519		
		323	0		
		324	4,780,159,166		
		325	2,394,948		
326	5,453,468				
327	27,816,234				
328	3,632,974				
329	2,302,637,902	330	2,339,540,578		
331	3,640,554				
332	19,668,013				
333	437,241,538	334	460,550,105	335	11,973,306,605
carried forward				45,037,132,281	

BALANCE SHEET  
LIABILITIES AND SHAREHOLDERS' FUNDS

				Current Year
brought forward				45,153,692,148
H. ACCRUALS AND DEFERRED				
1. Interests	156	229,970,411		
2. Rents	157	1,845,981		
3. Other accruals and deferred income	158	36,237,111	159	268,053,503
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>			160	<b>45,421,745,651</b>



		Previous Year	
	brought forward		45,037,132,281
		336 271,979,583	
		337 1,911,237	
		338 43,448,257	339 317,339,077
			340 <b>45,354,471,358</b>



Company

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

Subscribed capital euro **1,569,773,403** Paid up euro **1,569,773,403**

**FINANCIAL STATEMENTS****Profit and Loss Account**Year **2019**

(Amounts in Euro)

## PROFIT AND LOSS ACCOUNT

Current Year

<b>I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS</b>		Current Year
1.	EARNED PREMIUMS, NET OF REINSURANCE:	
	a) Gross premiums written	1 1,982,246,111
	b) (-) Outward reinsurance premiums	2 625,089,086
	c) Change in the gross provision for unearned premiums	3 7,179,595
	d) Change in the provision for unearned premiums, reinsurers' share	4 -18,439,833
		5 1,331,537,597
2.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL	6 172,359,852
3.	OTHER TECHNICAL INCOME, NET OF REINSURANCE	7 1,142,910
4.	CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE	
	a) Claims paid	
	aa) Gross amount	8 991,283,051
	bb) (-) Reinsurers' share	9 258,220,028 10 733,063,023
	b) Recoveries net of reinsurance	
	aa) Gross amount	11 13,555,015
	bb) (-) Reinsurers' share	12 3,446,511 13 10,108,504
	c) Change in the provision for claims outstanding	
	aa) Gross amount	14 354,269,276
	bb) (-) Reinsurers' share	15 89,880,166 16 264,389,110
		17 987,343,629
5.	CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE	18 0
6.	PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE	19 536,887
7.	OPERATING EXPENSES	
	a) Acquisition commissions	20 290,278,240
	b) Other acquisition costs	21 36,522,933
	c) Change in commissions and other acquisition costs to be amortised	22 0
	d) Collecting commissions	23 636,502
	e) Other administrative expenses	24 55,023,593
	f) (-) Reinsurance commissions and profit sharing	25 67,674,166
		26 314,787,102
8.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE	27 11,950,195
9.	CHANGE IN THE EQUALISATION PROVISION	28 97,114
10.	<b>BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS</b>	29 <b>190,325,432</b>

Previous Year

		111	1,679,800,451			
		112	545,300,146			
		113	32,810,531			
		114	5,387,618	115	1,107,077,392	
				116	138,860,547	
				117	890,936	
	118	847,137,970				
	119	222,078,333	120	625,059,637		
	121	2,076,893				
	122	2,224,302	123	-147,409		
	124	164,742,692				
	125	-9,434,413	126	174,177,105	127	799,384,151
				128	0	
				129	40,910	
		130	204,037,638			
		131	28,870,183			
		132	0			
		133	792,740			
		134	54,934,662			
		135	58,799,141	136	229,836,082	
				137	10,834,483	
				138	152,640	
				139	<b>206,580,609</b>	

## PROFIT AND LOSS ACCOUNT

Current Year

<b>II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS</b>				Current Year
1.	PREMIUMS WRITTEN, NET OF REINSURANCE			
	a) Gross premiums written	30	1,684,543,962	
	b) (-) Outward reinsurance premiums	31	407,463,178	32 1,277,080,784
2.	INVESTMENT INCOME:			
	a) From participating interests	33	1,271,857,252	
	(of which, income from Group companies	34	1,269,698,565 )	
	b) From other investments			
	aa) income from land and buildings	35	0	
	bb) from other investments	36	259,076,032	
	(of which, income from Group companies	37	259,076,032	
		38	195,910,712 )	
	c) Value re-adjustments on investment	39	10,635,828	
	d) Gains on the realisation of investments	40	5,781,817	
	(of which, income from Group companies	41	0 )	42 1,547,350,929
3.	INCOME AND UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS			43 41,398,315
4.	OTHER TECHNICAL INCOME, NET OF REINSURANCE			44 9,666,038
5.	CLAIMS INCURRED, NET OF REINSURANCE			
	a) Claims paid			
	aa) gross amount	45	1,747,863,082	
	bb) (-) reinsurers' share	46	325,046,621	47 1,422,816,461
	b) Change in the provision for claims outstanding			
	aa) gross amount	48	177,593,623	
	bb) (-) reinsurers' share	49	27,552,799	50 150,040,824
6.	CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			
	a) Provisions for policy liabilities			
	aa) gross amount	52	-408,179,099	
	bb) (-) reinsurers' share	53	60,323,137	54 -468,502,236
	b) Change in the provision for claims outstanding			
	aa) gross amount	55	7,787,963	
	bb) (-) reinsurers' share	56	706,758	57 7,081,205
	c) Other provisions			
	aa) gross amount	58	206,016,049	
	bb) (-) reinsurers' share	59	-10,242,731	60 216,258,780
	d) Provisions for policies where the investment risk is borne by the shareholders and relating to the administration of pension funds			
	aa) gross amount	61	51,093,171	
	bb) (-) reinsurers' share	62	-254,289	63 51,347,460
				64 -193,814,791

Previous Year

		140	1,630,875,675			
		141	421,731,981	142	1,209,143,694	
		143	1,010,116,659			
(of which, income from Group companies		144	1,006,300,379 )			
	145		0			
	146	279,690,045	147	279,690,045		
(of which, income from Group companies		148	209,128,243 )			
		149	2,277,638			
		150	1,587,387			
(of which, income from Group companies		151	0 )	152	1,293,671,729	
				153	3,094,880	
				154	18,628,478	
	155	1,765,013,077				
	156	285,298,852	157	1,479,714,225		
	158	89,072,278				
	159	31,051,162	160	58,021,116	161	1,537,735,341
	162	-483,764,839				
	163	-8,063,180	164	-475,701,659		
	165	15,503,432				
	166	1,489,147	167	14,014,285		
	168	6,129,720				
	169	0	170	6,129,720		
	171	-5,932,711				
	172	0	173	-5,932,711	174	-461,490,365

## PROFIT AND LOSS ACCOUNT

Current Year

7.	PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE			65	60,990,984
8.	OPERATING EXPENSES				
	a) Acquisition commissions	66	229,431,834		
	b) Other acquisition costs	67	6,798,446		
	c) Change in commissions and other acquisition costs to be amortised	68	0		
	d) Collecting commissions	69	0		
	e) Other administrative expenses	70	47,868,032		
	f) (-) Reinsurance commissions and profit sharing	71	71,174,346	72	212,923,966
9.	INVESTMENT CHARGES				
	a) Investment administration charges, including interest	73	13,564,205		
	b) Value adjustments on investments	74	5,540,904		
	c) Losses on the realisation of investments	75	1,153,112	76	20,258,221
10.	EXPENSES AND UNREALISED LOSSES ON INVESTMENTS FOR THE BENEFIT OF WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS			77	3,865,203
11.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	1,128,235
12.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT			79	1,044,531,413
13.	<b>BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item</b>			80	152,755,550
<b>III. NON TECHNICAL ACCOUNT</b>					
1.	BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10)			81	190,325,432
2.	RESULT OF THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (ITEM II.13)			82	152,755,550
3.	PROFIT FROM INVESTMENTS FROM THE NON-LIFE BUSINESS:				
	a) From participating interests	83	1,275,797,463		
	(of which, income from Group companies	84	1,275,122,010		
	b) From other investments				
	aa) income from land and buildings	85	5,156,062		
	bb) from other investments	86	74,344,859	87	79,500,921
	(of which, income from Group companies	88	62,244,987		
	c) Value re-adjustments on investment	89	7,628,650		
	d) Gains on the realisation of investments	90	7,666,244		
	(of which, income from Group companies	91	0	92	1,370,593,278



		Previous Year
		175 72,507,298
		-----
	176 219,043,522	
	177 10,396,917	
	-----	
	178 0	
	179 93	
	180 47,715,884	
	181 72,349,389	182 204,807,027
	-----	-----
	183 15,735,039	
	184 26,779,386	
	185 748,327	186 43,262,752
	-----	-----
		187 20,650,419
		-----
		188 719,571
		-----
		189 759,760,999
		-----
		190 346,585,739
		-----
		191 206,580,609
		-----
		192 346,585,739
		-----
	193 1,143,261,343	
(of which, income from Group companies	194 1,141,953,729 )	
	-----	
	195 4,542,862	
	196 84,843,264	
(of which, income from Group companies	197 89,386,126 )	
	198 68,111,836 )	
	-----	
	199 1,989,100	
	200 14,261,777	
(of which, income from Group companies	201 0 )	202 1,248,898,346
	-----	-----

## PROFIT AND LOSS ACCOUNT

Current Year

4.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (item il. 2)		93	1,044,531,413
5.	INVESTMENT CHARGES FOR NON-LIFE BUSINESS			
	a) Investment administration charges, including interest	94		3,796,469
	b) Value adjustments on investments	95		110,808,021
	c) Losses on the realisation of investments	96		11,423,461
			97	126,027,951
6.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I. 2)		98	172,359,852
7.	OTHER INCOME		99	240,848,219
8.	OTHER CHARGES		100	1,622,376,437
9.	<b>RESULT FROM ORDINARY ACTIVITY</b>		101	<b>1,078,289,652</b>
10.	EXTRAORDINARY INCOME		102	184,798,671
11.	EXTRAORDINARY CHARGES		103	16,246,300
12.	<b>EXTRAORDINARY PROFIT OR LOSS</b>		104	<b>168,552,371</b>
13.	<b>RESULT BEFORE TAXATION</b>		105	<b>1,246,842,023</b>
14.	INCOME TAXES		106	-267,785,479
15.	<b>PROFIT (LOSS) FOR THE YEAR</b>		107	<b>1,514,627,502</b>

		Previous Year
		203 759,760,999
		-----
	204 16,737,051	
	205 38,277,029	
	-----	
	206 4,500,562	207 59,514,642
		-----
		208 138,860,547
		-----
		209 281,096,500
		-----
		210 1,508,702,598
		-----
		211 1,135,844,406
		-----
		212 238,793,382
		-----
		213 48,152,703
		-----
		214 <b>190,640,679</b>
		-----
		215 <b>1,326,485,085</b>
		-----
		216 -146,798,150
		-----
		217 <b>1,473,283,235</b>
		-----



# Notes to the Parent Company Financial Statements



## Foreword

The financial statements of Assicurazioni Generali at 31 December 2019 comprise the Balance Sheet, the Profit and Loss Account and the Notes to the Accounts and relative attachments, in addition to the Board of Directors' Report on the Company about the performance of the Company in its entirety.

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

ber 2016, the other implementing regulations issued by the institute of vigilance and by CONSOB. Furthermore, given the specific nature of the industry and for what is not provided in the above-mentioned disposals, the Civil Code rules have been applied, as well as the indications of national accounting standards issued by the OIC are considered.

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

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

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





# Part A – Summary of significant accounting policies

## Section 1 - Outline of the significant accounting policies

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

### Intangible assets

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

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

Development costs are amortized over their residual period of use.

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

### Land and buildings

Land and buildings are recognized on the basis of purchase or construction cost and additional acquisition costs, net of accumulated depreciation and impairment losses.

The costs of improvements and renovations with the aim of increasing the value of the assets and extending the remaining useful life are also capitalised. The cost is also increased on the basis of revaluations made in accordance with legislation introduced by special laws.

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

Lands are not subject to regular depreciation.

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

The value of land and buildings is determined on the basis of an appraisal by an independent expert. Both the appraisal report and the independent expert meet the requirements of ISVAP Regulation (now IVASS) n. 22/2008, and subsequent amendments and integrations.

## Financial investments

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

Regarding the reasons and the most significant positions of the securities included in the item C.II and classified in the “short-term” portfolio, see part B Section 2.2 of the Notes.

The classification of the securities portfolio is defined under Art. 23-quinquies and 23-sexies of the ISVAP regulation (now IVASS) No. 22/2008, amended and integrated.

The securities held for long-term use are valued at the weighted average cost, adjusted for any write-down considered permanent and, in case of fixed interest securities, also adjusted for the share accrued in the year of the trading spread, i.e. the positive or negative difference between the acquisition cost and the reimbursement amount at maturity.

The marketable securities are valued at the lower between the acquisition cost and the realisable value estimated from market trends, which, for listed securities is the price quoted on the last trading day of the financial year and for unlisted securities is the estimated realisable value. The acquisition cost of fixed interest securities is adjusted for the share accrued in the year of the trading spread, i.e. the positive or negative difference between the acquisition cost and the reimbursement amount at maturity.

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

The initial cost of securities held for long-term and short-term use is partially or fully restored whenever the reasons for the write-downs cease to exist.

If, in situations of exceptional nature, it is necessary to make a transfer of securities from one category to another, the value of the securities transferred is the amount resulting from the application of the assessment criteria of the portfolio of origin.

For investments in subsidiaries and associates whose book value is higher than that resulting from the corresponding quota of shareholders' equity, a recoverability test is carried out in order to determine the durability or otherwise of the loss.

With reference to the securities portfolios, a net unrealized gain of 4,629,212 thousand euro emerges from the comparison between the market values at the end of the year and the carrying amounts. This amount includes the net unrealized gain of 4,512,672 thousands of the long-term portfolios and a net unrealized gain of 116,540 thousands of the short-term portfolio.

The Company have not exercised the option granted by the Regulation no. 43 IVASS of 12 February 2019 concerning the temporary suspension of the unrealized losses of the marketable securities introduced by Law Decree of 23 October 2018 n. 119 containing urgent provisions on tax and financial matters, converted by the law n. 136 of the 17 December 2018.

## Derivatives

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

The evaluation criteria, in accordance with the provisions of Art. 23-septies of ISVAP regulation (now IVASS) n. 22/2008, amended and integrated, differ depending on the purpose of the financial transaction.

Hedging transactions are those carried out in order to protect the Company from financial risks related to the value of individual assets or liabilities, groups of assets, liabilities or future operations and cash flows. For example, hedging transactions protect the Company from the volatility of interest rates, exchange rates and market prices. Derivatives with hedging purposes are measured coherently with the related hedged asset and liabilities: gains and losses are recognized in the income statement in line with the corresponding capital gains and losses of the underlying items. For example, the income and expenses relating to derivatives hedging the interest rate on debt, are recognized among the other charges, just like the related interest due.

In the case a transaction may not be classifiable as hedging transactions, only the fair value losses of the derivative is recognized in the income statement.

The value of derivatives is determined by referring to their

respective market quotations, and, if these are not available, on the basis of a prudent valuation of the probable realisable value using calculation methodologies adopted by the market operators.

## Loans

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

## Deposits with ceding companies

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

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

Such investments are measured at market value. The market value of the assets, established by contractual conditions, is determined as follows:

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

## Receivables

Receivables from policyholders include premiums accrued but not yet collected. Commissions payable to intermediaries for premiums in the course of collection are recognized among the other liabilities. Receivables from brokers include the amounts to be paid by agents, brokers and other insurance intermediaries.

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

Policyholders and third parties for recoveries include receivables for deductibles and retrieves following the payment of insurance compensations.

Receivables arising out of reinsurance transactions include the amounts resulting from the current account balances opened with respect to insurance and reinsurance companies in relation to the ceded or indirect business. The item also includes receivables from reinsurance intermediaries.

Receivables are recognized at their estimated realizable value.

The estimated realizable value of the receivables from policyholders is determined on a flat-rate basis, according to the analysis of the collections trend of each single line of business, given the experience acquired.

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

## Tangible assets and inventory

All tangible assets are recognized at their acquisition cost net of accumulated depreciation.

New purchased electronic equipment is depreciated over their remaining useful life.

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

## Cash at bank and in hand

The item includes demand deposits and deposits that provide for withdrawals subject to a time limit of less than 15 days, bank cheques and cashier's checks, cash and stamps, recognized at nominal value.

## Other Assets

The item holds assets that are not included in the previous items. This includes the algebraic sum of the differences deriving from rounding up the additions of the Bal-

ance Sheet as well as the counterpart of the unrealized gains on options and hedging swaps.

The item also includes the connection account between life and non-life business.

## Subordinated liabilities

Liabilities in this category are recognized at their nominal value.

## Technical items

The Company has classified its Italian and foreign portfolio based on the rules set by the Legislative Decree No. 209/2005 Art. 1, paragraph 1, letters pp) and qq), as modified by Legislative Decree No. 56/2008.

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

In the Notes any references to the Italian portfolio is to be interpreted in this sense.

Technical items relating to acceptances and retrocessions are accounted for in the year in which they accrue, following the ceding company agreements and on the basis of timely communications.

For non-Group companies, only in cases of insufficient information received from ceding companies, to precisely determine the accrual economic result for the year at the reporting date, the technical income items regarding acceptances and retrocessions reinsurance are accounted for in the subsequent financial year.

In the current financial statements, such technical items are included in the reinsurance suspense accounts as a counterpart of the transactions occurred on the ceding companies current accounts. Further information is provided in Part B, paragraphs 6.3 and 13.7.

## Non-life provisions

The technical provisions for non-life business are computed

according to the instructions of Art. 23 – ter and 23 – quater of Regulation No. 22 dated 4 April 2008, amended and integrated (hereinafter Regulation No. 22 dated 4 April 2008), in Annexes 15, 15 bis and 16 of the same Regulation.

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

The provision for unearned premiums includes:

- a) the provision for premium fractions, calculated for all lines of business using the analytical method “pro rata temporis”; with reference to the contracts of the credit line of business signed or renewed before the 31 December 1991, the calculation criteria set by attachment 1 of the specific above-mentioned Regulation No. 15-bis have been applied;
- b) additional provisions to the provision for premium fractions, instituted in relation to the peculiarities of certain risks (hail and other natural disasters as earthquakes, seaquakes, volcanic eruptions and related phenomena, risks deriving from the use of nuclear energy, risks included in the suretyship lines of business) and computed according to the instructions of paragraph 1 Sec. III of the specific above-mentioned Regulation.

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

The methodology consists in the analytical measurement of the ultimate cost of each claim in all lines of business and in the verification of the results through the application of statistical and actuarial methodology. The exception is represented by the damages to property in the MTPL line of business managed by the Company, reported in the last thirty days of the financial year, which are measured according to the “average cost” of homogeneous groups of claims.

Claims incurred but not yet reported are estimated pru-

dently on the basis of previous experience regarding both the frequency and the average cost for each line of business of the claims reported late.

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

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

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

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

The provision for outstanding claims is determined beginning from the information given by the ceding companies.

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

The provisions for outstanding claims related to cessions and retrocessions are computed in accordance to the reinsurance contractual agreement; the provisions for unearned premiums are calculated consistently to the methods adopted for the gross business.

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

## Life provisions

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

For the Italian direct business portfolio, the provisions include:

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

The Company, in the calculation of the mathematical reserves, follows the provisions set out in paragraphs 13 and 14 of Annex 14 to Regulation No. 22 dated 4 April 2008, and operates a cautious assessment on the basis of best estimate and a reasonable margin for adverse deviation of the factors considered. In particular, consistent with paragraph 19 of Annex 14 to Regulation No. 22 dated 4 April 2008 mentioned above, the Company

makes use of the same technical bases that have been adopted for the calculation of the premium, for almost all of the technical provisions whose corresponding assets are valued according to the acquisition price. In any case, the amount of the mathematical reserves cannot be lower than that calculated with reference to the minimum guaranteed or surrender value conditions, if established.

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

- mathematical provisions for “unit-linked” contracts, calculated according to the principles set by paragraph 39 of Annex 14 to Regulation No. 22 dated 4 April 2008 and represented, with the maximum approximation, by the value of the units of Undertakings for Collective Investments (UCI, OICR) or by the value of assets included in the Company’s internal funds at year’s end;
- mathematical provisions for “index-linked” contracts, calculated according to the principles set by paragraph 40 of Annex 14 to Regulation No. 22 dated 4 April 2008 and represented, with the maximum approximation, by the quota representing the reference value at year end; the provisions take into account all risk factors that might affect the level of security and marketability of the assets intended for their coverage.

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

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

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

The provisions related to accepted business are determined, in principle, on the basis of the information given by the ceding companies, and can be supplemented as result of the adequacy evaluations performed taking into account the commitments made, pursuant to Annex 16 of the Regulation No. 22 dated 4 April 2008.

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

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

## Provision for risks and charges

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

## Deposits received from reinsurers

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

## Payables and other liabilities

### Payables, debenture loans and other liabilities

Payables in this category are recognized at their nominal value.

Other liabilities include payables not included in other items, such as, premiums received but temporarily suspended due to mismatching. Moreover, the item includes the sum of the differences deriving from rounding up the additions of Balance Sheet, as well as the counterpart of the unrealized losses on options and swaps.

The item also includes the connection account between the life and non-life business.

## Provisions for severance pay

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

## Accruals and deferrals

Accruals and deferrals are recognized to ensure compliance with the “matching principle”, with reference to those transactions involving a period of several consecutive financial years. The trading spreads relating to financial liabilities are amortized over the residual duration of the liabilities.

## Profit and loss items

### Gross premiums written

Gross premiums written are accounted for in accordance with the ISVAP (now IVASS) Regulation n. 22/2008 amended and supplemented, gross of reinsurance premiums ceded. In particular, premiums are accounted together with the accessory premiums at the expiry date of each premium. The cancellations of a technical nature of premiums written during the year are directly deducted from premiums, whilst cancellations resulting from assessments by the Company on premiums receivable and annulments related to premiums written in previous years cannot be deducted, but are recognized within other insurance expenses.

### Allocation of investment return

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

### Other profit and loss items

Costs and income are accounted in the year on an accrual basis. In particular, for items relating to insurance operations, the principle applied is that of “the regulations applicable to the profit and loss account” pursuant

to Legislative Decree No. 173/1997 and in compliance with ISVAP (now IVASS) ruling No. 22/2008, modified and completed.

## Taxes

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

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

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

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

Pursuant Art. 7 of ISVAP (now IVASS) Regulation dated 11 March 2008, No. 17, which implements Art. 11 paragraph 3 and 348 of Legislative Decree dated 7 Septem-

ber 2005, No. 209, general expenses are recognized to the relevant segment, when they are directly attributable to that segment, based on the information relative to the cost centre, reflecting the organization of the Company.

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

Criteria for the allocation of general expenses and any revenues “common” to both segments (Non-life and Life) are based on specific parameters, structured with the aim to obtain a consistent attribution with the operations carried out for each segment, as specified by the Resolution of the Board of Directors.

## Conversion of entries in foreign currency

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

Below are exposed the changes compared the previous year occurred on the exchange rates provided by Bloomberg and adopted for the conversion into euro of currencies particularly significant for the Company.

	Exchange Rate in Euro		Change %
	2019	2018	
USA dollar	1.123	1.143	1.8
Swiss franc	1.087	1.127	3.5
British pound	0.847	0.898	5.6
Chinese renminbi	7.819	7.849	0.4

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

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

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

(in thousand euro)	Non-life	Life	Total
<b>Technical result</b>	<b>190,325</b>	<b>152,756</b>	<b>343,081</b>
(+) Investment income	1,370,593	0	1,370,593
(-) Investment charges	126,028	0	126,028
(+) Quotas of investments profit transferred from the life technical account	0	1,044,531	1,044,531
(-) Quotas of investments profit transferred to the non-life technical account	172,360	0	172,360
<b>Interim result</b>	<b>1,262,530</b>	<b>1,197,287</b>	<b>2,459,817</b>
(+) Other income	160,409	80,440	240,849
(-) Other charges	1,001,056	621,320	1,622,376
(+) Extraordinary income	106,611	78,187	184,798
(-) Extraordinary charges	12,608	3,638	16,246
<b>Result before taxation</b>	<b>515,886</b>	<b>730,956</b>	<b>1,246,842</b>
(-) Income taxes for the year	-140,288	-127,497	-267,785
<b>Result for the year</b>	<b>656,174</b>	<b>858,453</b>	<b>1,514,628</b>

## Balance sheet

### Summary

(in thousand euro)	2019	2018	Change
<b>ASSETS</b>			
<b>Intangible assets</b>	<b>32,963</b>	<b>39,193</b>	<b>-6,230</b>
<b>Investments</b>			
Land and buildings	94,614	99,866	-5,252
Investments in Group companies and other shareholdings	31,202,525	32,665,377	-1,462,852
Other financial investments	4,724,312	2,902,292	1,822,020
Deposits with ceding companies	4,453,378	5,342,732	-889,354
<b>Total</b>	<b>40,474,829</b>	<b>41,010,267</b>	<b>-535,438</b>

(continues)



*(continues)*

<b>(in thousand euro)</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Class D investments</b>	<b>228,576</b>	<b>228,850</b>	<b>-274</b>
<b>Reinsurers' share of technical provisions</b>			
Non-life	609,110	539,846	69,264
Life	1,210,592	551,801	658,791
<b>Total</b>	<b>1,819,702</b>	<b>1,091,647</b>	<b>728,055</b>
<b>Debtors</b>	<b>1,985,775</b>	<b>1,837,675</b>	<b>148,100</b>
<b>Other assets</b>			
Cash at hand	467,385	757,352	-289,967
Other	268,261	208,672	59,589
<b>Total</b>	<b>735,646</b>	<b>966,024</b>	<b>-230,378</b>
<b>Accrued income and deferred charges</b>	<b>144,254</b>	<b>180,815</b>	<b>-36,561</b>
<b>TOTAL ASSETS</b>	<b>45,421,746</b>	<b>45,354,471</b>	<b>67,274</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
<b>Shareholders' funds</b>			
Subscribed share capital or equivalent fund	1,569,773	1,565,165	4,608
Reserves	11,994,503	11,938,372	56,131
Profit for the year	1,514,628	1,473,283	41,344
<b>Total</b>	<b>15,078,903</b>	<b>14,976,820</b>	<b>102,083</b>
<b>Subordinated liabilities</b>	<b>7,834,489</b>	<b>8,290,802</b>	<b>-456,313</b>
<b>Technical provisions</b>			
Non-life	2,550,106	2,166,273	383,833
Life	6,091,608	6,753,491	-661,883
<b>Total</b>	<b>8,641,714</b>	<b>8,919,764</b>	<b>-278,050</b>
<b>Technical provisions for investment and pension funds</b>	<b>266,411</b>	<b>225,895</b>	<b>40,516</b>
<b>Provisions for other risks and charges</b>	<b>78,624</b>	<b>132,149</b>	<b>-53,525</b>
<b>Deposits received from reinsurers</b>	<b>498,532</b>	<b>518,396</b>	<b>-19,864</b>
<b>Creditors and other liabilities</b>	<b>12,755,018</b>	<b>11,973,307</b>	<b>781,711</b>
<b>Accrued expenses and deferred income</b>	<b>268,054</b>	<b>317,338</b>	<b>-49,284</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>45,421,746</b>	<b>45,354,471</b>	<b>67,274</b>

## Balance sheet – Asset

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

The account refers to the multi-year charges.

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

(in thousand euro)		2019
Gross initial amount		259,364
Increase for the year for:	acquisitions or increases	14,303
	reversal value	0
	revaluation	0
	other changes	94
	Total	14,397
Decreases for the year for:	sales or decreases	0
	long-term devaluations	0
	other changes	0
	Total	0
<b>Gross final amount (a)</b>		<b>273,761</b>
Depreciations		
Gross initial amount		220,171
Increases for the year for:	amortisation quotas	20,627
	other changes	0
	Total	20,627
Decreases for the year for:	reductions from sales	0
	other changes	0
	Total	0
<b>Gross final amount (b)</b>		<b>240,798</b>
<b>Book value (a – b)</b>		<b>32,963</b>

The increases for the year refer to the new activations carried out during the year for software costs related to Group projects regarding the restructuring of the IT security systems and the development of new IT platforms for the Group investments management and monitoring.

## Section 2 – Investments – *Item C*

The current value indicated in the Notes as the reference value for assets in classes C.II and C.III correspond:

- for investments traded in regulated markets, the value is the one of the last trading day of the year;
- for investments traded in non-regulated markets, the value is the one deriving from a prudent estimation of their probable realisable value at year end, with the exception of unlisted participations in subsidiaries and companies in which a significant interest is held, for which the current reference value is equal to the value of the shareholders' equity calculated in

accordance with the international accounting standards IAS/IFRS.

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

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

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

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

(in thousand euro)		2019
Gross initial amount		105,554
Increases for the year for:	acquisitions or increments	332
	reversal value	0
	revaluation	0
	other changes	522
	Total	854
Decreases for the year for:	sales or decrements	4,345
	long-term devaluations	1,038
	other changes	0
	Total	5,383
<b>Gross final amount (a)</b>		<b>101,025</b>
Depreciations		
Initial amount		5,688
Increases for the year for:	depreciation quota for the year	1,016
	other changes	43
	Total	1,059
Decreases for the year for:	reductions from sales	336
	other changes	0
	Total	336
<b>Depreciation final amount (b)</b>		<b>6,411</b>
<b>Book value (a – b)</b>		<b>94,614</b>

The decreases for the year mainly refer to the sale of a property in Bologna.

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

There are no leased assets and there are not financial leasing operations implemented with regards to real estate or other asset.

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

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

integrated. In particular, with reference to the properties for own use, valuation criteria alternatively used for the assessment of the market value are the following:

- financial income method
- market value comparison method..

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

Certain investments in Group companies and other companies in which a significant interest is held for a total amount of 168,627 thousand are considered non-durable, since there is no permanent intention to hold these investments. The most significant are:

	Quantity	(thousand euro)
<b>Shares</b>		
Lion River NV	173,092	168,259
PERILS AG	25	368

### 2.2.1 Equities – *Item C.II.1*

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

(in thousand euro)		2019
Gross initial amount		29,533,448
Increases for the year for:	acquisitions, subscriptions or payments	63,507
	reversal value	0
	revaluations	0
	other changes	34,089
	<b>Total</b>	<b>97,596</b>
Decreases for the year for:	sales or redemptions	5,394
	devaluations	53,380
	other changes	8,503
	<b>Total</b>	<b>67,277</b>
<b>Book value</b>		<b>29,563,767</b>

The increase during the year is mainly due to share capital increases carried out on Generali Brasil Seguros S.A. (+31,506 thousand), Generali Vietnam Life Insurance (+15,858 thousand), Europ Assistance Holding S.A.S. (+8,803 thousand) e Generali Financial Asia Limited (+6,448 thousand). The other changes, on the other hand, mostly refer to the countervalue in euro of the investments in foreign currency.

The decreases mainly concern the value adjustment of the investment in Generali Brasil Seguros S.A. for 51,829 thousand.

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

Provided in attachment 6 of the Notes to the Accounts.

### 2.2.1 c) Detailed movement schedule

Provided in attachment 7 of the Notes to the Accounts.

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

The company does not hold bonds issued by Group companies.

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

(in thousand euro)		2019
Gross initial amount		3,131,929
Increases for the year for:	acquisitions, subscriptions or payments	454,581
	reversal value	0
	other changes	648
	Total	455,229
Decreases for the year for:	sales or redemptions	1,948,400
	devaluations	0
	other changes	0
	Total	1,948,400
<b>Book value</b>		<b>1,638,758</b>

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

The Company does not hold bonds issued by other entities of the group.

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

The decreases for the year mainly concern the early closing of loans to the subsidiaries Generali Beteiligungs-GmbH (1,556,903 thousand), Generali Deutschland AG (313,997 thousand) and Generali (Schweiz) Holding AG (37,500 thousand). The contraction is partially offset by new loans to the Group companies Generali Personenversicherungen AG (363,000) and Generali Investments Holding S.p.A. (40,000 thousand).

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

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

ercised during the Shareholders' Ordinary General Meeting, classified in this category in the financial statements.

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

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

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

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

(in thousand euro)	Durable		Non-durable		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
Non-life						
<b>1) Equities of companies</b>						
a) listed shares	4,095	4,095	6,617	9,125	10,712	13,220
b) unlisted shares	7,610	7,429	1,082	1,191	8,692	8,620
c) units	823	11,916	0	0	823	11,916
<b>Total</b>	<b>12,528</b>	<b>23,440</b>	<b>7,699</b>	<b>10,316</b>	<b>20,227</b>	<b>33,756</b>
<b>2) Units in common investment funds</b>	<b>0</b>	<b>48</b>	<b>990,453</b>	<b>994,445</b>	<b>990,453</b>	<b>994,493</b>
<b>3) Bonds and other fixed-interest securities</b>						
a1) listed government bonds	53,285	54,339	295,846	301,089	349,131	355,428
a2) other listed securities	51,473	54,096	117,254	120,288	168,727	174,384
b1) unlisted government bonds	0	0	774	863	774	863
b2) other unlisted securities	0	0	0	0	0	0
c) convertible bonds	0	0	0	0	0	0
<b>Total</b>	<b>104,758</b>	<b>108,435</b>	<b>413,874</b>	<b>422,240</b>	<b>518,632</b>	<b>530,675</b>
<b>5) Participation in investment pools</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7) Other investments</b>	<b>0</b>	<b>0</b>	<b>441</b>	<b>443</b>	<b>441</b>	<b>443</b>
Life						
<b>1) Equities of companies</b>						
a) listed shares	0	0	7,963	8,796	7,963	8,796
b) unlisted shares	56	87	2,048	2,147	2,104	2,234
c) units	7,085	7,303	0	0	7,085	7,303
<b>Total</b>	<b>7,141</b>	<b>7,390</b>	<b>10,011</b>	<b>10,943</b>	<b>17,152</b>	<b>18,333</b>
<b>2) Units in common investment funds</b>	<b>0</b>	<b>0</b>	<b>2,142,934</b>	<b>2,143,178</b>	<b>2,142,934</b>	<b>2,143,178</b>
<b>3) Bonds and other fixed-interest securities</b>						
a1) listed government bonds	212,993	236,726	202,301	210,699	415,294	447,425
a2) other listed securities	227,780	251,080	199,554	212,516	427,334	463,596
b1) unlisted government bonds	13,194	18,270	29,275	29,282	42,469	47,552
b2) other unlisted securities	0	0	2,695	2,695	2,695	2,695
c) convertible bonds	0	0	0	0	0	0
<b>Total</b>	<b>453,967</b>	<b>506,076</b>	<b>433,825</b>	<b>455,192</b>	<b>887,792</b>	<b>961,268</b>
<b>5) Participation in investment pools</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7) Other investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>						
1) C.III.1 Equities of companies	19,669	30,830	17,710	21,259	37,379	52,089
2) C.III.2 Units in common investment funds	0	48	3,133,387	3,137,623	3,133,387	3,137,671
3) C.III.3 Bonds and other fixed-interest securities	558,725	614,511	847,699	877,432	1,406,424	1,491,943
4) C.III.5 Participation in investment pools	0	0	0	0	0	0
5) C.III.7 Other investments	0	0	441	443	441	443

With reference to bonds and other fixed interest securities in item C.III.3, the book value of the most significant components is:

(in thousand euro)	2019
Securities issued by the Italian government	300,281
Securities issued by the USA government	156,695
Securities issued by the UK government	66,930

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

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

(in thousand euro)	Positive	Negative	Balance
Issuing spread	1,714	170	1,544
Trading spread	118	4,724	-4,606
<b>Total</b>	<b>1,832</b>	<b>4,894</b>	<b>-3,062</b>

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

(in thousand euro)	Equities	Units in common investment Funds	Bonds	Participation	Other
	C.III.1	C.III.2	C.III.3	C.III.5	C.III.7
Initial amount	18,127	0	650,025	0	0
Increases for:					
acquisitions	2,300	0	42,786	0	0
reversal value	747	0	248	0	0
transfers from the non-durable portfolio	0	0	939	0	0
other changes	0	0	19,075	0	0
Total	3,047	0	63,048	0	0
Decreases for:					
sales	832	0	47,073	0	0
devaluations	655	0	0	0	0
transfers to the non-durable portfolio	0	0	0	0	0
other changes	18	0	107,276	0	0
Total	1,505	0	154,349	0	0
<b>Book value</b>	<b>19,669</b>	<b>0</b>	<b>558,724</b>	<b>0</b>	<b>0</b>

The main increases in non-Group shares assigned to the durable segment are mainly due to the capital increase in B3i Services AG for 2,300 thousand and in the European Institute of Oncology for 279 thousand. Among the decreases we point out the sale of Sara Assicurazioni S.p.A. shares for 832 thousand and the value adjustment

of the investment in Podravska Banka for 429 thousand. In the bond segment, the increases are mainly attributable to purchases of listed government bonds. The decreases fall within the scope of the sale of the closed life portfolio of the London branch.

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

(in thousand euro)		Loans	Deposits with credit institutions
		C.III.4	C.III.6
Initial amount		743	142,060
Increases for:	payments	252	
	reversal value	0	
	other changes	17	
	Total	269	316,663
Decreases for:	redemptions	329	
	devaluations	0	
	other changes	0	
	Total	329	312,726
<b>Book value</b>		<b>683</b>	<b>145,997</b>

#### 2.3.4 a) Detailed outline of significant guaranteed loans – *Item C.III.4.a.*

No guaranteed loans are recognized in the financial statements.

#### 2.3.4 b) Detailed outline of significant other loans – *Item C.III.4.c.*

The item refers to other loans for a total amount of 683 thousand, of which 362 thousand related to policy loans.

### 2.3.5 Breakdown of the duration of deposits with credit institutions – *Item C.III.6*

(in thousand euro)	Esercizio 2019
Less than 3 months	49,365
More than 3 months	96,632
<b>Total</b>	<b>145,997</b>

### 2.3.6 Breakdown of other financial investments by type – *Item C.III.7*

The item includes options on indexes for an equivalent value of 441 thousand.

## 2.4 Deposits with ceding companies – *Item C.IV*

Deposits with ceding companies amount to 4,453,378 thousand (5,342,732 thousand in 2018).

The information relating transactions with Group compa-

nies is provided in attachment 16. In particular, deposits with subsidiaries include deposits with:

- Alleanza Assicurazioni S.p.A. for 2,736,768 thousand;
- Generali Vie S.A. for 278,876 thousand;
- Generali IARD S.A. for 150,871 thousand.

### 2.4.1 Impairment on deposits with ceding companies over the year

There are no impairments on deposits with ceding companies over the year.



## Section 3 – Investments for the benefit of life- assurance policyholders who bear the investment risk and relating to the administration of pension funds – *Item D*

### 3.1 Overview of operations related to contracts linked to investment funds and market indexes – *Item D.I (attachment 11)*

(in thousand euro)	Current value		Acquisition costs	
	2019	2018	2019	2018
<b>Land and buildings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investments in Group companies and companies in which a significant interest is held				
Equities	0	0	0	0
Bonds	0	0	0	0
Loans	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Units in common investment funds</b>	<b>185,926</b>	<b>155,104</b>	<b>159,446</b>	<b>153,402</b>
Other financial investments:				
Equities	255	207	223	215
Bonds and other fixed-interest securities	444	39,821	479	31,579
Deposits with credit institutions	0	0	0	0
Other investments	0	0	0	0
<b>Total</b>	<b>699</b>	<b>40,028</b>	<b>702</b>	<b>31,794</b>
<b>Other assets</b>	<b>1,747</b>	<b>374</b>	<b>1,747</b>	<b>374</b>
<b>Cash at hand</b>	<b>3,608</b>	<b>1,990</b>	<b>3,608</b>	<b>1,990</b>
<b>Other liabilities</b>	<b>-1,542</b>	<b>-1,193</b>	<b>-1,542</b>	<b>-1,192</b>
<b>Deposits with ceding companies</b>	<b>38,138</b>	<b>32,547</b>	<b>38,138</b>	<b>32,547</b>
<b>Total</b>	<b>228,576</b>	<b>228,850</b>	<b>202,099</b>	<b>218,915</b>

The investments related to the various types of managed products are described in detail in attachments 11.

The most significant change regards the contraction of the shares related mutual investment funds and bonds (due to the sale of the London Branch closed life portfolio).

### 3.2 Overview of operations relative to contracts linked to pension funds – *Item D.II (attachment 12)*

No investments related to pension funds have been recognised in the Financial Statement.

### 3.3 Transfers of investments from class C to class D and vice versa

It should be noted that, following the agreement for the sale of the London Branch closed life portfolio, in relation to the *linked Lifetime income bond* product, included in the scope of the transaction, British government securities have been transferred to the future buyer, as consideration, for a total value of 41,118 thousand. Under the existing reinsurance treaty, pending the legal transfer, the gross technical provisions relating to this product are covered by the related reserves transferred.

## Section 4 – Reinsurers' share of technical provisions – *Item D bis*

### 4.1 a) Breakdown of Other technical provisions – non-life business – *Item D bis I.4*

No other non-life business technical provisions borne by reinsurers have been recognised in the financial statements.

### 4.1 b) Breakdown of Other technical provisions – Life business – *Item D bis II.5*

Other technical provisions of the life business borne by reinsurers have been recognised in the financial statements for 3,680 thousand.

## Section 5 – Receivables – *Item E*

Item E includes, among other things, receivables arising out of reinsurance operations for an amount of 604,836 thousand and refer mainly to receivables from insurance and reinsurance companies (597,417 thousand). This amount relates to the non-life business for 275,778 thousand and to the life business for 321,639 thousand.

### 5.1 Write downs carried out over the year

Write downs of receivables from policyholders for premiums, carried out over the year and charged to the technical accounts, amount to 300 thousand.

The following table provides a detailed description of the write downs for line of business.

(in thousand euro)	2019
Fire and natural elements	50
Property other than fire	50
General Liability	200
<b>Total</b>	<b>300</b>

### 5.2 Details of other receivables – *Item E.III*

(in thousand euro)	2019
Credit on taxes	351,379
Credits for non-insurance relations	214,117
Credits due from subsidiaries for fiscal consolidation	195,169
Credits for pre-paid taxes	152,935
Receivables for securities and coupons sold or purchased to be settled	99,020
Credits from transactions on derivative financial instruments	35,822
Credits due from Group Companies for direct cash pooling	25,705
Credits toward staff	16,076
Credits for the allocation of the financial year accrual of economic items	10,076
Sums due from Financial Administration	9,864
Advances, securities, deposit	9,415
Credits due from the real estate management	4,607
Other credits	16,172
<b>Total</b>	<b>1,140,357</b>

Tax credits mainly include receivables for IRES for 234,502 thousand, credit for the insurance tax advance of 60,602 thousand and receivables for IRAP for 24,530 thousand.

Receivables for non-insurance relationships mainly concern positions with Group companies (185,302 thousand).

Receivables from subsidiaries for tax consolidation in-

clude IRES receivables recognized towards other Group companies participating in the tax consolidation of Assicurazioni Generali. The increase compared to the previous year is mainly due to the increase in the taxable income of the main Italian companies of the Group.

Deferred tax assets refer to items which, from a tax point of view, concern years other than that in which they have been recognized in the income statement, and are recognized net of the provision for deferred taxes.

## Section 6 – Other assets – *Item F*

### 6.1 Variazioni nell'esercizio degli attivi a utilizzo durevole compresi nella classe F.I

(in thousand euro)	2018	Increases	Decreases	2019
Furniture, office equipment, internal transport vehicles	2,113	1,712	2,621	1,204
Movables listed in public registers	1,169	21	67	1,123
Equipments and appliances	0	1	1	0
Inventories	447	0	0	447
<b>Total</b>	<b>3,729</b>	<b>1,734</b>	<b>2,689</b>	<b>2,774</b>

### 6.3 Deferred reinsurance items – *Item F.IV.1*

Deferred reinsurance items, amounting to 5,161 thousand, include the negative income values of technical nature that are to be entered in the profit and loss accounts in the following year.

Details of the items are illustrated in the following table.

(in thousand euro)	Rami Danni	Rami Vita	Totale
Premiums	0	0	0
Claims	3,111	1,708	4,819
Commissions	186	101	287
Portfolios and other technical items	0	55	55
<b>Total</b>	<b>3,297</b>	<b>1,864</b>	<b>5,161</b>

### 6.4 Details of miscellaneous assets – *Item F.IV.2*

Miscellaneous assets amount to 260,325 thousand and mainly refer to the linkage account that reports a credit of the life business towards the non-life business and to activities related to provisional reinstatement premiums on accepted reinsurance.

## Section 7 – Prepayments and accrued income – *Item G*

### 7.1 Details of accrued income and deferred charges

(in thousand euro)	Accrued income	Deferred charges	Total
Interests	50,254	0	50,254
Rents	484	20	504
Other accrued income and deferred charges	4,835	88,661	93,496
<b>Total</b>	<b>55,573</b>	<b>88,681</b>	<b>144,254</b>

### 7.2 Breakdown of other accrued income and deferred charges – *Item G.3*

(in thousand euro)	Accrued income	Deferred charges	Total
Deferred charges for discount on bonds issued	0	39,977	39,977
Deferred charges for discount on loans	0	0	0
Accrued income and deferred charges on derivatives	0	37,606	37,606
Other	4,835	11,078	15,913
<b>Total</b>	<b>4,835</b>	<b>88,661</b>	<b>93,496</b>

### 7.3 Breakdown of multi-year accruals and deferrals and those with a duration of over five years.

The deferred charges with a residual duration of over one year are:

- discount on bonds and subordinated liabilities for 33,284 thousands;
- derivatives hedging the exchange rate changes on loans issued in previous years, for 13,707 thousand;
- derivatives hedging the interest rate changes relating to loans issued in previous years, for 11,443 thousand.

Furthermore, the deferred charges that have a residual duration of over five years are:

- discount on bonds and subordinated liabilities for 9,740 thousands.
- derivative hedging the exchange rate changes on loans issued in previous years, for 2,377 thousand.
- derivative hedging the interest rate changes relating to loans issued in previous years, for 568 thousand.

## Subordinated assets

Subordinated assets classified under items C.II.2 and C.III.3, are indicated based on their level of subordination, in accordance with international practice.

Issuing entity	Nominal value in thousand euro	Currency of denomination	Type of interest rate	Due date	Early paym. Clause	Subordination level
Allianz SE	3,563	USD	fixed	perpetual	yes	Tier II
Aquarius Plus Investments Plc	311	EURO	fixed	02/10/43	yes	Tier II
Aviva Plc	1,500	EURO	fixed	04/12/45	yes	Tier II
Axa SA	1,782	USD	fixed	15/12/30	no	Tier II
Banco De Sabadell SA	200	EURO	fixed	12/12/28	yes	Tier II

Issuing entity	Nominal value in thousand euro	Currency of denomination	Type of interest rate	Due date	Early paym. Clause	Subordination level
Bank of America Corp	624	USD	fixed	29/01/37	yes	Other clauses
Bankia SA	100	EURO	fixed	15/02/29	yes	Tier II
Bnp Paribas	356	USD	fixed	perpetual	yes	Tier I
Caixabank SA	600	EURO	fixed	17/04/30	yes	Tier II
Citigroup Inc	1,000	EURO	fixed	25/02/30	yes	Tier II
CNP Assurances	1,500	EURO	fixed	perpetual	yes	Tier II
CNP Assurances	500	EURO	fixed	14/09/40	yes	Tier II
Cooperatieve Rabobank UA	935	USD	fixed	01/12/43	no	Other clauses
Credit Agricole Assurances	1,000	EURO	fixed	perpetual	yes	Tier II
EDF SA	472	GBP	fixed	perpetual	yes	Tier II
Hsbc Holdings Plc	445	USD	fixed	01/06/38	no	Tier II
Infineon Technologies AG	200	EURO	fixed	perpetual	yes	Tier II
Merck Kgaa	2,000	EURO	fixed	12/12/74	yes	Tier II
Muenchener Rueckversicherungs AG	800	EURO	fixed	26/05/41	yes	Tier II
Muenchener Rueckversicherungs AG	1,770	GBP	fixed	26/05/42	yes	Tier II
Nn Group NV	2,000	EURO	fixed	perpetual	yes	Tier II
Omv AG	1,000	EURO	fixed	perpetual	yes	Tier II
Orange SA	1,000	EURO	fixed	perpetual	yes	Tier II
Orsted A/S	400	EURO	fixed	09/12/99	yes	Tier II
Societe Generale SA	1,500	EURO	fixed	27/02/25	no	Tier II
Sse Plc	1,040	USD	fixed	16/09/77	yes	Tier II
Standard Chartered Plc	1,000	EURO	fixed	21/10/25	yes	Tier II
Standard Chartered Plc	713	USD	fixed	09/01/43	no	Other clauses
Unicredit S.p.A.	350	EURO	fixed	23/09/29	yes	Tier II
Wells Fargo & Co	1,604	USD	fixed	02/11/43	no	Other clauses

## Balance Sheet – Liabilities

### Section 8 – Shareholders' funds – *Item A*

#### 8.1 Changes to shareholders' funds over the year

(in thousand euro)	2018	Increases	Decreases	2019
Subscribed share capital	1,565,165	4,608	0	1,569,773
Share premiums reserve	3,568,250	0	0	3,568,250
Revaluation reserves	2,010,835	0	0	2,010,835
Legal reserve	313,033	887	0	313,920
Reserve for parent company shares	0	0	0	0
Other reserves	6,049,294	59,852	4,608	6,104,538
Negative reserve for own shares held	3,040	0	0	3,040
Income carried forward	0	0	0	0
Profit/Loss for the previous year	1,473,283	0	1,473,283	0
Profit/Loss for the year	0	1,514,628	0	1,514,628
<b>Total</b>	<b>14,976,820</b>	<b>1,579,975</b>	<b>1,477,891</b>	<b>15,078,904</b>

#### 8.2 Share capital – *Item A.I*

The share capital at 31 December 2019 is equal to 1,569,773 thousand, divided into ordinary shares with a nominal value of 1 euro each. The item shows an increase of 4,608 thousand:

- For 4,436 thousand, following the assignment of Generali shares in favour of the Group's management, according to the long-term incentive plan "Long Term Incentive Plan 2016";
- 172 thousand, following the assignment of Generali shares to the Group CEO Philippe Donnet, according to the special share plan in his favour.

- revaluation Fund for fixed assets pursuant to Law 168/1982 for 153,474 thousand;
- revaluation Fund pursuant to Law 904/1977 for 20,123 thousand;
- revaluation Reserve pursuant to Law 266 dated 23 December 2005 for 793,054 thousand;
- revaluation Reserve pursuant to Law Decree 185/2008 converted with the Law No. 2 dated 28 January 2009 for 92,676 thousand;
- revaluation Reserve pursuant to Law 576/75 for 30,425 thousand;
- revaluation Reserve pursuant to Law 72/83 for 118,769 thousand.

#### 8.3 a) Share premiums reserve – *Item A.II*

The reserve remains unchanged compared to the previous year.

#### 8.3 b) Details of the revaluation reserves – *Item A.III*

The total of the revaluation reserves, amounting to 2,010,835 thousand, include:

- revaluation Reserve pursuant to Law 413/1991 for 802,314 thousand;

#### 8.3 c) Legal reserve – *Item A.IV*

Following the capital increase based on the Long Term Incentive Plan 2016 previously mentioned, the legal reserve has been risen by 887 thousand in order to achieve the minimum level required by law.

#### 8.4 a) Reserves for own shares and those of the Parent Company – *Item A.VI* and detail of the other reserves – *Item A.VII* and the negative reserve for own shares – *Item A.X*

The negative reserve for own shares, constituted as provided by the amended and integrated Regulation No. 22/2008 amounted to 3,040 thousand. Pursuant to the new OIC 28, own shares are recognized at a value corresponding to their cost of purchase and possible effects are applied retroactively.

#### 8.4 b) Details of the other reserves – *Item A.VII*

(in thousand euro)	2018	Increases	Decreases	2019
Merger residual reserve	4,155,965	0	0	4,155,965
Extraordinary reserve	1,893,329	59,852	4,608	1,948,573
<b>Total</b>	<b>6,049,294</b>	<b>59,852</b>	<b>4,608</b>	<b>6,104,538</b>

The extraordinary reserve decrease of 4,608 thousand is consequent to the share capital increase, whereas the rise of 59,852 derives from the allocation of the previous year profit.

Such extraordinary reserve consists of tax suspension for 170,928 thousand, corresponding to the sum of the realignment of the real estate fiscal values during the 2006 financial year as required by Law No. 266/2005, net of substitute taxation.

The merger residual reserve at the end of the period includes:

- revenue reserves for 3,998,607 thousand, deriving from the merger by acquisition of Alleanza Assicurazioni S.p.A.;
- capital reserves for 149,005 thousand deriving from the merger by acquisition of Alleanza Assicurazioni S.p.A.,
- capital reserves for 8,353 thousand deriving from the merger by acquisition of Generali Finance B.V..

## 8.4 c) Outline of changes to shareholders' funds over the last three years

(in thousand euro)					
	Share Capital	Share premiums reserve	Negative reserve for own shares held.	Revaluation reserve L. 266 23/12/2005	Revaluation reserve L.D. 185/2008
<b>Initial amount of the 2017 financial year</b>	<b>1,559,883</b>	<b>3,568,250</b>	<b>-3,040</b>	<b>793,055</b>	<b>92,676</b>
Capital increase	1,925				
Distribution of previous year result					
legal reserve adjustment					
to dividends (0.80 euro per share)					
Withdrawal from extraordinary reserve					
Result for the 2017 financial year					
<b>Final amount of the 2017 financial year and initial amount of the 2018 financial year</b>	<b>1,561,808</b>	<b>3,568,250</b>	<b>-3,040</b>	<b>793,055</b>	<b>92,676</b>
Capital increase	3,357				
Distribution of previous year result					
legal reserve adjustment					
to dividends (0.85 euro per share)					
Allocation to extraordinary reserve					
Generali Finance Merger					
Result for the 2018 financial year					
<b>Final amount of the 2018 financial year and initial amount of the 2019 financial year</b>	<b>1,565,165</b>	<b>3,568,250</b>	<b>-3,040</b>	<b>793,055</b>	<b>92,676</b>
Capital increase	4,608				
Distribution of previous year result					
legal reserve adjustment					
to dividends (0.90 euro per share)					
Allocation to extraordinary reserve					
Result for the 2019 financial year					
<b>Final amount of the 2019 financial year</b>	<b>1,569,773</b>	<b>3,568,250</b>	<b>-3,040</b>	<b>793,055</b>	<b>92,676</b>



Revaluation reserve L. 413 30/12/1991	Revaluation reserve L. 576/75	Revaluation reserve L. 72/83	Revaluation reserve L. 904 16/12/1977	Provision for revaluation of long-term assets	Merger residual reserve	Extraordinary reserve.	Legal reserve	Profit for the year	Total
802,313	30,425	118,769	20,123	153,474	4,147,612	1,978,607	311,977	1,096,261	14,670,385
						-1,925			0
							385	-385	0
								-1,095,876	-1,095,876
						-153,485			-153,485
								1,404,459	1,404,459
802,313	30,425	118,769	20,123	153,474	4,147,612	1,823,197	312,362	1,404,459	14,825,483
						-3,357			0
							671	-671	0
								-1,330,300	-1,330,300
						73,488		-73,488	0
					8,353				8,353
								1,473,283	1,473,283
802,313	30,425	118,769	20,123	153,474	4,155,965	1,893,328	313,033	1,473,283	14,976,820
						-4,608			0
							887	-887	0
								-1,412,544	-1,412,544
						59,852		-59,852	0
								1,514,628	1,514,628
802,313	30,425	118,769	20,123	153,474	4,155,965	1,948,572	313,920	1,514,628	15,078,903

#### 8.4 d) Breakdown, opportunities for use and actual use of shareholders' funds over the last three years

Type / Description	Amount	Possibility of utilisation <sup>1)</sup>	Available quota	Summary of utilisations carried out during the previous three years	
				Losses cov.	Other <sup>5)</sup>
Capital	1,569,773				
Capital reserves					
Share premiums reserve	3,568,250	A,B,C	3,568,250 <sup>2)</sup>		
Merger residual reserve	157,358	A,B,C	157,358		
Revaluation reserve pursuant to Law 413 - 30.12.1991	802,313	A,B,C	802,313 <sup>3)</sup>		
Revaluation reserve pursuant to Law 904 - 16.12.1977	20,123	A,B,C	20,123 <sup>3)</sup>		
Revaluation reserve pursuant to Law 266 - 23.12.2005	793,055	A,B,C	793,055 <sup>3)</sup>		
Revaluation reserve pursuant to Law 2 - 28.1.2009 (DL 185/2008)	92,676	A,B,C	92,676		
Revaluation reserve pursuant to Law 576/75	30,425	A,B,C	30,425 <sup>3)</sup>		
Revaluation reserve pursuant to Law 72/83	118,769	A,B,C	118,769 <sup>3)</sup>		
Reserve for revaluation of long-term assets	153,474	A,B,C	153,474		
Negative reserve for own shares held	-3,040 <sup>6)</sup>				
Revenue reserves					
Legal reserve	313,920	B	313,920		
Merger residual reserve	3,998,607	A,B,C	3,998,607		
Extraordinary reserve	1,948,572	A,B,C	1,948,572 <sup>4)</sup>		163,375
<b>Total</b>	<b>13,564,275</b>		<b>11,997,542</b>		
Of which:					
Non distributable quota			313,920		
Distributable residual quota			11,683,622		

1) Key: A = for capital increase, B = for hedging, C = for distribution to shareholders.

2) In compliance with art. 2431 of the Italian Civil Code, the entire amount of this reserve can only be distributed if the legal reserve has reached the limit set out in art. 2430 of the Civil Code (20% of the share capital).

3) Taxable in case of distribution.

4) The amount of 170,928 thousand euro is taxable in case of distribution.

5) The reserves were aimed to the distribution of dividends and increase of capital.

6) It is a negative reserve for own shares held. This reserve has been recognized as a deduction of shareholders' funds, in compliance with the modified Regulation 22/2008. The negative reserve for own shares is unavailable.

## Section 9 – Subordinated liabilities – *Item B*

Subordinated liabilities amount to 7,834,489 thousand and consist of:

- hybrid bonds denominated in pound sterling, worth 413,052 thousand Euro, with the following characteristics:
  - maturity equal to the duration of the company;
  - early repayment option for the Company from the 16 June 2026;
  - fixed interest rate until 16 June 2026, first date of the early repayment option;
  - variable interest rate after 16 June 2026;
  - subordinated with respect to all the non-subordinated creditors, including policyholders, and to all the lower grade subordinated debtors;
  - suitable to cover the solvency requirements of Solvency II;
- hybrid bonds denominated in pound sterling, worth 286,186 thousand Euro, with the following characteristics:
  - maturity equal to the duration of the company;
  - early repayment option for the Company from the 8 February 2022;
  - fixed interest rate until 8 February 2022, first date of the early repayment option;
  - variable interest after 8 February 2022;
  - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
  - suitable to cover the solvency requirements of Solvency II;
- bonds for a total of 301,600 thousand Euro, with the following characteristics:
  - maturity 10 July 2042;
  - early repayment option for the Company starting from the 10 July 2022;
  - fixed interest rate until 10 July 2022, first date of the early repayment option;
  - variable interest rate after 10 July 2022, until maturity;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II;
- Bonds for 984,300 thousand Euro with the following characteristics:
  - maturity 12 December 2042
  - early repayment option for the Company from 12 December 2022;
  - fixed interest rate until 12 December 2022, first date of the early repayment option;
  - variable interest rate after 12 December 2022, until maturity;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II.
- bonds for 1,000,000 thousand Euro with the following characteristics:
  - maturity 4 May 2026;
  - fixed interest rate until maturity;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II.
- Bonds for 1,250,000 thousand Euro with the following characteristics:
  - maturity 27 October 2047;
  - early repayment option for the Company from 27 October 2027;
  - fixed rate until 27 October 2027, first date of the early repayment option;
  - variable interest rate after 27 October 2027, until maturity;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II.
- Bonds for 850,000 thousand Euro with the following characteristics:
  - maturity 8 June 2048;
  - early repayment option for the Company from 8 June 2028;
  - fixed interest rate until 8 June 2028, first date of the early repayment option;
  - variable interest after 8 June 2028, until maturity;
  - subordinated towards all the non-subordinated debtors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II.

- bonds for 1,499,350 thousand Euro with the following characteristics:
  - maturity equal to the duration of the company;
  - early repayment option for the Company from 21 November 2025;
  - fixed interest rate until 21 November 2025, first date of the early repayment option;
  - variable interest rate after 21 November 2025, until maturity;
  - subordinated to all non-subordinated creditors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II.
- bonds for 500,000 thousand Euro with the following characteristics:
  - maturity 29 January 2029;
- fixed interest rate until maturity;
- subordinated to all non-subordinated creditors, including policyholders;
- suitable to cover the solvency requirements of Solvency II.
- bonds for 750,000 thousand Euro with the following characteristics:
  - maturity 1st October 2030;
  - fixed interest rate until maturity;
  - subordinated to all non-subordinated creditors, including policyholders;
  - suitable to cover the solvency requirements of Solvency II.

## Section 10 – technical provisions – *Item C.I* for the non-life business and *C.II* for the life business

### 10.1 Changes over the year to the provision for unearned premiums – *Item C.I.1* – and to the provision for outstanding claims – *Item C.I.2* non-life business (*attachment 13*)

(in thousand euro)	2019	2018	Change
Provision for unearned premiums			
Provision for premium instalments	417,828	402,663	15,165
Provision for unexpired risks	4	93	–89
<b>Book value</b>	<b>417,832</b>	<b>402,756</b>	<b>15,076</b>
Provisions for outstanding claims			
Provision for refunds and direct expenses	1,549,914	1,344,002	205,912
Provision for claim settlement costs	20,147	12,379	7,768
IBNR provision	561,649	406,669	154,980
<b>Book value</b>	<b>2,131,710</b>	<b>1,763,050</b>	<b>368,660</b>

The increases in the premium reserve and the claims reserve are mainly attributable to the London Branch, as a consequence of the change in the reinsurance treaty with the subsidiary Generali Iard SA, from non-proportional to proportional, and of the technical trend previously described with regard to premium written and claims.

## Provision for unearned premiums

The following table illustrates the provision for unearned premiums by line of business.

(in thousand euro)	Direct business		Indirect Business		Total
	Premium instalment	Premiums in course of collection	Premium instalment	Premiums in course of collection	
Accident	20,592	0	14,161	0	34,753
Health	16,912	0	31,347	0	48,259
Motor material damage	3,226	0	508	0	3,734
Hull transport (trains)	731	0	0	0	731
Hull aviation	73	0	178	0	251
Hull marine	656	0	3,360	0	4,016
Cargo	3,525	0	5,154	0	8,679
Fire	25,467	0	57,618	0	83,085
Property other than fire	37,499	0	49,572	0	87,071
TPL Motor	223	0	116	0	339
TPL Aviation	491	0	366	0	857
TPL Marine	254	0	108	0	362
General liability	61,901	0	35,689	0	97,590
Credit	0	0	3	0	3
Suretyship	2,767	0	18,829	0	21,596
Pecuniary losses	7,571	0	18,851	0	26,422
Legal protection	1	4	0	0	5
Assistance	79	0	0	0	79
<b>Total</b>	<b>181,968</b>	<b>4</b>	<b>235,860</b>	<b>0</b>	<b>417,832</b>

The methodologies used for the evaluation of the provision for unearned premiums are indicated in the part A – Summary of significant accounting policies – of the Notes to the Accounts.

## Provision for premium instalment and additional reserves

The additional reserves are calculated by applying the provisions of paragraphs 4 and 5 of Annex 15 of ISVAP regulation (now IVASS) No.22 / 2008 amended and supplemented.

In detail:

- Suretyship risks: integrations are allocated by applying different rates to premiums issued over the past five years, separately for the various classes of risk.
- Natural disaster risks: the premium reserve for each business is integrated with an additional allocation in an amount equal to the sum of 35% of premiums of the year and 70% of premiums of previous years. The obligation to make this allocation ceases when the integration has reached an amount equal to 100 times the total premiums for the year. The additional reserve is used upon occurrence of the ensured events, when the cost of claims for the financial year exceeds gross premiums recognized in the year. During the year has been allocated to this reserve an amount of 8,211 thousand in direct insurance and 3,054 thousand in indirect business.

## Provision for unexpired risks

During the year, the provision for unexpired risks for the direct business has been set up for 4 thousand, as shown in the following table:

(in thousand euro)	% Loss ratio expected	Amount of claims expected	Provision for premium inst. + inst.to be due	Excess/lack of the provision
Accident	55	1,158	2,088	930
Health	97	5,077	5,228	151
Motor material damage	93	3,016	3,235	219
Hull transport (trains)	58	425	731	306
Hull aviation	33	24	73	49
Hull marine	95	176	185	9
Cargo	68	2,436	3,589	1,153
Fire	73	13,200	18,096	4,896
Property other than fire	78	12,769	16,363	3,594
TPL Motor	32	19	60	41
TPL Aviation	92	153	166	13
TPL Marine	68	75	110	35
General liability	52	24,482	46,711	22,229
Credit	0	0	0	0
Suretyship	0	0	1,479	1,479
Pecuniary losses	79	6,355	8,003	1,648
Legal protection	500	5	1	-4
Assistance	0	0	79	79
<b>Total</b>	<b>65</b>	<b>69,370</b>	<b>106,197</b>	<b>36,827</b>

During the year, it was not necessary to set up the reserve for risks in the course for the indirect business.

## Provisions for outstanding claims

The methodologies adopted for the valuation of the provision for outstanding claims are indicated in part A – Summary of significant accounting policies – of the Notes to the Accounts.

The actuarial statistical methods adopted in the analytical valuation of the provisions for outstanding claims in the main lines of business can be classified into the following types:

1. Chain Ladder on paid amount (or “chain“ method). In its traditional version, this method is based on the analysis of the accumulated payments, assuming that the progression of payments remains constant over time. The provisions for outstanding claims for each generation therefore depend exclusively on payments accumulated at the time of valuation and on this rule. There are also several variants in the calculation of the model parameters, known as Link Ratio/Link Ration modified for inflation methods. This method is similar to the previous one, but appropriately revised in order to take into account the effect of the growth rates of claims costs (so-called “endogenous inflation”). Therefore, the amounts paid are discounted at the time of valuation, while the future amounts are projected using an appropriate endogenous inflation rate.
2. Link Ratio on “incurred”. This method is the same as the traditional Chain Ladder method, but analyses and projects the development of the “incurred” rather than the “paid”. “Incurred” for a given generation of claims at a specific year, correspond to payments accumulated over the year and the reserve at end of year.

3. Bornhütter-Ferguson method. This method is substantially based on the Link Ratio method (on “paid” or “incurred”), but also uses a series of loss ratios per generation, which is used as an “advance hypothesis” of the last generation cost, so that the estimated reserve is a weighted average between this “advance hypothesis” and the estimate obtained using the link ratio method. Amongst the input data, it is necessary to specify a series of factors (premiums or risk exposure) to be associated with each generation of claims.

## IBNR provision

The IBNR provision for claims that have incurred but not yet been reported at year-end is determined on the basis of the experience acquired during previous years with regards to the frequency and average cost of late claims reported and the average cost of claims reported during the year. Claims exceeding a given threshold are excluded when determining average cost in order to exclude events of an exceptional nature.

The compatibility of the estimated values is also verified with elements derived from late claims received at the moment in which the provision is valued..

## Provision for profit sharing and premium refunds

There are no contracts with the characteristics indicated in the paragraph 45 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented.

## 10.2 Other non-life technical provisions – *Item C.I.4* – by provision type and line of business

There are no contracts with the characteristics indicated in the paragraph 42 and 43 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented.

## 10.3 Compulsory and non-compulsory equalisation provisions – *Item C.I.5*

(in thousand euro)	2019
<b>Equalisation provision:</b>	
Accident	2
Fire	555
Pecuniary losses	7
<b>Total</b>	<b>564</b>
<b>Compensation provision for the credit sector</b>	<b>0</b>
<b>Total equalisation provision</b>	<b>564</b>

The equalisation provisions is determined according to the paragraph from 37 to 41 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented. There are no non-compulsory equalisation provisions in the financial statements.

## 10.4 Changes during the year to the mathematical provisions – *Item C.II.1* – and the provision for profit-sharing and premium refunds – *Item C.II.4 (attachment 14)*

(in thousand euro)	2019	2018	Change
Mathematical provision for pure premiums	4,109,475	5,052,049	-942,574
Premiums brought forward	222,909	205,010	17,899
Provision for death risks	0	0	0
Additional provisions	48,423	118,308	-69,885
<b>Book value</b>	<b>4,380,807</b>	<b>5,375,367</b>	<b>-994,560</b>
<b>Provision for profit sharing and premium refunds</b>	<b>94,434</b>	<b>81,609</b>	<b>12,825</b>

The reduction in the mathematical reserve for pure premiums is affected, in particular, by the closure of the proportional reinsurance acceptances by Generali Deutschland AG, relating to the portfolio of Generali Lebensversicherung AG which has been disposed during the year, as well as the physiological reduction in the technical provisions relating to the reinsurance acceptance in run off by the subsidiary Alleanza Assicurazioni SpA.

## 10.5 Other life technical provisions – *Item C.II.5* – by provision type and line of business

Other life technical provisions, amounted to 231,278 thousand, include:

- additional provisions consequent to the adequacy checks carried out by the Company on the technical



provisions relating to indirect work, pursuant to Annex 16 of Regulation no. 22 of 4 April 2008, modified and integrated. The provision concerned the reinsurance treaty with the subsidiary Generali Personenversicherungen AG for 205,939 thousand in class I;

- reserve for future expenses established pursuant to

points 9 and 17 of annexes 16 and 14 respectively, of Regulation no. 22 of 4 April 2008, modified and integrated. It refers for 20,448 thousand to the line of business I, for 1,493 thousand to the line of business III, for 3,396 thousand to the line of business IV and for 2 thousand to the line of business V.

## Section 11 – technical provisions for policies where the investment risk is borne by the policyholders and technical provisions relating to the administration of pension funds – *Item D*

### 11.1 Overview of provisions relative to contracts linked to investment funds or market indexes – *Item D.I*

(in thousand euro)	2019
Unit vision choise	181,932
Lifetime income bond	41,476
Lavoro Indiretto	38,138
Managed Funds	4,542
AG European Equity Fund	323
Other Funds	0
<b>Book value</b>	<b>266,411</b>

### 11.2 Outline of provisions deriving from the administration of pension funds – *Item D.II*

No provisions deriving from the administration of pension funds are recognized in the financial statements.

## Section 12 – Provisions for other risks and charges – *Item E*

### 12.1 Changes to the provisions for other risks and charges (*attachment 15*)

(in thousand euro)	Funds for retirement and similar obligations	Tax funds	Other provisions
Initial amount	0	34,656	97,492
Sums set aside for the year	0	0	12,426
Other increases	0	0	0
Withdrawals	0	22,417	43,533
Other decreases	0	0	0
<b>Book value</b>	<b>0</b>	<b>12,239</b>	<b>66,385</b>

At the end of the period the provision for taxes amounts to 12,239 thousand. The withdrawals for the year of 22,417 thousand mainly relate to taxes on property transfers, which had been set aside following the repurchase of minority interests in the subsidiary Generali Deutschland Holding AG.

## 12.2 Details of other provisions – *Item E.III*

Provisions for the year, equal to 12,426 thousand, mainly refer to the provision for litigation risks for 4,219 thousand, to the provision for future risks and charges for 2,850 thousand and to the solidarity fund (INPS Circular number 56 of 10 March 2015) for 2,176 thousand.

The withdrawals mainly relate the provision for future risks and charges with reference to the transfer of the Japanese portfolio (11,076 thousand), the establishment of the Luxembourg office (8,418 thousand) and the contribution to the closed pension fund reserved for the London office employees (4,249 thousand). The withdrawals from the provision for litigation charges also contributed (13,018 thousand).

## Section 13 – Payables – *Item G*

### 13.1 Bond issued – *Item G.III*

Not convertible bonds issued, amounting to 3,133,885 thousand, comprise “Senior September 2024” bonds for 1,750,000 thousand, “Senior 2014-2020” bonds for 1,250,000 thousand (reimbursed in January 2020), “Senior 2020” bonds for 63,885 thousand and “Senior 2019-2024” bonds for 70,000 thousand.

granted by Deutsche Bank and BNP Paribas in relation to the Group indirect cash pooling.

### 13.3 Details of guaranteed loans – *Item G.V*

No guaranteed loans are recognized in the financial statements.

### 13.2 Details of liabilities to banks and other financial institutions – *Item G.IV*

Liabilities to banks and other financial institutions amount to 1,017,062 thousand and mainly refer to loans

### 13.4 Breakdown of other loans and other financial liabilities – *Item G.VI*

The total of the item, amounting to 4,875,339 thousand, refers to loans granted by:

<i>(in thousand euro)</i>	<b>2019</b>
Generali Participations Netherlands N.V.	3,758,778
Generali Versicherung AG	652,581
Generali Deutschland AG	123,980
Cosmos Leben	185,000
AachenMünchener Leben	59,000
Transocean Holding Corporation	40,000
Redoze Holding	28,000
UMS Immobiliare Genova S.p.A.	27,000
Verorgungskasse AM GD	1,000
<b>Book value</b>	<b>4,875,339</b>

### 13.5 Changes to Provisions for severance pay over the year – *Item G.VII – (attachment 15)*

(in thousand euro)	2019
Initial amount	2,395
Sums set aside for the year	835
Other increases	0
Withdrawals	991
Other decreases	673
<b>Book value</b>	<b>1,566</b>

### 13.6 Details of other creditors – *Item G.VIII.4*

(in thousand euro)	2019
Sums due to Group companies for direct cash pooling	2,505,149
Payables for invoices to be received	139,782
Sums due to credit institutions for entries to be settled	95,391
Sums due to suppliers and professionals	77,857
Sums due to subsidiaries companies for fiscal consolidation	38,566
Sundry payables to staff	28,537
Sums due to companies for non-insurance dealings	13,223
Sums due to Financial Administration	7,125
Others	32,756
<b>Total</b>	<b>2,938,386</b>

### 13.7 Deferred reinsurance items – *Item G.IX.1*

Deferred reinsurance items, amounting to 5,333 thousand, include the positive technical values to be recognized in the profit and loss accounts in the following year.

The items are illustrated in detail in the following table.

(in thousand euro)	Non-Life	Life	Total
Premiums	1,722	3,611	5,333
Claims	0	0	0
Commissions	0	0	0
Profit portfolio on provisions and other technical items	0	0	0
<b>Total</b>	<b>1,722</b>	<b>3,611</b>	<b>5,333</b>

### 13.8 Details of miscellaneous liabilities – *Item G.IX.3*

(in thousand euro)	2019
Linkage account between Life and Non-Life	163,822
Operations on derivatives	159,189
Premiums earned to be recognized	6,133
Collection of the administrations and the central offices waiting for industrial development	659
Others	38,164
<b>Total</b>	<b>367,967</b>

The item “Operations on Derivatives” mainly refers to the hedging transactions covering risks deriving from exchange rates and interest rates on medium/long-term subordinated liabilities denominated in pound sterling, based on the “principle of coherent valuation” with reference to the underlying items.

## Section 14 – Accrued expenses and deferred income – *Item H*

### 14.1 Details of accrued expenses and deferred income

(in thousand euro)	Accrued expenses	Deferred income	Total
Interests	229,969	1	229,970
Rents	401	1,445	1,846
Other accrued income and deferred charges	25,229	11,009	36,238
<b>Total</b>	<b>255,599</b>	<b>12,455</b>	<b>268,054</b>

### 14.2 Breakdown of the other accrued expenses and deferred income – *Item H.3*

(in thousand euro)	Accrued expenses	Deferred income	Total
Deferred charges for spreads on bond issues	0	0	0
Deferred charges for spreads on loans	0	0	0
Accrued expenses and deferred income on derivatives	1,547	11,008	12,555
Other	23,682	0	23,682
<b>Total</b>	<b>25,229</b>	<b>11,008</b>	<b>36,237</b>

### 14.3 Breakdown of accrued expenses and deferred income and those with a duration of over five years

Deferred income that has a residual duration of over one year relates to:

- derivatives hedging changes in exchange rates, relative to loans issued in previous years, for 1,095 thousand;
- derivatives hedging changes in interest rates, relative to loans issued in previous years, for 7,793 thousand.

Furthermore, deferred income that has a residual duration of over five years relates to:

- derivatives hedging changes in exchange rates, relative to loans issued in previous years, for 271 thousand;
- derivatives hedging changes in interest rates, relative to loans issued in previous years, for 1,922 thousand.

## Section 15 – Assets and liabilities relating to Group companies and other companies in which a significant interest is held

### 15.1 Details of the assets and liabilities relating to Group companies and other companies in which a significant interest is held – (attachment 16)

(in thousand euro)	Parent companies	Subsidiaries	Affiliated	Associates	Others	Total
<b>Assets</b>						
Equities	0	29,293,508	0	214,046	56,213	29,563,767
Bonds	0	0	0	0	0	0
Loans	0	1,638,758	0	0	0	1,638,758
Participation in investments pools	0	0	0	0	0	0
Deposits with credit institutions	0	10,000	0	0	0	10,000
Other financial investments	0	0	0	0	0	0
Deposits with ceding companies	0	3,502,534	0	0	0	3,502,534
Investments relating to contracts linked to investment funds and market indexes	0	33,156	0	0	0	33,156
Investments relating to the administration of pension funds	0	0	0	0	0	0
Credits arising from direct insurance operations	0	591	0	0	0	591
Credits arising from reinsurance operations	0	55,275	0	989	0	56,264
Sundry credits	0	407,318	0	0	0	407,318
Bank and postal deposits	0	27,693	0	0	0	27,693
Other assets	0	32,820	0	0	0	32,820
<b>Total</b>	<b>0</b>	<b>35,001,653</b>	<b>0</b>	<b>215,035</b>	<b>56,213</b>	<b>35,272,901</b>
of which subordinated assets	0	0	0	0	0	0
<b>Liabilities</b>						
Subordinated liabilities	0	158,762	0	0	0	158,762
Deposits from reinsurers	0	10,037	0	0	0	10,037
Creditors arising from direct insurance operations	0	4,609	0	0	0	4,609
Creditors arising from reinsurance operations	0	118,670	0	0	0	118,670
Amounts due to banks and financial institutions	0	0	0	0	0	0
Loans guaranteed by mortgages	0	0	0	0	0	0
Other loans and financial debts	0	4,950,339	0	0	0	4,950,339
Other creditors	0	2,476,856	0	0	0	2,476,856
Sundry liabilities	0	25	0	0	0	25
<b>Total</b>	<b>0</b>	<b>7,719,298</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,719,298</b>

## Section 16 – Receivables and Payables

### 16.1 Duration of receivables and payables

With regards to receivables in items C and E of assets, 7,848 thousand may be collected after the next financial year, of which 4,803 after five years.

Among the payables in items F and G of liabilities, the loans by group companies with a residual duration of more than 5 years are towards the following companies:

- d) Generali Participations Netherlands N.V. for 660,000 thousand;
- e) Generali Deutschland AG for 100,000 thousand;
- f) Cosmos Lebensversicherungs Aktiengesellschaft for 110,000 thousand;
- g) AachenMünchener Lebensversicherung AG for 59,000 thousand;
- h) Versorg. AM-GDH for 1.000 thousand.

With regard to debts for loans with a residual duration of more than one year, the companies of the group concerned are:

- i) Generali Participations Netherlands N.V. for 1,925,000 thousand;
- j) Transocean Holding Corporation for 40,000 thousand;
- k) Redoze Holding N.V. for 28,000 thousand;
- l) Generali Versicherung AG for 652,581 thousand;
- m) Generali Deutschland AG for 19,170 thousand;
- n) Cosmos Lebensversicherungs Aktiengesellschaft for 75,000 thousand.

Moreover, the following bond loans also have a residual duration of more than one year:

- c) “*Senior 2024*” for 1,750,000 thousand;
- d) “*Senior 2019-2024*” for 70,000 thousand

### Section 16bis – individual pension funds

There are no individual pension funds in this item.

## Section 17 – Guarantees, commitments and other memorandum accounts

### 17.1 Details of guarantees issued/received and commitments – *Voci I, II, III e IV (attachment 17)*

(in thousand euro)	2019	2018
I. Guarantees issued		
a) Guarantees and endorsements issued in the interest of parent companies, subsidiaries and affiliates	0	0
b) Guarantees and endorsements issued in the interest of associates and companies in which a significant interest is held	0	0
c) Guarantees and endorsements issued in the interest of third parties	0	0
d) Other personal guarantees issued in the interest of parent companies, subsidiaries and affiliates	1,186,348	796,291
e) Other personal guarantees issued in the interest of associates and companies in which a significant interest is held	0	0
f) Other personal guarantees issued in the interest of third parties	0	0
g) Real securities for bonds of parent companies, associates and affiliates	0	0
h) Real securities for bonds of associates and other companies in which a significant interest is held	0	0
i) Real securities for bonds of third parties	0	0
l) Guarantees issued for bonds of the Company	0	0
m) Assets deposited for direct reinsurance operations	152,105	170,767
<b>Total</b>	<b>1,338,453</b>	<b>967,058</b>
II. Guarantees received		
a) from Group Companies, associates and other companies in which a significant interest is held	0	0
b) from third parties	1,102,276	598,596
<b>Total</b>	<b>1,102,276</b>	<b>598,596</b>
III. Guarantees received in the interest of the Company		
a) from Group companies, associates and other companies in which a significant interest is held	0	0
b) from third parties	22,701	101,321
<b>Total</b>	<b>22,701</b>	<b>101,321</b>
IV. Commitments		
a) Commitments for purchases which must be resold	0	0
b) Commitments for sales which must be repurchased	0	0
c) Other commitments	3,065,130	2,968,196
<b>Total</b>	<b>3,065,130</b>	<b>2,968,196</b>
V. Assets relating to pension funds managed in the name and on behalf of third parties	0	0
VI. Securities deposited with third parties	13,693,152	13,579,165
<b>Total</b>	<b>19,221,712</b>	<b>18,214,336</b>

The Company has granted sureties and guarantees, primarily in the interest of subsidiaries, in the context of operations of a non-systematic nature and that did not involve a risk of insolvency inside the insurance group.

The other outstanding positions, provided from third parties in the interest of the Company, consist mainly of sureties provided to CONSAP, to government authorities and foreign insurance regulators as required for Company operations in non-European Union countries.

## 17.2 Evolution of guarantees issued

The guarantees referred to in point I.d) are issued in favor of the subsidiary Generali Life (Hong Kong) Limited for 1,186,348 thousand. In relation to financial derivatives in Cross Currency Swap with a reference value of 82,319 thousand and a fair value of 144,207 thousand, the Company has given as collateral assets for a corresponding market value of 154,959 thousand (of which 142,667 bonds and 12,292 cash). Such collateral is not recognized in the guarantees given, as the transaction as a whole is represented in the appropriate items in the financial statements.

## 17.3 Details of the assets and liabilities relating to pension funds managed in the name and on behalf of third parties – *Item VI*

There are no assets and liabilities attributable to pension funds managed in the name and on behalf of third parties classified in this item.

## 17.4 Details of securities deposited with third parties

The securities owned by the Company, deposited in custody in various brokers, are recognized in the memorandum accounts at the nominal value of 13,693,152 thousand.

## 17.5 Breakdown of commitments – *Item IV* – and other memorandum accounts – *Item VIII*

Among the commitments, the positions of significant amount represent the notional reference value of the open transactions in the purchase and sale of derivative financial instruments, as illustrated in the table at point 17.6, and the commitments relating to the subscription of ancillary own funds of the subsidiary Generali Vie S.A. for 500,000 thousand. In the other memorandum accounts, the positions mainly relate to index options, with reference value of € 12,979 thousand.

## 17.6 Commitments regarding derivative transactions – (*attachment 18*)

(in thousand euro)		2019				2018			
		Purchase		Sale		Purchase		Sale	
		Price	Fair value	Price	Fair value	Price	Fair value	Price	Fair value
Futures:	on shares	0	0	0	0	0	0	0	0
	on bonds	0	0	0	0	0	0	0	0
	on currencies	0	0	0	0	0	0	0	0
	on rates	0	0	0	0	0	0	0	0
	other	0	0	0	0	0	0	0	0
Options:	on shares	0	0	0	0	0	0	0	0
	on bonds	0	0	0	0	0	0	0	0
	on currencies	0	0	0	0	0	0	0	0
	on rates	0	0	0	0	0	0	0	0
	other	0	0	0	0	0	0	0	0
Swaps:	on currencies	1,048,749	-176,670	601,751	-19,423	1,289,072	-378,254	616,514	1,379
	on rates	0	0	613,885	-24,639	0	0	277,769	-10,659
	other	0	0	255,000	0	0	0	255,000	0
Other operations	0	0	0	0	0	0	0	0	
<b>Total</b>	<b>1,048,749</b>	<b>-176,670</b>	<b>1,470,636</b>	<b>-44,062</b>	<b>1,289,072</b>	<b>-378,254</b>	<b>1,149,283</b>	<b>-9,280</b>	



Derivatives transactions are consistent with the guidelines set by the specific resolution of the Board of Directors and in compliance with the rulings set by IVASS Regulation No. 24 dated 6 June 2016 and exclude transactions of a purely speculative nature.

Additional information about the criteria of evaluation, as well as changes in value recognized directly in the income statement, is shown in Part A – Summary of significant accounting policies.

### Transactions

The most important transactions, with reference to notional values, took place in the Over the Counter (OTC) markets, offering adequate guarantees of settlement

of the positions assumed. The contracts negotiated in these markets were drawn up with counterparties having investment grade rating, enabling the carrying out of professional operations, subject to prudential vigilance with the purpose of stability, pursuant the current regulations.

### Outstanding contracts at the end of the year

The overall value of outstanding contracts at year end, in terms of the nominal value of the reference capital (notional reference value), was 2,532,366 thousand.

The following table is a breakdown of all contracts outstanding at year end, divided by purpose and contract type.

(in thousand euro)	Hedging		Efficient management		Total	
	Number	Value	Number	Value	Number	Value
Cross Currency Swap	19	1,335,021	10	315,479	29	1,650,500
Interest Rate Swap	11	613,885	0	0	11	613,885
Equity swap	0	0	0	0	0	0
Other Swap	0	0	3	255,000	3	255,000
Warrant/Rights	0	0	3	2	3	2
Options purchased on shares	0	0	0	0	0	0
Options purchased on indexes	0	0	2	12,979	2	12,979
<b>Total</b>	<b>30</b>	<b>1,948,906</b>	<b>18</b>	<b>583,460</b>	<b>48</b>	<b>2,532,366</b>

### 17.7 Disclosure concerning contingent liabilities not recorded in the balance sheet of which to in Art. 2427, No. 9) of the first paragraph

The Company has identified potential additional liabilities with respect to those already taken into account for the determination of provisions for risks and charges (Section 12), for 2,588 thousand, relating to lawsuits for which the unsuccessful outcome was determined.

### 17.8 Disclosure regarding to the amount of the securities held on deposit with a ceding company or third parties which remain property of the company accepting reinsurance

The amount of the securities held on deposit with a ceding company or third parties which remain property of the company accepting reinsurance, is equal to 152,105 thousand.

## Profit and Loss account

### Summary

(in thousand euro)	2019			2018	
	Non-life	Life	Total	Total	Change
Gross premiums written	1,982,246	1,684,544	3,666,790	3,310,676	356,114
Ceded reinsurance premiums	-625,089	-407,463	-1,032,552	-967,032	-65,520
Income and charges from life investments	0	1,527,093	1,527,093	1,250,409	276,684
Allocated investment return transferred to/from the technical account	172,360	-1,044,531	-872,171	-620,900	-251,271
Income and charges from class D	0	37,533	37,533	-17,556	55,089
Charges relating to claims	-987,344	-1,572,857	-2,560,201	-2,337,119	-223,082
Change in unearned premiums, mathematical and other provisions	-25,717	193,815	168,098	433,914	-265,816
Profit-sharing and premium refunds	-537	-60,991	-61,528	-72,548	11,020
Operating expenses	-314,787	-212,924	-527,711	-434,643	-93,068
Other technical income and charges	-10,807	8,538	-2,269	7,966	-10,235
<b>Result of technical account</b>	<b>190,325</b>	<b>152,757</b>	<b>343,082</b>	<b>553,167</b>	<b>-210,085</b>
Income and charges from non-life investments	1,244,565	0	1,244,565	1,189,384	55,181
Investments profit transferred from/to the non technical account	-172,360	1,044,531	872,171	620,900	251,271
Other income	160,408	80,439	240,847	281,096	-40,249
Other charges	-1,001,056	-621,320	-1,622,376	-1,508,702	-113,674
<b>Results from ordinary operations</b>	<b>421,882</b>	<b>656,407</b>	<b>1,078,289</b>	<b>1,135,845</b>	<b>-57,556</b>
Extraordinary income	106,612	78,187	184,799	238,793	-53,994
Extraordinary charges	-12,608	-3,638	-16,246	-48,153	31,907
<b>Result before taxation</b>	<b>515,886</b>	<b>730,956</b>	<b>1,246,842</b>	<b>1,326,485</b>	<b>-79,643</b>
Income taxes for the year	140,288	127,497	267,785	146,798	120,987
<b>Result for the year</b>	<b>656,174</b>	<b>858,453</b>	<b>1,514,628</b>	<b>1,473,283</b>	<b>41,344</b>

### Section 18 – information on the non-life business technical account (I)

#### 18.1 Premiums written

(in thousand euro)	Direct business	Reinsurance	Total
Non-life	496,227	1,486,019	1,982,246
Life	222,166	1,462,378	1,684,544
<b>Total</b>	<b>718,393</b>	<b>2,948,397</b>	<b>3,666,790</b>

## 18.2 Summary of the non-life business technical account – Italian and foreign business – (attachment 19)

(in thousand euro)	Gross premiums written	Gross premiums for the year	Gross cost of claims	Operating costs	(*) Reinsurers' share
<b>Direct insurance:</b>					
Accident and Health	35,408	34,729	24,613	5,836	-423
Motor TPL	208	203	303	18	-2
Material damage	4,673	4,569	3,943	87	1,073
Hull marine	15,325	13,372	15,589	3,231	-1,599
Fire and property other than fire	50,134	49,255	75,657	6,390	1,516
General liability	117,831	112,309	100,447	18,192	3,355
Credit and suretyship	1,225	1,184	10	237	-1,469
Pecuniary losses	15,835	15,529	4,668	1,831	-587
Legal protection	4	-1	192	0	156
Assistance	93	79	0	13	-10
<b>Total direct insurance</b>	<b>240,736</b>	<b>231,228</b>	<b>225,422</b>	<b>35,835</b>	<b>2,010</b>
<b>Reinsurance</b>	<b>236,140</b>	<b>240,794</b>	<b>108,557</b>	<b>31,999</b>	<b>-79,459</b>
<b>Total Italian portfolio</b>	<b>476,876</b>	<b>472,022</b>	<b>333,979</b>	<b>67,834</b>	<b>-77,449</b>
<b>Foreign portfolio</b>	<b>1,505,370</b>	<b>1,503,044</b>	<b>998,018</b>	<b>314,628</b>	<b>-162,327</b>
<b>Grand total</b>	<b>1,982,246</b>	<b>1,975,066</b>	<b>1,331,997</b>	<b>382,462</b>	<b>-239,776</b>

(\*) The reinsurers' share is the technical balance of cessions and retrocessions.

## 18.3 Statement concerning the transfer of the allocated investment return from the non- technical account and indication of the base applied for the calculation – Item 1.2

The net investment return assumed for the determination of the quota to be transferred to the non-life technical account arises from the amounts, recognized in the non-technical account, of investment returns and related financial charges.

The percentage to be allocated to the technical account – in compliance with ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented– is calculated by applying to the net investment return, the ratio resulting between the average of (current and prior year) technical provisions, net of reinsurance and this same aver-

age added to the average (current and prior year) of the shareholders' funds plus subordinated liabilities.

In 2019 the ratio has been 13.849% and, applied to the investment profit of 1,244,565 thousand, the sum allocated to the technical account has been 172,360 thousand (138,861 thousand in 2018).

The division into single portfolios and lines of business of the allocated investment return to the technical account was also carried out based on the above- mentioned ISVAP (now IVASS) ruling.

## 18.4 Other technical income net of reinsurance – Item 1.3

(in thousand euro)	2019
Reversal of commissions relating to devalued or cancelled premiums of previous years	32
Other technical income	1,111
<b>Total of other technical income</b>	<b>1,143</b>

## 18.5 Net provision for outstanding claims development result

The difference between the amount of the provision for outstanding claims recorded at the beginning of the year and the payment for claims accrued in previous years, as well as the amount of the relevant provision at the end of the year, produced a loss of 32,465 thousand, corresponding to the 14,6% of the provision for outstanding claims.

## 18.6 Premium refunds and profit-sharing – *Item 1.6*

(in thousand euro)	2019
Premium refunds	537
Change in profit-sharing	0
<b>Total</b>	<b>537</b>

## 18.7 Reinsurance commissions and profit-sharing – *Item 1.7.f*

(in thousand euro)	2019
Commissions	67,674
Profit-sharing	0
<b>Total</b>	<b>67,674</b>

## 18.8 Other technical charges net of reinsurance – *Item 1.8*

(in thousand euro)	2019
Cancellation of issued premiums of previous years	886
Devaluation for uncollectable sums due towards policyholders for premiums	300
Negative components of the C.I.D. (Direct Refund Agreement)	5
Other technical charges	10,759
<b>Total of other technical charges</b>	<b>11,950</b>

The item “other technical charges“ mainly consists of reversed commissions related to canceled reinsurance premiums.

## 18.9 Equalisation provisions – *Item 1.9*

(in thousand euro)	2019	2018	Variazione
Equalisation provision:			
Accident	2	1	1
Fire	555	458	97
Pecuniary losses	7	8	-1
Legal protection	0	0	0
Assistance	0	0	0
<b>Total</b>	<b>564</b>	<b>467</b>	<b>97</b>
Compensation provision for the credit sector	0	0	0
<b>Total equalisation provisions</b>	<b>564</b>	<b>467</b>	<b>97</b>

## Section 19 – Information on the life business technical account (II)

### 19.1 Summary of the life business: premiums and reinsurers' share – *(attachment 20)*

(in thousand euro)	Direct business	Indirect business	Total
Gross premiums:	222,166	1,462,378	1,684,544
a) 1. for individual policies	46,577	269,521	316,098
2. for group policies	175,589	1,192,857	1,368,446
b) 1. regular premiums	221,795	1,462,378	1,684,173
2. single premiums	371	0	371
c) 1. for non-profit-sharing contracts	176,420	1,453,424	1,629,844
2. for profit-sharing contracts	0	0	0
3. for contracts in which the investment risk is borne by policyholders and for contracts linked to pension funds	45,746	8,954	54,700
<b>Reinsurers' share (*)</b>	<b>85,409</b>	<b>-14,655</b>	<b>70,754</b>

(\*) The reinsurers' share is the technical balance of cessions and retrocessions.

## 19.2 Details of investment income – *Item II.2 (attachment 21 – Life)*

(in thousand euro)	2019
from equities:	
Dividends and other income from equities of Group companies	1,269,698
Dividends and other income from equities of other companies	2,159
<b>Total</b>	<b>1,271,857</b>
<b>Income from land and buildings</b>	<b>0</b>
Income from other investments:	
Income from bonds of Group companies and companies in which a significant share is held	0
Interest on loans to Group companies and companies in which a significant share is held	55,729
Income from units of common investment funds	0
Income from bonds and other fixed-interest securities	44,261
Interest on loans	29
Income from participation in investment pools	0
Interest on deposits with credit institutions	1,118
Income from various financial investments	0
Interest on deposits with ceding companies	157,939
<b>Total</b>	<b>259,076</b>
Reversal value adjustments on investments relating to:	
Land and buildings	0
Equities of Group companies and companies in which a significant share is held	0
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	661
Other bonds	9,975
Other financial investments	0
<b>Total</b>	<b>10,636</b>
Gains on the realisation of investments:	
Gains from sale of land and buildings	0
Gains from equities of Group companies and companies in which a significant share is held	0
Gains from bonds issued by Group companies and companies in which a significant share is held	0
Gains from other equities	3,037
Gains from other bonds	2,745
Gains from other financial investments	0
<b>Total</b>	<b>5,782</b>
<b>Grand total</b>	<b>1,547,351</b>

### 19.3 Details of income and unrealized gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds – *Item II.3 (attachment 22)*

(in thousand euro)	2019
Income from:	
Land and buildings	0
Investments in Group companies and companies in which a significant share is held	4,864
Income from units of common investment funds	1
Other financial investments	445
- of which, income from bonds	435
Other assets	18
<b>Total</b>	<b>5,328</b>
Gains from the realisation of investments	
Gains from sale of land and buildings	0
Gains from investments in Group comp. and comp. in which a significant share is held	0
Income from units of common investment funds	3,322
Gains from other financial investments	4,818
- of which, from bonds	4,799
Other income	0
<b>Total</b>	<b>8,140</b>
<b>Unrealised gains</b>	<b>27,930</b>
<b>Grand total</b>	<b>41,398</b>

### 19.4 Other technical income net of reinsurance – *Item II.4*

(in thousand euro)	2019
Reversal of commissions relating to devalued or cancelled premiums of previous years	71
Other technical income	9,595
<b>Total of other technical income</b>	<b>9,666</b>

The item “Other technical income” consists, in particular, of commissions collected from the internal funds of the Dubai Branch.

## 19.5 Outstanding payments provision development result

The difference between the amount of the reserve for outstanding claims existing at the beginning of the year and the amounts paid to the beneficiaries of the contracts during the period for claims incurred in previous years and the amount of the reserves at year-end is not significant.

## 19.6 Premium refunds and profit-sharing – *Item II.7*

<i>(in thousand euro)</i>	<b>2019</b>
Premium refunds	87
Change in profit-sharing	60,904
<b>Total</b>	<b>60,991</b>

The item Change in profit-sharing regards in particular payments, net of reinsurance, of the Luxembourg branch to multinational customers.

## 19.7 Reinsurance commissions and profit-sharing – *Item II.8.f*

<i>(in thousand euro)</i>	<b>2019</b>
Commissions	62,834
Profit-sharing	8,340
<b>Total</b>	<b>71,174</b>

The amounts mainly relate to the reinsurance relationships of the Luxembourg branch with the captives of multinational customers.



19.8 Details of investment charges – *Item 11.9 (attachment 23 – Life)*

<i>(in thousand euro)</i>	<b>2019</b>
Investments operating charges and other charges:	
Charges relating to equities	206
Charges relating to investments in land and buildings	0
Charges relating to bonds	4,074
Charges relating to units of common investment funds	0
Charges relating to shares in investment pools	0
Charges relating to other financial investments	750
Interest on deposits with reinsurers	8,534
<b>Total</b>	<b>13,564</b>
Value adjustments on investments relating to:	
Land and buildings	0
Equities in Group companies and companies in which a significant share is held	0
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	1,954
Other bonds	425
Other financial investments	3,162
<b>Total</b>	<b>5,541</b>
Losses on the realisation of investments:	
Losses from sale of land and buildings	0
Losses from equities	33
Losses from bonds	28
Losses from other financial investments	1,092
<b>Total</b>	<b>1,153</b>
<b>Grand total</b>	<b>20,258</b>

### 19.9 Details of financial charges and unrealised losses on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds – *Item II.10 (attachment 24)*

(in thousand euro)	2019
Charges relating to:	
Land and buildings	0
Investments in Group companies and companies in which a significant share is held	0
Units of common investment funds	0
Other financial investments	37
Other assets	625
<b>Total</b>	<b>662</b>
Losses on the realisation of investments	
Losses from sale of land and buildings	0
Losses from investments in Group companies and companies in which a significant share is held	0
Losses from units of common investment funds	184
Losses from other financial investments	5
Other charges	1
<b>Total</b>	<b>190</b>
<b>Unrealised losses</b>	<b>3,013</b>
<b>Grand total</b>	<b>3,865</b>

### 19.10 Other technical charges net of reinsurance – *Item II.11*

(in thousand euro)	2019
Cancellation of issued premiums of previous years	1,093
Other technical charges	35
<b>Total of other technical charges</b>	<b>1,128</b>

### 19.11 Statement concerning the transfer of the allocated investment return to the non - technical account and indication of the base applied for the calculation – *Item II.12*

The investment return assumed for the determination of the quota to be transferred to the non-technical account arises from the amounts, registered in the technical account, of the investment profits and related financial charges. Profits and unrealised gains as well as charges and unrealised losses deriving from investments relating to item D (held for the benefit of policyholders who bear the investment risk and relating to the administration of

pension funds) are excluded. These items, therefore, continue to be accounted for in the technical account.

The quota to be allocated to the non-technical account – in compliance with ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented – is calculated by applying, to the investment return, the ratio resulting between:

- the average of (current and prior year) Shareholders' funds;
- the average of (current and prior year) Shareholders' funds plus the average of (current and prior year) technical provisions, net of reinsurance.

If the investment return that remains allocated to the life technical account is lower than the investment profits contractually acknowledged with the policyholders during the year, the quota to be transferred to the non-technical account must be similarly reduced in the proportion of this lower value, and may even be cancelled if necessary.

For the 2019 financial statements, on the basis of the calculation methods explained in the previous paragraph, the

quota to be applied to the total income for the year, equal to 1,527,093 thousand, has been 68.40%, and involved an allocation to the non-technical account of 1,044,531 thousand (759,761 thousand in 2018).

The division into single portfolios and lines of business of the investment return quota relative to the technical account has been calculated on the basis of their origin.

## Section 20 – Development of technical items by line of business

### 20.1 Non-life insurance

#### 20.1.1. Summary of technical accounts by line of business – Italian portfolio – (attachment 25)

(in thousand euro)	Isvap Class 01	Isvap Class 02	Isvap Class 03	Isvap Class 04	Isvap Class 05	Isvap Class 06
	Accident	Health	Motor material damage	Hull transport (trains)	Hull aviation	Hull marine
Gross direct business						
(+) Premiums written	4,492	30,916	4,673	1,135	369	1,064
(–) Change in unearned premium provision	-291	970	104	371	-39	37
(–) Charges relating to claims	2,490	22,123	3,943	385	-154	-1,135
(–) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	0	-782	0	0	-6	-9
(–) Operating expenses	281	5,555	87	90	119	337
<b>Technical balance of direct business</b>	<b>2,012</b>	<b>1,486</b>	<b>539</b>	<b>289</b>	<b>437</b>	<b>1,816</b>
<b>Result of ceded reinsurance</b>	<b>-96</b>	<b>-327</b>	<b>1,073</b>	<b>-224</b>	<b>-195</b>	<b>-33</b>
<b>Net result of reinsurance</b>	<b>5,289</b>	<b>-29,495</b>	<b>-2,012</b>	<b>1</b>	<b>911</b>	<b>-31</b>
(–) Change in equalisation provision	0	0	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	5,334	4,717	1,268	99	43	682
<b>Technical result</b>	<b>12,539</b>	<b>-23,619</b>	<b>868</b>	<b>165</b>	<b>1,196</b>	<b>2,434</b>

(in thousand euro)	Isvap Class 07	Isvap 08	Isvap Class 09	Isvap Class 10	Isvap Class 11	Isvap Class 12
	Cargo	Fire	Property other than fire	Motor TPL	Aviation TPL	Marine TPL.
Gross direct business						
(+) Premiums written	11,813	26,112	24,022	208	734	210
(-) Change in unearned premium provision	1,507	-322	1,201	5	-21	98
(-) Charges relating to claims	15,116	38,240	37,417	303	1,048	329
(-) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	-366	-47	-88	-4	-17	0
(-) Operating expenses	2,550	3,342	3,048	18	105	30
<b>Technical balance of direct business</b>	<b>-7,726</b>	<b>-15,195</b>	<b>-17,732</b>	<b>-122</b>	<b>-415</b>	<b>-247</b>
<b>Result of ceded reinsurance</b>	<b>-1,248</b>	<b>-2,615</b>	<b>4,131</b>	<b>-2</b>	<b>100</b>	<b>1</b>
<b>Net result of reinsurance</b>	<b>-2,799</b>	<b>17,514</b>	<b>12,916</b>	<b>-808</b>	<b>2,187</b>	<b>783</b>
(-) Change in equalisation provision	0	97	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	2,452	11,925	5,537	650	97	-75
<b>Technical result</b>	<b>-9,321</b>	<b>11,532</b>	<b>4,852</b>	<b>-282</b>	<b>1,969</b>	<b>462</b>

(in thousand euro)	Isvap Class 13	Isvap Class 14	Isvap Class 15	Isvap Class 16	Isvap Class 17	Isvap Class 18
	General liability	Credit	Suretyship	Pecuniary losses	Legal protection	Assistance
Gross direct business						
(+) Premiums written	117,831	0	1,225	15,835	4	93
(-) Change in unearned premium provision	5,522	0	41	306	5	14
(-) Charges relating to claims	100,447	4	6	4,668	192	0
(-) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	-218	-1	-9	21	0	0
(-) Operating expenses	18,192	0	237	1,831	0	13
<b>Technical balance of direct business</b>	<b>-6,548</b>	<b>-5</b>	<b>932</b>	<b>9,051</b>	<b>-193</b>	<b>66</b>
<b>Result of ceded reinsurance</b>	<b>3,355</b>	<b>0</b>	<b>-1,469</b>	<b>-587</b>	<b>156</b>	<b>-10</b>
<b>Net result of reinsurance</b>	<b>1,660</b>	<b>4</b>	<b>-1,941</b>	<b>16,707</b>	<b>-104</b>	<b>0</b>
(-) Change in equalisation provision	0	0	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	23,258	13	860	768	58	7
<b>Technical result</b>	<b>21,725</b>	<b>12</b>	<b>-1,618</b>	<b>25,939</b>	<b>-83</b>	<b>63</b>

Whenever possible, costs have been charged to each specific line of business from the outset; common expenses are shared proportionally according to param-

eters (gross premiums, number of policies managed, commissions and claims paid) suitable for the different types of costs.

## 20.1.2. Summary of non-life business technical accounts – Italian portfolio – (attachment 26)

(in thousand euro)	Direct insurance		Reinsurance		Risks retained
	Direct risks	Ceded risks	Direct risks	Retroc. risks	
(+) Premiums written	240,736	30,244	236,140	91,761	354,871
(-) Change in unearned premium provision	9,508	-1,776	-4,654	860	5,770
(-) Charges relating to claims	225,422	32,183	108,557	5,315	296,481
(-) Change in other technical provisions	0	0	0	0	0
(+) Balance of other technical items	-1,526	95	3	1,345	-2,963
(-) Operating expenses	35,835	1,942	31,999	7,472	58,420
<b>Technical balance</b>	<b>-31,555</b>	<b>-2,010</b>	<b>100,241</b>	<b>79,459</b>	<b>-8,763</b>
(-) Change in equalisation provisions					97
(+) Positive share of investments allocated from the non-technical account	37,547		20,146		57,693
<b>Technical result</b>	<b>5,992</b>	<b>-2,010</b>	<b>120,387</b>	<b>79,459</b>	<b>48,833</b>

## 20.2 Life insurance

### 20.2.1. Summary of technical accounts by line of business – Italian portfolio – (attachment 27)

(in thousand euro)	Isvap Class I	Isvap Class III	Isvap Class IV	Isvap Class V	Isvap Class VI
	Life	Investment funds	Health	Capitalisation	Pension funds
Gross direct business					
(+) Premiums written	107,398	31	45,206	73	0
(-) Charges relating to claims	120,251	5,670	37,312	5,091	0
(-) Change in mathematical and other provisions	64,965	1,450	4,418	-256	0
(+) Balance of other technical items	0	1	0	0	0
(-) Operating expenses	5,572	129	4,534	0	0
(+) Investment profit net of the quota allocated to the non-technical account	28,556	6,160	3,215	11,195	0
<b>Technical balance</b>	<b>-54,834</b>	<b>-1,057</b>	<b>2,157</b>	<b>6,433</b>	<b>0</b>
<b>Result of ceded reinsurance</b>	<b>81,302</b>	<b>3,126</b>	<b>3,293</b>	<b>0</b>	<b>0</b>
<b>Net result of reinsurance</b>	<b>42,189</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Technical result</b>	<b>68,657</b>	<b>2,095</b>	<b>5,450</b>	<b>6,433</b>	<b>0</b>

For the attribution of the expenses to the Isvap Classes please refer to point 20.1.1.

## 20.2.2. Summary of life technical accounts – Italian portfolio – (attachment 28)

(in thousand euro)	Direct insurance		Reinsurance		Risks retained
	Direct risks	Ceded risks	Direct risks	Retroc. risks	
(+) Premiums written	152,708	37,794	177,496	1,160	291,250
(–) Charges relating to claims	168,324	65,724	689,101	0	791,701
(–) Change in mathematical and other provisions	70,577	54,235	-268,247	0	-251,905
(+) Balance of other technical items	1	0	-21	0	-20
(–) Operating expenses	10,235	5,556	18,517	620	22,576
(+) Investment profit net of the quota allocated to the non-technical account	49,126		304,651		353,777
<b>Technical result</b>	<b>-47,301</b>	<b>-87,721</b>	<b>42,755</b>	<b>540</b>	<b>82,635</b>

## 20.3 Non - life and life insurance

### 20.3.1. Summary of non-life and life technical accounts – foreign portfolio – (attachment 29)

(in thousand euro)	Rami danni	Rami vita
Gross direct business		
(+) Premiums written	255,490	69,458
(–) Change in non-life unearned premium provision	59	
(–) Charges relating to claims	174,473	57,526
(–) Change in mathematical and other provisions in life branches		34,759
(–) Change in other technical provisions in non-life branches	0	
(+) Balance of other technical items	598	8,388
(–) Operating expenses	62,583	12,418
(+) Investment profit of the life branch net of the quota allocated to the non-technical account		57,148
<b>Technical balance of direct business</b>	<b>18,973</b>	<b>30,291</b>
<b>Result of ceded reinsurance</b>	<b>-35,559</b>	<b>-2,568</b>
<b>Net result of reinsurance</b>	<b>43,410</b>	<b>42,395</b>
(–) Change in equalisation provisions for non-life branches	0	
(+) Quota of profits transferred from the non-technical account of the non-life branches	114,667	
<b>Technical result</b>	<b>141,491</b>	<b>70,118</b>

## Section 21 – Information on the non – technical account (III)

### 21.1 – Details of investment income – Item III.3 (attachment 21 – Non-life)

(in thousand euro)	2019
from equities:	
Dividends and other income from equities of Group companies	1,275,122
Dividends and other income from equities of other companies	675
<b>Total</b>	<b>1,275,797</b>
<b>Income from land and buildings</b>	<b>5,156</b>
Income from other investments:	
Income from bonds of Group companies and companies in which a significant share is held	0
Interest on loans to Group companies and companies in which a significant share is held	60,429
Income from units of common investment funds	1,114
Income from bonds and other fixed-interest securities	9,937
Interest on loans	9
Income from participation in investment pools	0
Interest on deposits with credit institutions	2,605
Income from various financial investments	0
Interest on deposits with ceding companies	251
<b>Total</b>	<b>74,345</b>
Reversal value adjustments on investments relating to:	
Land and buildings	0
Equities of Group companies and companies in which a significant share is held	0
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	653
Other bonds	2,979
Other financial investments	3,997
<b>Total</b>	<b>7,629</b>
Gains on the realisation of investments:	
Gains from sale of land and buildings	0
Gains from equities of Group companies and companies in which a significant share is held	0
Gains from bonds issued by Group companies and companies in which a significant share is held	0
Gains from other equities	635
Gains from other bonds	1,374
Gains from other financial investments	5,657
<b>Total</b>	<b>7,666</b>
<b>Grand total</b>	<b>1,370,593</b>

## 21.2 – Details of investment charges – *Item III.5 (attachment 23 – Non-life)*

(in thousand euro)	2019
Investments operating charges and other charges:	
Charges relating to equities	3
Charges relating to investments in land and buildings	1,596
Charges relating to bonds	1,252
Charges relating to units of common investment funds	0
Charges relating to shares in investment pools	0
Charges relating to other financial investments	945
Interest on deposits with reinsurers	0
<b>Total</b>	<b>3,796</b>
Value adjustments on investments relating to:	
Land and buildings	2,055
Equities in Group companies and companies in which a significant share is held	53,380
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	791
Other bonds	1,398
Other financial investments	53,184
<b>Total</b>	<b>110,808</b>
Losses on the realisation of investments:	
Losses from sale of land and buildings	0
Losses from equities	76
Losses from bonds	20
Losses from other financial investments	11,328
<b>Total</b>	<b>11,424</b>
<b>Grand total</b>	<b>126,028</b>

## 21.3 – Details of other income – *Item III.7*

(in thousand euro)	2019
Profit on exchange rates	59,794
Royalties for Generali's brand usage	56,769
Administration charges recovered from third parties	35,443
Withdrawal from provisions for future charges	30,874
Withdrawal from provisions for indirect tax litigation	22,417
Withdrawal from other provisions	13,018
Commissions on guarantees provided to Group companies	6,068
Active interests on reinsurance operations	4,516
Other	11,949
<b>Total of other income</b>	<b>240,848</b>



## 21.4 – Details of other charges – *Item III.8*

(in thousand euro)	2019
Interests paid on subordinated liabilities	493,264
Steering and coordination expenses	467,352
Repurchase of subordinated securities and related fees	249,343
Interests paid on bonds issued	136,868
Interests paid on other loans	73,934
Losses on exchange rates	61,529
Administrative charges on behalf of third parties	34,237
Amortisation quota of intangible assets	20,745
Interests and financial expenses	11,371
Interests paid on other loans	10,602
Sums allocated to provisions	10,331
Sums due to quarrels	6,747
Tax charges	6,233
Sums due to non deductible vat	5,955
Other charges	33,865
<b>Total of other charges</b>	<b>1,622,376</b>

## 21.5 – Details of extraordinary income – *Item III.10*

(in thousand euro)	2019
Profits from intragroups loans early closed	84,821
Adjustements on pre-paid and deferred taxation	45,277
Profits from disposal of fixed assets	32,074
Other extraordinary income	22,627
<b>Total of extraordinary income</b>	<b>184,799</b>

Extraordinary income amounts to 184,799 thousand, mainly composed of the realized gains deriving from the early closing of the loan to the subsidiary Generali Beteiligungs-GmbH for an amount of 84,821 thousand. Extraordinary income from taxes from previous years also contributes, mainly attributable to the application of the tax discipline of the so-called "Patent box" (following the conclusion of the related agreement with the governmental fiscal agency) and to the recalculation of taxes on

income from previous years of some foreign subsidiaries. The profits from the disposal of fixed assets derive from the sale of the shareholding in Sara Assicurazioni for 29,631 thousand.

Other extraordinary income is mainly composed of the profit deriving from the sale of the Japanese portfolio for 8,742 thousand and of unexpected income for 9,345 thousand.

## Section 21.6 – Details of extraordinary charges – *Item III.11*

(in thousand euro)	2019
Contingent liabilities	6,677
Early retirement incentives	6,249
Other extraordinary charges	3,320
<b>Total of extraordinary charges</b>	<b>16,246</b>

Other extraordinary charges are mainly composed of taxes relating to previous years.

## Section 21.7 – Details of income taxes – *Item III.14*

(in thousand euro)	2019
Current taxes	-304,857
Change in pre-paid taxation	39,032
Change in deferred taxation	-1,960
<b>Income tax for the year</b>	<b>-267,785</b>

The company complies, as a Parent Company, with the Corporate tax treatment, regulated by Title II, Chapter II, Section II of the TUIR (Art. 117-129). The number of subsidiaries that exercised the option with the Parent Company rose to 22 (20 in the previous year); in particular, 4 companies (Generali Welion, Generali Jeniot, Generali Investments Partners SGR, Gexta) exercised the option for the first time, one company (Generali Insurance Asset Management SGR) did not renew the option at its three-year maturity and one company (Generali Properties) at the end of the year was merged by incorporation into Generali Italia, also consolidated. With reference to the significant terms and conditions of the agreements that regulate the relationship between the consolidating company and the consolidated companies, it should be noted that each consolidated company, in cases where it contributes to the formation of the total global income with its taxable income, must provide to the consolidating company an amount equal to the relative tax due; on the other hand, in case the consolidated company contributes to the formation of the consolidated total global income with a tax loss, an amount equal to the financial benefit due to the Parent Company on payment of the Group tax, will be granted.

By accepting the Corporate tax treatment, the company benefited from the immediate offsetting of the tax loss of the tax period, thus recording an income in current taxes. The company also took over, as consolidating company, the positions of the consolidated companies for the taxable income for the period, net of the offset of all the current and previous fiscal losses, recognizing a debt towards the Tax Authorities of 369,118 thousand and a concomitant credit for the same amount towards the companies themselves.

Income taxes for the year show a positive balance of 267,785 thousand (146,798 in the previous year), due to the following components:

- income for accrual IRES for 312,840 thousand (189,612 thousand in the previous year), in line with the positive trend of the dividends received from Group companies, which integrates the effect deriving from the reduction in pre-tax profit;
- expense for accrual IRAP for 6,544 thousand (4,827 thousand in the previous year);
- foreign tax charges of 20,452 thousand (charges of 25,058 thousand in the previous year);
- taxes due in Italy on the income of some foreign subsidiaries for 18,059 thousand (21,728 thousand in the previous year);

Hereinafter the reconciliation between the theoretical tax rate and effective tax rate:

IRES ordinary rate	24.00%
Effect of permanent differences (increases and decreases) compared to the ordinary rate	
Permanent differences in increase:	
capital losses on non-deductible participations	1.20%
interests due	0.73%
other differences	0.42%
Permanent differences in decrease:	
excluded dividends	-32.94%
capital gains on exempt participations or subject to substitute tax	-15.11%
other differences	-1.92%
Total permanent differences	-47.62%
<b>Actual tax rate IRES</b>	<b>-23.62%</b>
Income tax of foreign subsidiaries and associates and other taxes paid abroad	1.62%
Accrual IRAP of the period	0.52%
<b>Total tax rate</b>	<b>-21.48%</b>

## Pre-paid and deferred taxation

Pre-paid and deferred taxation relate to items that combine to form the taxable profit in a fiscal period other than that in which they are recognized in the income statement.

The movements of pre-paid and deferred taxes are de-

termined using the IRES rate of 24% and the IRAP rate of 3.54%; These refer to the items that contribute to forming the taxable profit in a fiscal period different from that in which they are recognized in the income statement.

The breakdown of the main items and changes during the year is provided in the tables below; all amounts are recorded in the income statement.

## Pre-paid taxation

(in thousand euro)	Initial balance		Changes over the year		Final balance	
	Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes
Assets for pre-paid taxes - IRES	0	0	0	0	0	0
Evaluation of securities	29,017	6,964	725	174	29,742	7,138
Depreciation (mainly goodwill)	49,688	11,925	-19,050	-4,572	30,638	7,353
Devaluations of credits due by policyholders	518,722	124,493	0	0	518,722	124,493
Other sums set aside and not deductible in the year	48,086	11,541	-15,452	-3,709	32,634	7,832
Change of provisions	100,807	24,194	-19,354	-4,645	81,453	19,549
Loans receivable from merger Generali Finance	158,016	37,924	-158,016	-37,924	0	0
DTA on tax losses branch Lux	0	0	73,680	18,351	73,680	18,351
Sundry	14,138	3,137	-780	-164	13,358	2,973
<b>Total</b>	<b>918,474</b>	<b>220,178</b>	<b>-138,247</b>	<b>-32,489</b>	<b>780,227</b>	<b>187,689</b>
Assets for pre-paid taxes - IRAP	0	0	0	0	0	0
Depreciation (mainly goodwill)	45,368	1,606	-17,665	-626	27,703	980
Devaluations of credits due by policyholders	8,208	291	0	0	8,208	291
Loans receivable from merger Generali Finance	158,016	5,594	-158,016	-5,594	0	0
Sundry	29,490	1,043	-9,146	-323	20,344	720
<b>Total</b>	<b>241,082</b>	<b>8,534</b>	<b>-184,827</b>	<b>-6,543</b>	<b>56,255</b>	<b>1,991</b>
<b>Total pre-paid taxation</b>	<b>1,159,556</b>	<b>228,712</b>	<b>-323,074</b>	<b>-39,032</b>	<b>836,482</b>	<b>189,680</b>

## Deferred taxation

(in thousand euro)	Initial balance		Changes over the year		Final balance	
	Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes
Liabilities for deferred taxes - IRES	0	0	0	0		
Real estate	3,266	653	-426	-85	2,840	568
Gains installments	6,180	1,483	-2	0	6,178	1,483
Loans payable from merger Generali Finance	148,630	35,672	-4,318	-1,037	144,312	34,635
Sundry	3,738	897	-3,489	-838	249	59
<b>Total</b>	<b>161,814</b>	<b>38,705</b>	<b>-8,235</b>	<b>-1,960</b>	<b>153,579</b>	<b>36,745</b>
Liabilities for deferred taxes - IRAP	0	0	0	0		
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total deferred taxation</b>	<b>161,814</b>	<b>38,705</b>	<b>-8,235</b>	<b>-1,960</b>	<b>153,579</b>	<b>36,745</b>

## Section 22 – Other information on the profit and loss account

### 22.1 Outline of relations with Group companies and other companies in which a shareholding is held – (attachment 30)

(in thousand euro)	Parent company	Subsidiaries	Affiliates	Associated	Other	Total
<b>INCOME</b>						
Investment income:						
Income from land and buildings	0	1,588	0	0	0	1,588
Dividends and other income from equities	0	2,540,753	0	3,837	231	2,544,821
Income from bonds	0	0	0	0	0	0
Interest on loans	0	116,158	0	0	0	116,158
Income from other financial investments	0	10	0	0	0	10
Interest on deposits with ceding companies	0	140,399	0	0	0	140,399
<b>Total</b>	<b>0</b>	<b>2,798,908</b>	<b>0</b>	<b>3,837</b>	<b>231</b>	<b>2,802,976</b>
<b>Unrealised income and gains on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds</b>						
	<b>0</b>	<b>4,865</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,865</b>
Other income:						
Interest on amounts due	0	5,718	0	0	0	5,718
Recoveries of administration expenses and charges	0	33,863	0	0	0	33,863
Other income and recoveries	0	57,127	0	0	0	57,127
<b>Total</b>	<b>0</b>	<b>96,708</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96,708</b>
Gains on the realisation of investments	0	0	0	0	0	0
Extraordinary income	0	84,882	0	0	0	84,882
<b>Grand total</b>	<b>0</b>	<b>2,985,363</b>	<b>0</b>	<b>3,837</b>	<b>231</b>	<b>2,989,431</b>
<b>CHARGES</b>						
Charges on investments administration and paid interest:						
Investments charges	0	957	0	0	0	957
Interest on subordinated liabilities	0	7,661	0	0	0	7,661
Interest on deposits from reinsurers	0	0	0	0	0	0
Interest on debts from direct insurance transactions	0	0	0	0	0	0
Interest on debts from reinsurance transactions	0	10,446	0	0	0	10,446
Interest on sums due to banks and financial institutions	0	0	0	0	0	0
Interest on guaranteed loans	0	0	0	0	0	0
Interest on other debts	0	73,903	0	0	0	73,903
Losses on credits	0	0	0	0	0	0
Administration charges and expenses for third parties	0	33,967	0	0	0	33,967
Other charges	0	48,678	0	0	0	48,678
<b>Total</b>	<b>0</b>	<b>175,612</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>175,612</b>
<b>Unrealised charges and losses on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds</b>						
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Losses on the realisation of investments	0	0	0	0	0	0
Extraordinary charges	0	314	0	0	0	314
<b>Grand total</b>	<b>0</b>	<b>175,926</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>175,926</b>

## 22.2 Summary of direct business premiums written – (attachment 31)

(in thousand euro)	Non-life		Life		Total	
	Branch	F.O.S.	Branch	F.O.S.	Branch	F.O.S.
Premiums written						
in Italy	40,535	3,746	9,104	0	49,639	3,746
in other EU Countries	183,651	12,800	143,603	0	327,254	12,800
in third Countries	255,490	5	69,458	0	324,948	5
<b>Total</b>	<b>479,676</b>	<b>16,551</b>	<b>222,165</b>	<b>0</b>	<b>701,841</b>	<b>16,551</b>

## 22.3 Personnel expenses and director and auditor fees – (attachment 32)

(in thousand euro)	Non-life	Life	Total
I. Staff expenses			
Expenses related to employees:			
Italian portfolio: Wages	166,707	8,193	174,900
Social contributions	48,124	2,551	50,675
Sums allocated to the provision for retirement	8,253	319	8,572
Other employee costs	12,028	133	12,161
<b>Total</b>	<b>235,112</b>	<b>11,196</b>	<b>246,308</b>
Foreign portfolio: Wages	19,415	17,884	37,299
Social contributions	3,696	4,614	8,310
Other employee costs	1,085	2,048	3,133
<b>Total</b>	<b>24,196</b>	<b>24,546</b>	<b>48,742</b>
<b>Total</b>	<b>259,308</b>	<b>35,742</b>	<b>295,050</b>
Costs of non-subordinate workforce:			
Italian portfolio	5,363	163	5,526
Foreign portfolio	309	12	321
<b>Total</b>	<b>5,672</b>	<b>175</b>	<b>5,847</b>
<b>Total cost of workforce</b>	<b>264,980</b>	<b>35,917</b>	<b>300,897</b>
II. Details of items entered			
Charges deriving from investments management	2,470	582	3,052
Charges relating to claims	9,012	1,063	10,075
Other acquisition costs	22,938	3,517	26,455
Other administration costs	16,198	25,923	42,121
Administrative charges and expenses on behalf of third parties	214,362	4,833	219,195
Holding costs	0	0	0
<b>Total</b>	<b>264,980</b>	<b>35,918</b>	<b>300,898</b>

	Number	Remuneration (in thousand euro)
III. Average staff during the year		
Managers	241	
Employees	883	
Salaried	0	
Others	0	
<b>Totale</b>	<b>1,124</b>	
IV. Directors and statutory auditors		
Directors	13	4,251
Statutory auditors	3	350

The amounts relating to the remuneration of directors and statutory auditors differ from those reported in the Remuneration Report, which concern remuneration pursuant to art. 78 of CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments, as they do not take into account, among other things, profit sharing.

## 22.4 Transfer of securities from the durable to the non-durable classification and vice versa or sale of durable securities

During the year, the Company has transferred securities from the non-durable to the durable portfolio for 939 thousand which concerns a single Taqa Abu Dhabi bond. However, no transfers from the durable to the non-durable sector have been made.

The early disposals of securities classified in the durable sector generated net profits of 32,456 thousand mainly generated by the sale of shares.

These operations have been carried out in accordance with the guidelines and limits contained in the framework resolution on investments adopted by the board of directors, as required by IVASS regulation No. 24.

## 22.5 Results from derivative operations

Hedging operations regarding assets and liabilities, and the other operations provided by the investment Policy adopted by the Board of Directors pursuant IVASS Regulation No. 24 dated 6 June 2016, as already specified in the Notes to the Accounts, have determined a total net loss of 58,304 thousand relating to the realized economic components. For the life business, the net result is negative for 50,927 thousand (expenses of 50,130 thousand in financial management and of 797 thousand in other charges). For the non-life business, the net result is negative by 7,377 thousand (expenses of 5,007 thousand in financial management and of 2,370 thousand in other charges). A breakdown of the results of the various categories of derivative instruments by transaction concluded during the year and outstanding transactions at year end is provided below:

	Open positions	Closed positions	Total
Swap	-9,627	-40,147	-49,774
Options	0	-8,530	-8,530
Futures	0	0	0
Equity Forward/Bond Forward	0	0	0
Rights/Warrants	0	0	0
<b>Total</b>	<b>-9,627</b>	<b>-48,677</b>	<b>-58,304</b>

The negative results, related to the open positions in swaps mainly for hedging purposes, have been determined by the exchange of periodic flows; those related to the closed positions have been determined by the closing of interest rate and foreign exchange swaps.

The negative results on options were determined by trading transactions.

**Emoluments in compliance with Article 78 of CONSOB Ruling No. 11971 dated 14 May 1999, as modified by CONSOB resolution No. 18049 dated 23 December 2011.**

The information provided by the regulation in force, regarding Stock Options granted and the emoluments due to the Board of Directors and the Board of Auditors, to General Managers and Managers with strategic responsibilities of any type also including those of subsidiary companies, are indicated in the remuneration Report.

Furthermore, according to the above-mentioned CONSOB Ruling par. 1 bis Art. 78, as modified by CONSOB resolution No. 18049 dated 23 December 2011, no transactions have been carried out by the Company in order to favour the purchase and the subscription of shares pursuant to Art. 2358, Par. 3 of the Civil Code.



## Part C – Other information

### 1. Shareholders' funds updated based on the profit distribution proposal

(in thousand euro)	Danni	Vita	Totale
Subscribed share capital	472,816	1,103,236	1,576,052
Share premiums reserve	1,070,475	2,497,775	3,568,250
Revaluation reserves	1,084,006	926,829	2,010,835
Legal reserve	94,563	220,647	315,210
Negative reserves for own shares	3,040	0	3,040
Other reserves	3,647,914	2,450,672	6,098,587
<b>Total</b>	<b>6,366,734</b>	<b>7,199,160</b>	<b>13,565,894</b>

Pursuant to art. 2427, c. 22-septies of Civil Code the proposed allocation of the profit of the year, for 1,514,628 thousands is as follow:

- for 1,290 thousands to Legal Reserve;
- for 1,513,010 thousands to dividend;
- for 327 to extraordinary reserve.

The increase in the legal reserve is required in compliance with the provisions of art. 2430, against the share capital increase of 172 thousand for the assignment of an equal number of shares to the Group CEO Philippe Donnet, which took place on 5 July 2019, as well as the expected share capital increase of 6,279 thousand for the assignment of an equal number of shares to the Group management, in accordance with the Long-Term Incentive Plan 2017 (“LTI Plan 2017”).

### 2. Capital assigned

The Company has not allocated assets exclusively to a specific transaction, pursuant to Art. 2447 bis of the Civil Code.

### 3. Direction and coordination

No natural or legal person, directly and/or indirectly, jointly or severally, holds a sufficient number of shares enabling the said person to acquire a controlling stake in the Company. In the light of the recent measures introduced by the company law Reform, the Company is not subject to direction and co-ordination by any Italian or foreign body or company.

### Information on public disbursements

With reference to the regulation on transparency of public funds introduced by art. 1 of Law 124/2017, paragraphs 125, 125-bis and following, as amended by art. 35 of Law Decree 34/2019, converted into Law 58/2019 (the so-called Growth Decree), during the 2019 financial year the Company received disbursements from public resources substantially linked to the training activity and which are evident in the National State Aid Register referred to in art. 52 of Law no. 234/2012 and subsequent amendments and additions, to which reference is made in the specific Transparency section provided therein, pursuant to art. 1, paragraph 125-quinquies of the aforementioned law 124/2017.

### Disclosure about Coronavirus

With reference to the events resulting from the development and spread of Coronavirus, after 31 December 2019, the Company believes that they represent subsequent events that should not be included in the balance sheet values, pursuant to OIC 29.

Assicurazioni Generali will continue to monitor, even at Group level, the overall evolution of Coronavirus in order to assess the potential impacts in the business segments and in the various geographical areas in which it operates, continuing to implement all possible mitigation measures for the risks.

With reference to the possible impacts of Coronavirus, please refer to what is indicated in the chapter about conclusions and foreseeable evolution of management.

## 6. Information according to the Consob circular No. 6064293 dated 28 July 2006

### a) Transactions with related parties

With respects to transactions with related parties, it should be noted that the main transactions, carried out at market prices or at cost, have regarded insurance, reinsurance and co-insurance transactions, asset management (securities portfolios and real estate), leasing, loans and guarantees, administrative services, IT services, secondment of employees and claims settlement.

The above-mentioned services aim at ensuring the rationalization of operational functions, an economically efficient management, an adequate level of the services obtained and the use of synergies within the Group.

The remuneration due and the shares held by members of the Board of Directors, Board of Auditors, General Managers and Managers with strategic responsibility, are shown, according to Consob regulation, in the “Remuneration Report”.

The results of transactions with related parties, classified in accordance with IAS 24, pursuant to the Consob circular dated 28 July 2006, are detailed in the following table

(in thousand euro)	Classification of related parties is based on IAS 24					Impact on financial statements
	Parent company	Subsidiaries	Joint ventures	Other	Total	
<b>Assets</b>						
Investments	34,384,601	212,240	0	16,302	34,613,143	85.04
Credits and other operations	551,215	989	4,221	505	556,930	18.57
<b>Total assets</b>	<b>34,935,816</b>	<b>213,229</b>	<b>4,221</b>	<b>16,807</b>	<b>35,170,073</b>	<b>80.48</b>
<b>Liabilities</b>						
Financial liabilities	5,109,101	0	0	0	5,109,101	30.30
Technical provisions	4,477,957	3,707	1,357	0	4,483,021	65.18
Other debts and liabilities	2,664,588	0	0	28,763	2,693,351	14.72
<b>Total liabilities</b>	<b>12,251,646</b>	<b>3,707</b>	<b>1,357</b>	<b>28,763</b>	<b>12,285,473</b>	<b>29.23</b>
<b>Incomes and charges</b>						
From transactions with ceding companies	261,032	13,165	4,602	0	278,799	184.98
Net incomes from investments(1)	2,609,651	-3,829	0	-381	2,605,441	98.28
Other incomes and charges	-80,373	0	0	0	-80,373	5.82
Straordinary incomes and charges	84,535	0	0	0	84,535	50.15

1) The interests from deposits with ceding companies are included in the item “Incomes and charges from transactions with ceding companies” instead of item “net income from investments”

Transactions with the Group companies are part of the usual activities of management of investments and management and coordination, management of the capital structure and Group reinsurance and are subject to the specific control discipline by the Supervisory Authority (IVASS). No atypical transactions have been carried out with respect to the normal business of the company.

As part of the shareholdings management activities, the principal balances can be found on the balance sheet among the investments and on the side of the income statement under net income from investments, mainly

with regard to dividends received. Dividends received from Group companies totaled 2,544,821 thousand.

With regard to the management of the capital structure and liquidity, the main balances can be found between:

- receivables and payables and other income and charges with regard to the centralized liquidity management: the direct pooling agreements allowed the deposit, as of 31 December 2019, in Assicurazioni Generali SpA of 2,505,149 thousand. The main counterparties are Generali Beteiligungs GmbH for 665,000 thousand, Generali Participations Netherlands NV for 387,151 thousand, Generali Italia

SpA for 335,659 thousand, Generali France SA for 250,070 thousand, Lion River I NV for 236,070 thousand, Generali España de Seguros y Reaseguros for 184,162 thousand and Generali Versicherung AG for 135,040 thousand. On the other hand, the Company has a credit position of 25,705 thousand towards MyDrive Solutions Ltd. The related Interests amount to 792 thousand, while interests income amount to 97 thousand;

- financial investments and liabilities, net investment income and other charges in relation to the management of loans received and granted: at 31 December 2019, the Company has outstanding loans to Group companies for 1,187,500 thousand towards Generali Italia SpA, for 363,000 thousand towards Personenversicherungen AG, for 40,000 thousand towards Generali Investments Holding, for 26,726 thousand towards Europ Assistance Holding SA, for 11,581 thousand towards Europ Ass. North Am., for 7,000 thousand Generali Vitality GmbH and for 2,950 towards CNM Global INC. On the liabilities side, there are loans from group companies to the following counterparties: Generali Participations Netherlands NV for 3,758,778 thousand, Generali Versicherung Ag for 652,581 thousand, Generali Deutschland Holding for 123,980 thousand, Cosmos Leben for 185,000 thousand, AachenMünchener Leben for 59,000 thousand, Transocean Holding Corporation for 40,000 thousand, Redoze Holding for 28,000 thousand, UMS Immobiliare Genova SpA for 27,000 thousand and Verorgungskasse AM GD for 1 thousand. Interests income has been recognized for 116,158 thousand, mainly attributable to Generali Italia S.p.A. (62,247 thousand) and Generali Beteiligungs GmbH (45,869 thousand) and interest expenses for 73,934 thousand, mainly related to Participatie Maatschappij Graafschap Holland N.V. (57,789)
- the commitments, in relation to the subscription of ancillary own funds of the subsidiary Generali Vie S.A.. In particular, these commitments are divided into:
  - i) an “Equity commitment letter” with which the Company has committed to subscribe for at mar-

ket value, directly or indirectly, capital of the subsidiary for up to 250 million euros;

- ii) a “Commitment Letter to pay and subscribe in a full a T2 item” with which the Company is instead committed to subscribe, directly or indirectly, bonds Tier 2 of the subsidiary at market value for up to 250 million euros;
- iii) investments, relating to the capital increases carried out, described in section 2.2.1. of this note.

With regard to the Group’s reinsurance business, the main items affected are those relating to technical provisions, receivables and payables linked to reinsurance transactions and technical items in the income statement which determine the income and charges relating to reinsurance transactions.

The expenses deriving from the payments to pension funds of the Company’s employees and managers amount to 13,594 thousand.

During the year the income deriving from the remuneration of the use of the trademark by companies belonging to the Group, recorded under other income, amounted to 56,769 thousand.

With reference to the other related parties, the most significant relationship is in place with the Fin. Priv. Srl for 14,352 thousand.

With regard to Art. 18 of the Procedures on transactions with related parties approved by the Board of Directors in 2018, it should be noted that, beyond the aforementioned operations (i), no transactions of major significance have been completed in the period of reference (ii) no Transactions with related parties that have had a significant impact on the financial position or results of the Group have been completed (iii) there are no changes or developments of the Transactions described in the previous annual report that have had a significant effect on the situation balance sheet or results of the Company.

## b) Events and significant operations not recurring

Non-recurring events or significant operations have not been made during 2019, compared to what already previously described.

## c) Positions or transactions deriving from atypical and/or unusual operations

No atypical and/or unusual operations have been made.

## 7. Information according to the CONSOB resolution No. 15915 dated 3 May 2007

Pursuant to the above-mentioned resolution, sums due for services rendered during the year by Ernst & Young S.p.A., are indicated in the following table.

(in thousand euro)	2019	
	E&Y Italia	E&Y network
Parent Company		
Audit	1,264	425
Other certificate Services	3,187	14
Other Services	7,120	
<b>Total</b>	<b>11,571</b>	<b>439</b>
Parent Company subsidiaries		
Audit	3,205	15,536
Other certificate Services	2,791	6,060
Other services	219	1,718
<b>Total</b>	<b>6,215</b>	<b>23,314</b>
<b>Gran total</b>	<b>17,786</b>	<b>23,753</b>

# Cash Flow Statement



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

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Subscribed capital                      euro                      **1,569,773,403**                      Paid up                      euro                      **1,569,773,403**

Registered    **Trieste**

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## CASH FLOW STATEMENT

Year                      **2019**

(Amount in thousand euro)





	2019	2018
<b>A. Cash flows from operating activities</b>		
Result for the year	1,514,628	1,473,283
Interest paid for the year	704,066	768,591
Income taxes	-267,785	-146,798
Dividends	-2,547,655	-2,153,378
Adjustments arising from financing and investing activities	-115,714	-247,493
	-----	-----
<b>1. Profit (loss) of the year before taxation, interests, dividends and capital gains/losses deriving from cession</b>	<b>-712,460</b>	<b>-305,795</b>
<i>Increases (+) / Decreases (-) of non cash-items</i>		
Change in technical reserves	232,173	-238,722
Changes in provisions	-56,832	27,501
Change in depreciation and amortization	14,284	10,861
Adjustments/Reversal to equity investments	98,085	60,789
Other adjustments for non monetary items	41,367	-7,457
	-----	-----
<b>2. Cash flow before changes of the net current assets</b>	<b>-383,382</b>	<b>-452,823</b>
<i>Changes in working capital</i>		
Decreases (+) / (increases) (-) in receivables	137,558	534,633
Decreases (+) / increases (-) in payables	69,964	-102,926
Decreases (+) / (increases) (-) in prepaids and accrued income	30,611	8,264
Decreases (+) / increases (-) in accrual and deferred income	-98,733	2,476
Decreases (+) / (increases) (-) in other assets	-34,373	9,843
Decreases (+) / increases (-) in other liabilities	-95,571	-54,799
	-----	-----
<b>3. Cash flow after changes of the net current assets</b>	<b>-373,966</b>	<b>-55,333</b>
<i>Other adjustments</i>		
Interest paid	-655,300	-765,835
Income taxes	110,579	-26,709
Dividends collected	2,547,655	2,153,378
	-----	-----
<b>Net cash flow from operating activities</b>	<b>A. 1,628,968</b>	<b>1,305,501</b>
<b>B. Cash flows from investing activities</b>		
<i>Liquidity used for (-) / generated by (+) investing activities</i>		
Real estate	3,794	1,388
Equity investments	-29,161	79,955
Stocks	463	-1,406
Bonds	-135,894	35,270
Loans	1,493,897	282,194
Deposits with banks	-881	-8,263
Investments and pension funds	11,542	2,158
Other investments	-2,208,196	-865,065
Transfer of business	0	139,639
	-----	-----
<b>1. Cash flows from investing activities</b>	<b>-864,436</b>	<b>-334,131</b>

		2019	2018
<i>Liquidity used for (-) / generated by (+) other items</i>			
Intangible assets		-14,631	-25,166
Acquisition of furniture and transport vehicles		8,368	5,681
<b>2. Cash flows from other items</b>		<b>-6,263</b>	<b>-19,485</b>
<b>Cash flows from other items (1. + 2.)</b>	<b>B.</b>	<b>-870,699</b>	<b>-353,616</b>
<b>C. Cash flows from financing activities</b>			
<i>Loan capitals</i>			
Increases (+) / (decreases) (-) in subordinated liabilities		-512,088	-250,000
Increases (+) / (decreases) (-) in bonds		6,155	-63,885
Increases (+) / (decreases) (-) in payables to banks and financial institutions		14,998	-212,077
Increases (+) / (decreases) (-) in net payables for central treasury activity		751,104	581,800
Increases (+) / (decreases) (-) in collateralised loans			0
Increases (+) / (decreases) (-) in other loans and financial payables		95,180	320,000
<b>1. Cash flows from loan capitals</b>		<b>355,309</b>	<b>375,838</b>
<i>Equity</i>			
Increase in capital and paid capital reserves		0	0
Use of capital reserves to pay dividends		0	0
Dividends paid to shareholders based on profits of the previous years		-1,411,332	-1,330,761
<b>2. Cash flows from equity</b>		<b>-1,411,332</b>	<b>-1,330,761</b>
<b>Net Cash flows from financing activities (1. + 2.)</b>	<b>C.</b>	<b>-1,056,023</b>	<b>-954,922</b>
<b>Total Cash flows for the year</b>	<b>A. + B. + C.</b>	<b>-297,756</b>	<b>-3,037</b>

<b>Change in liquidity</b>			
Liquidity at the end of previous year		757,532	744,169
Adjustment to current year exchange rates		7,789	11,922
Liquidity from the incorporation of Generali Finance			4,298
<b>1. Liquidity at year-start</b>		<b>765,141</b>	<b>760,389</b>
<b>2. Liquidity at year-end</b>		<b>467,385</b>	<b>757,352</b>
<b>Change in the liquidity for the year</b>	<b>-1. + 2.</b>	<b>-297,756</b>	<b>-3,037</b>

# Appendices to the Notes



Company

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

Subscribed capital euro

**1,569,773,403**

Paid up

**1,569,773,403**

Registere

**Trieste****Attachments to the Notes to the Accounts**Year **2019**

(Amounts in thousand euro)

N.		Non Life *	Life *	Total *
1	Balance sheet - Non life business	1		
2	Balance sheet - Life business		1	
3	Breakdown of non-life and life result			1
4	Assets - changes in intangibles assets (item B) land and changes in land and buildings (Item C.I)			1
5	Assets - changes during the year of investments in Group companies and other companies where a significant interest is held: equities (item C.II.1). Bonds (item C.II.2) and loans (item C.II.3)			1
6	Assets -Breakdown of information on companies in which a significant interest is held			1
7	Assets - Details of investments in Group companies and other companies where a significant interest is held: equities			1
8	Assets - Breakdown on the basis of the utilisation of other financial investments: equities and common investment funds, debt securities and other fixed-income securities, participation in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)			1
9	Assets - changes for the year of other durable financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-income securities, participation in investment pools e other financial investments (items C.III.1, 2, 3, 5, 7)			1
10	Assets - changes for the year regarding loans and deposits with credit institutions (items C.III.4, 6)			1
11	Assets - detail of operations relating to contracts linked to investment funds and market index (item D.I)		6	
12	Assets arising out of the management of pension funds (item D.II)		0	
13	Liabilities - changes for the year of the components of the provision for unearned premiums (item C.I.1) and those of the provision for claims outstanding (item C.I.2) of non-life lines of business	1		
14	Liabilities - changes in the components of the mathematical provision for the year (item C.II.1) and in the components of the provision for profit sharing and premium refunds (item C.II.4)		1	
15	Liabilities -Change for the year in the provisions in the funds for risks and charges (item E) and change in the severance pay provisions (item G.VII)			1
16	Details of assets and liabilities referring to Group comp. and other companies in which a significant interest is held			1
17	Details of "guarantees, commitments and other memorandum accounts"			1
18	Breakdown of commitments regarding derivative transactions			1
19	Details of the non life business technical account	1		
20	Summary of life business: premiums and reinsurers' share.		1	
21	Income from investments (items II.2 e III.3)			1
22	Income and unrealised gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds (item II.3)		1	
23	Details of investment charges (items II.9 e III.5)			1
24	Expenses and unrealised losses relating to investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds (item II.10)		1	
25	Non-life business - summarised layout of technical account by branch - -Italian portfolio	1		
26	Summarised layout of technical accounts of non-life business - Italian portfolio	1		
27	Life business - summarised layout of technical account by branch - -Italian portfolio		1	
28	Summarised layout of technical accounts of life business - Italian portfolio		1	
29	Summarised layout of technical accounts of non-life and life business - Foreign portfolio			1
30	Relationships with Group companies and companies where a significant interest is held			1
31	Summary of direct business premiums written			1
32	Personnel expenses, directors and auditors fees			1

\* Indicate the number of attachments actually filled in. Indicate 0 if the attachment, even if due, has not been filled in because all items are null. Indicate n.d. when the company is not obliged to fill in the attachment.

## Notes on the accounts - Attachment 1

Company **Assicurazioni Generali S.p.A.****BALANCE SHEET - NON-LIFE BUSINESS****ASSETS**

Current year

A.	SUBSCRIBED CAPITAL UNPAID				1	0
	of which called-up capital	2	0			
B.	INTANGIBLE ASSETS					
	1. Acquisition commissions to be amortised	4	0			
	2. Other acquisition costs	6	0			
	3. Formation and development expenses	7	0			
	4. Goodwill	8	0			
	5. Other intangible assets	9	29,357		10	29,357
C.	INVESTMENTS					
I	- Land and Buildings					
	1. Property used for own activities	11	548			
	2. Property used by third parties	12	91,678			
	3. Other properties	13	0			
	4. Other realty rights	14	0			
	5. Assets in progress and payments on account	15	2,388	16	94,614	
II	- Investments in affiliated companies and other shareholdings					
	1. Interests in:					
	a) parent companies	17	0			
	b) affiliated companies	18	16,832,724			
	c) affiliates of parent companies	19	0			
	d) associated companies	20	214,046			
	e) other	21	16,374	22	17,063,144	
	2. Debt securities issued by:					
	a) parent companies	23	0			
	b) affiliated companies	24	0			
	c) affiliates of parent companies	25	0			
	d) associated companies	26	0			
	e) other	27	0	28	0	
	3. Loans to:					
	a) parent companies	29	0			
	b) affiliated companies	30	958,258			
	c) affiliates of parent companies	31	0			
	d) associated companies	32	0			
	e) other	33	0	34	958,258	35
					18,021,402	
					carried forward	29,357

Year 2019

Previous year

			181	0
	182	0		
	184	0		
	186	0		
	187	0		
	188	0		
	189	32,641	190	32,641
	191	304		
	192	97,192		
	193	0		
	194	0		
	195	2,371	196	99,867
197	0			
198	16,832,788			
199	0			
200	213,247			
201	17,238	202	17,063,273	
203	0			
204	0			
205	0			
206	0			
207	0	208	0	
209	0			
210	1,276,929			
211	0			
212	0			
213	0	214	1,276,929	215
		carried forward		18,340,202
				32,641

**BALANCE SHEET - NON-LIFE BUSINESS  
ASSETS**

Current year

		brought forward				29,357
<b>C.</b>	<b>INVESTMENTS (follows)</b>					
III	- Other financial investments					
	1. Equities					
	a) quoted shares	36	10,712			
	b) unquoted shares	37	8,693			
	c) other interests	38	823	39	20,228	
	2. Shares in common investment funds			40	990,453	
	3. Debt securities and other fixed-income securities					
	a) quoted	41	517,858			
	b) unquoted	42	774			
	c) convertible bonds	43	0	44	518,632	
	4. Loans					
	a) mortgage loans	45	0			
	b) loans on policies	46	0			
	c) other loans	47	320	48	320	
	5. Participation in investment			49	0	
	6. Deposits with credit institutions			50	111,022	
	7. Other			51	441	
IV	- Deposits with ceding companies			52	1,641,096	
				53	224,589	54 19,981,701
<b>D bis.</b>	<b>REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS</b>					
	I - NON-LIFE INSURANCE BUSINESS					
	1. Provision for unearned premiums			58	107,739	
	2. Provision for claims outstanding			59	501,371	
	3. Provision for profit sharing and premium refunds			60	0	
	4. Other technical provisions			61	0	62 609,110
						20,620,168
				carried forward		



				Previous year	
brought forward				32,641	
216	8,362				
217	6,636				
218	823	219	15,821		
		220	254,824		
221	433,895				
222	893				
223	800	224	435,588		
225	0				
226	0				
227	393	228	393		
		229	0		
		230	95,182		
		231	9,337	232	811,145
				233	72,669
				234	19,323,883
		238	131,011		
		239	408,834		
		240	0		
		241	0	242	539,845
		carried forward		19,896,369	

## BALANCE SHEET - NON-LIFE BUSINESS

## ASSETS

Current year

		brought forward			Current year
					20,620,168
<b>E.</b>	<b>DEBTORS</b>				
<b>I</b>	- Debtors arising out of direct insurance operations				
	1. Policyholders				
	a) for premiums - current year	71	124,704		
	b) for premiums - previous years	72	70,839	73	195,543
	2. Insurance intermediaries			74	17,685
	3. Current accounts with insurance companies			75	1,283
	4. Policyholders and third parties for recoveries			76	4,364
				77	218,875
<b>II</b>	- Debtors arising out of reinsurance operations				
	1. Reinsurance companies			78	275,778
	2. Reinsurance intermediaries			79	7,120
				80	282,898
<b>III</b>	- Other debtors			81	924,935
				82	1,426,708
<b>F.</b>	<b>OTHER ASSETS</b>				
<b>I</b>	- Tangible assets and stocks				
	1. Furniture, office equipment, internal transport vehicles	83	1,195		
	2. Vehicles listed in public registers	84	1,067		
	3. Equipment and appliances	85	0		
	4. Stocks and other goods	86	447	87	2,709
<b>II</b>	- Tangible assets and stocks				
	1. Bank and postal deposits	88	280,827		
	2. Cheques and cash in hand	89	62	90	280,889
<b>IV</b>	- Other				
	1. Deferred reinsurance items	92	3,297		
	2. Miscellaneous assets	93	92,807	94	96,104
	of which Account linking to life business	901	0		
				95	379,702
<b>G.</b>	<b>PREPAYMENTS AND ACCRUED INCOME</b>				
	1. Interests			96	30,795
	2. Rents			97	487
	3. Other prepayments and accrued income			98	43,934
				99	75,216
	<b>TOTAL ASSETS</b>			100	<b>22,501,794</b>

Previous year

		brought forward				19,896,369
251	102,079					
252	15,979	253	118,058			
		254	6,124			
		255	1,096			
		256	3,765	257	129,043	
		258	268,439			
		259	8,369	260	276,808	
				261	962,214	262 1,368,065
		263	2,084			
		264	1,114			
		265	0			
		266	447	267	3,645	
		268	645,571			
		269	61	270	645,632	
		272	3,986			
		273	60,249	274	64,235	275 713,512
		903	0			
				276	33,419	
				277	532	
				278	42,990	279 76,941
						280 <b>22,054,887</b>

**BALANCE SHEET - NON-LIFE BUSINESS**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

<b>A. SHAREHOLDERS' FUNDS</b>				
I	- Subscribed capital or equivalent funds	101	470,932	
II	- Share premium account	102	1,070,475	
III	- Revaluation reserve	103	1,084,006	
IV	- Legal reserve	104	94,176	
V	- Statutory reserve	105	0	
VI	- Reserve for parent company shares	400	0	
VII	- Other reserve	107	3,649,471	
VIII	- Profit or loss brought forward	108	0	
IX	- Profit or loss for the financial year	109	656,174	
X	- Negative reserve for own shares held	401	3,040	110 7,022,194
<b>B. SUBORDINATED LIABILITIES</b>				111 3,647,352
<b>C. TECHNICAL PROVISIONS</b>				
<b>I - NON-LIFE INSURANCE BUSINESS</b>				
1.	Provision for unearned premiums	112	417,832	
2.	Provision for claims outstanding	113	2,131,710	
3.	Provision for profit sharing and premium refunds	114	0	
4.	Other provisions	115	0	
5.	Equalisation provision	116	564	117 2,550,106
	carried forward			13,219,652

Previous year

		281	469,550	
		282	1,070,475	
		283	1,084,006	
		284	93,910	
		285	0	
		500	0	
		287	3,591,001	
		288	0	
		289	576,874	
		501	3,040	290
				6,882,776
				291
				4,639,950
	292	402,756		
	293	1,763,050		
	294	0		
	295	0		
	296	467		297
				2,166,273
	carried forward			13,688,999

**BALANCE SHEET - NON-LIFE BUSINESS**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

		brought forward		Current year	
				13,219,652	
<b>E.</b>	<b>PROVISIONS FOR OTHER RISKS AND CHARGES</b>				
1.	Provision for pensions and similar obligations	128	0		
2.	Provisions for taxation	129	12,239		
3.	Other provisions	130	55,133	131	67,372
<b>F.</b>	<b>DEPOSITS RECEIVED FROM REINSURERS</b>			132	20,318
<b>G.</b>	<b>CREDITORS</b>				
<b>I</b>	<b>- Creditors arising out of direct insurance operations</b>				
1.	Insurance intermediaries	133	14,408		
2.	Current accounts with insurance companies	134	4,100		
3.	Premium deposits and premiums due to policyholders	135	16,019		
4.	Guarantee funds in favour of policyholders	136	0	137	34,527
<b>II</b>	<b>- Creditors arising out of reinsurance operations</b>				
1.	Reinsurance companies	138	138,709		
2.	Reinsurance intermediaries	139	52,826	140	191,535
<b>III</b>	<b>- Debenture loans</b>			141	1,320,000
<b>IV</b>	<b>- Amounts owed to credit institutions</b>			142	999,367
<b>V</b>	<b>- Loans guaranteed by mortgages</b>			143	0
<b>VI</b>	<b>- Other financial liabilities</b>			144	3,226,581
<b>VII</b>	<b>- Provisions for severance pay</b>			145	903
<b>VIII</b>	<b>- Other creditors</b>				
1.	Premium taxes	146	3,895		
2.	Other tax liabilities	147	21,204		
3.	Social security	148	332		
4.	Sundry creditors	149	2,902,113	150	2,927,544
<b>IX</b>	<b>- Other liabilities</b>				
1.	Deferred reinsurance items	151	1,722		
2.	Commissions for premiums in course of collection	152	17,089		
3.	Miscellaneous liabilities	153	328,840	154	347,651
	of which Account linking to life business	902	163,822	155	9,048,108
	carried forward			22,355,450	

Previous year

brought forward			13,688,999
		308	0
		309	19,023
		310	74,623
			311 93,646
			312 18,864
313	12,118		
314	3,741		
315	7,535		
316	0	317	23,394
318	125,447		
319	43,174	320	168,621
		321	1,250,000
		322	989,795
		323	0
		324	3,076,581
		325	1,715
326	4,839		
327	18,214		
328	1,098		
329	2,240,947	330	2,265,098
331	2,228		
332	18,644		
333	284,909	334	305,781
904	137,798		
	carried forward		335 8,080,985
			21,882,494

BALANCE SHEET - NON-LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' FUNDS

		brought forward		Current year	
				22,355,450	
H.	ACCRUALS AND DEFERRED INCOME				
	1. Interests	156	110,392		
	2. Rents	157	1,728		
	3. Other accruals and deferred income	158	34,224	159	146,344
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>			160	<b>22,501,794</b>



		Previous year
brought forward		21,882,494
	336	138,114
	337	1,749
	338	32,529
		339
		172,392
		340
		<b>22,054,886</b>

Notes on the accounts - Attachment 2

Company **Assicurazioni Generali S.p.A.****BALANCE SHEET - LIFE BUSINESS****ASSETS**

Current year

A. SUBSCRIBED CAPITAL UNPAID			1	0
of which called-up capital	2	0		
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	3	0		
2. Other acquisition costs	6	0		
3. Formation and development expenses	7	0		
4. Goodwill	8	0		
5. Other intangible assets	9	3,606	10	3,606
C. INVESTMENTS				
I - Land and Buildings				
1. Property used for own activities	11	0		
2. Property used by third parties	12	0		
3. Other properties	13	0		
4. Other realty rights	14	0		
5. Assets in progress and payments on account	15	0	16	0
II - Investments in affiliated companies and other shareholdings				
1. Interests in:				
a) parent companies	17	0		
b) affiliated companies	18	12,460,784		
c) affiliates of parent	19	0		
d) associated companies	20	0		
e) other	21	39,839	22	12,500,623
2. Debt securities issued by:				
a) parent companies	23	0		
b) affiliated companies	24	0		
c) affiliates of parent	25	0		
d) associated companies	26	0		
e) other	27	0	28	0
3. Loans to:				
a) parent companies	29	0		
b) affiliated companies	30	680,500		
c) affiliates of parent	31	0		
d) associated companies	32	0		
e) other	33	0	34	680,500
			35	13,181,123
				carried forward
				3,606

Year 2019

Previous year

			181	0
	182	0		
	183	0		
	186	0		
	187	0		
	188	0		
	189	6,552	190	6,552
	191	0		
	192	0		
	193	0		
	194	0		
	195	0	196	0
197	0			
198	12,470,175			
199	0			
200	0			
201	0	202		12,470,175
203	0			
204	0			
205	0			
206	0			
207	0	208		0
209	0			
210	1,855,000			
211	0			
212	0			
213	0	214	215	14,325,175
		carried forward		6,552

## BALANCE SHEET - LIFE BUSINESS

## ASSETS

Current year

		brought forward		3,606
C. INVESTMENTS (follows)				
III - Other financial investments				
1. Equities				
a) quoted shares	36	7,963		
b) unquoted shares	37	2,104		
c) other interests	38	7,085	39	17,152
2. Shares in common investment funds			40	2,142,934
3. Debt securities and other fixed-income securities				
a) quoted	41	842,629		
b) unquoted	42	45,164		
c) convertible bonds	43	0	44	887,793
4. Loans				
a) mortgage loans	45	0		
b) loans on policies	46	362		
c) other loans	47	0	48	362
5. Participation in investment			49	0
6. Deposits with credit			50	34,975
7. Other			51	0
IV - Deposits with ceding companies			52	3,083,216
			53	4,228,789
D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS				
I - Provisions relating to contracts linked to investments funds and market index			55	228,576
II - Provisions relating to the administration of pension funds			56	0
			57	228,576
D bis. REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS				
II - LIFE INSURANCE BUSINESS				
1. Mathematical provision		63	790,777	
2. Unearned premium provision for supplementary		64	26,853	
3. Provision for claims outstanding		65	346,336	
4. Provision for profit sharing and premium refunds		66	1,471	
5. Other provisions		67	3,680	
6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds		68	41,476	69
			carried forward	1,210,593
				21,935,903

		brought forward		Previous year	
					6,552
216	7,399				
217	5,241				
218	6,806	219	19,446		
		220	635,601		
221	1,373,496				
222	15,014				
223	363	224	1,388,873		
225	0				
226	350				
227	0	228	350		
		229	0		
		230	46,878		
		231	0	232	2,091,148
				233	5,270,063
				234	21,686,386
				235	228,850
				236	0
				237	228,850
		243	163,629		
		244	25,294		
		245	362,127		
		246	751		
		247	0		
		248	0	249	551,801
		carried forward			22,473,589

**BALANCE SHEET - LIFE BUSINESS**  
**ASSETS**

Current year

		brought forward				21,935,903	
<b>E. DEBTORS</b>							
I - Debtors arising out of direct insurance operations							
1. Policyholders							
a) for premiums - current year	71	19,796					
b) for premiums - previous years	72	1,085	73	20,881			
2. Insurance intermediaries			74	1			
3. Current accounts with insurance companies			75	824			
4. Policyholders and third parties for recoveries			76	0	77	21,706	
II - Debtors arising out of reinsurance operations							
1. Reinsurance companies			78	321,639			
2. Reinsurance intermediaries			79	299	80	321,938	
III - Other debtors							
					81	215,423	
					82	559,067	
<b>F. OTHER ASSETS</b>							
I - Tangible assets and stocks							
1. Furniture, office equipment, internal transport vehicles			83	10			
2. Vehicles listed in public registers			84	56			
3. Equipment and appliances			85	0			
4. Stocks and other goods			86	0	87	66	
II - Tangible assets and stocks							
1. Bank and postal deposits			88	186,481			
2. Cheques and cash in hand			89	16	90	186,497	
IV - Other							
1. Deferred reinsurance items			92	1,864			
2. Miscellaneous assets			93	167,518	94	169,382	
of which Account linking to non-life business			901	163,822	95	355,945	
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>							
1. Interests					96	19,459	
2. Rents					97	16	
3. Other prepayments and accrued income					98	49,562	
					99	69,037	
<b>TOTAL ASSETS</b>						100	<b>22,919,952</b>

				Previous year	
			brought forward	22,473,589	
251	27,990				
252	828	253	28,818		
		254	1		
		255	824		
		256	0	257	29,643
		258	326,188		
		259	243	260	326,431
				261	113,535
				262	469,609
		263	29		
		264	56		
		265	0		
		266	0	267	85
		268	111,713		
		269	6	270	111,719
		272	1,655		
		273	139,052	274	140,707
		903	137,798	275	252,511
				276	37,260
				277	28
				278	66,587
				279	103,875
				280	<b>23,299,584</b>

**BALANCE SHEET - LIFE BUSINESS**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

<b>A. SHAREHOLDERS' FUNDS</b>			
I	- Subscribed capital or equivalent funds	101	1,098,841
II	- Share premium account	102	2,497,775
III	- Revaluation reserve	103	926,828
IV	- Legal reserve	104	219,744
V	- Statutory reserve	105	0
VI	- Reserve for parent company shares	400	0
VII	- Other reserve	107	2,455,067
VIII	- Profit or loss brought forward	108	0
IX	- Profit or loss for the financial year	109	858,453
VI	- Negative reserve for own shares held	401	0
			110
			8,056,708
<b>B. SUBORDINATED LIABILITIES</b>			111
			4,187,136
<b>C. TECHNICAL PROVISIONS</b>			
<b>II - LIFE INSURANCE BUSINESS</b>			
	1. Mathematical provision	118	4,380,807
	2. Unearned premium provision for supplementary coverage	119	55,769
	3. Provision for claims outstanding	120	1,329,319
	4. Provision for profit sharing and premium refunds	121	94,434
	5. Other provisions	122	231,278
			123
			6,091,607
<b>D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>			
I	- Provisions relating to contracts linked to investments funds and market index	125	266,411
II	- Provisions relating to the administration of pension funds	126	0
	carried forward		127
			266,411
			18,601,862



Previous year

		281	1,095,616		
		282	2,497,775		
		283	926,828		
		284	219,123		
		285	0		
		500	0		
		287	2,458,293		
		288	0		
		289	896,409		
		501	0	290	8,094,044
				291	3,650,851
	298		5,375,367		
	299		46,557		
	300		1,230,286		
	301		81,609		
	302		19,671	303	6,753,490
		305	225,895		
		306	0	307	225,895
	carried forward				18,724,280

**BALANCE SHEET - LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

		brought forward			18,601,862
<b>E. PROVISIONS FOR OTHER RISKS AND CHARGES</b>					
1.	Provision for pensions and similar obligations		128	0	
2.	Provisions for taxation		129	0	
3.	Other provisions		130	11,252	131 11,252
<b>F. DEPOSITS RECEIVED FROM REINSURERS</b>					
<b>G. CREDITORS</b>					
<b>I - Creditors arising out of direct insurance operations</b>					
1.	Insurance intermediaries	133	9		
2.	Current accounts with insurance companies	134	2,815		
3.	Premium deposits and premiums due to policyholders	135	5,802		
4.	Guarantee funds in favour of policyholders	136	0	137 8,626	
<b>II - Creditors arising out of reinsurance operations</b>					
1.	Reinsurance companies	138	97,897		
2.	Reinsurance intermediaries	139	0	140 97,897	
<b>III - Debenture loans</b>					
<b>IV - Amounts owed to credit institutions</b>					
<b>V - Loans guaranteed by mortgages</b>					
<b>VI - Other financial liabilities</b>					
<b>VII - Provisions for severance pay</b>					
<b>VIII - Other creditors</b>					
1.	Premium taxes	146	577		
2.	Other tax liabilities	147	37,564		
3.	Social security	148	1,111		
4.	Sundry creditors	149	36,273	150 75,525	
<b>IX - Other liabilities</b>					
1.	Deferred reinsurance items	151	3,611		
2.	Commissions for premiums in course of collection	152	1,127		
3.	Miscellaneous liabilities	153	39,127	154 43,865	155 3,706,914
	of which Account linking to non-life business	902	0		
		carried forward			
					22,798,241

				Previous year
brought forward				18,724,280
		308	0	
		309	15,633	
		310	22,869	311 38,502
				312 499,532
313	9			
314	2,857			
315	3,272			
316	0	317	6,138	
318	74,657			
319	277	320	74,934	
		321	1,877,770	
		322	11	
		323	0	
		324	1,703,578	
		325	680	
326	615			
327	9,602			
328	2,535			
329	61,691	330	74,443	
331	1,413			
332	1,024			
333	152,333	334	154,770	335 3,892,324
904	0			
carried forward				23,154,638

**BALANCE SHEET - LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' FUNDS**

	brought forward		Current year
			22,798,241
H. ACCRUALS AND DEFERRED INCOME			
1. Interests	156	119,578	
2. Rents	157	119	
3. Other accruals and deferred income	158	2,014	159 121,711
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>			160 <b>22,919,952</b>

			Previous year
brought forward			23,154,638
	336	133,865	
	337	162	
	338	10,919	339 144,946
			340 <b>23,299,584</b>

## Notes to the accounts - Attachment 3

Company

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

Year 2019

## Breakdown of non-life and life result

		Non-life	Life business	Total
<b>Technical result</b> .....	1	<b>190,325</b>	21 <b>152,756</b>	41 <b>343,081</b>
Investment income .....	+ 2	1,370,593		42 1,370,593
Investment charges .....	- 3	126,028		43 126,028
Allocated investment return transferred from the life technical account .....	+ 4		24 1,044,531	44 1,044,531
Allocated investment return transferred to the non-life technical account .....	- 5	172,360		45 172,360
<b>Interim result</b> .....	6	<b>1,262,530</b>	26 <b>1,197,287</b>	46 <b>2,459,817</b>
Other income .....	+ 7	160,409	27 80,440	47 240,849
Other charges .....	- 8	1,001,056	28 621,320	48 1,622,376
Extraordinary income .....	+ 9	106,611	29 78,187	49 184,798
Extraordinary charges .....	- 10	12,608	30 3,638	50 16,246
<b>Result before taxation</b> .....	11	<b>515,886</b>	31 <b>730,956</b>	51 <b>1,246,842</b>
Income taxes for the year .....	- 12	-140,288	32 -127,497	52 -267,785
<b>Profit (loss) for the year</b> .....	13	<b>656,174</b>	33 <b>858,453</b>	53 <b>1,514,628</b>

## Notes on the accounts - Attachment 4

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

Year 2019

Assets - Changes in intangible assets (item B) and  
changes in land and buildings (Item C1)

		Intangible assets B	Land and buildings C.I
	+		
Gross original cost .....	+	1 259,364	31 105,554
Increases for the year .....		2 14,397	32 854
due to:		3 14,303	33 332
readjustments .....		4 0	34 0
revaluations .....		5 0	35 0
other variations .....	-	6 94	36 522
Decreases for the year .....		7 0	37 5,383
due to:		8 0	38 4,345
permanent devaluations .....		9 0	39 1,038
other changes .....		10 0	40 0
<b>Gross final goodwill (a) .....</b>		11 <b>273,761</b>	41 <b>101,025</b>
Amortisation:			
Initial goodwill .....	+	12 220,171	42 5,688
Increases for the year .....	+	13 20,627	43 1,059
for:		14 20,627	44 1,016
other changes .....		15 0	45 43
Decreases for the year .....	-	16 0	46 336
for:		17 0	47 336
other changes .....		18 0	48 0
<b>Amortised final goodwill (b) .....</b>		19 <b>240,798</b>	49 <b>6,411</b>
<b>Book value (a - b) .....</b>		20 <b>32,963</b>	50 <b>94,614</b>
Current value .....			51 103,793
Total revaluations .....		22 0	52 76,923
Total devaluations .....		23 0	53 16,909

## Notes to the accounts - Attachment 5

Company

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

Year

2019

Assets - Variations in the year of investments in affiliated companies and other shareholdings:  
equities (item C.II.1), debt securities (item C.II.2) and loans (item C.II.3)

		Equities C.II.1	Debt securities C.II.2	Loans C.II.3
Gross initial goodwill .....	+	1 29,533,448	21 0	41 3,131,929
Increases for the year .....	+	2 97,596	22 0	42 455,229
for: acquisitions, subscriptions, payments .....		3 63,507	23 0	43 454,581
readjustment of value .....		4 0	24 0	44 0
revaluations .....		5 0		
other variations .....		6 34,089	26 0	46 648
Decreases for the year: .....	-	7 67,277	27 0	47 1,948,400
for: sales and redemptions .....		8 5,394	28 0	48 1,948,400
devaluations .....		9 53,380	29 0	49 0
other variations .....		10 8,503	30 0	50 0
<b>Book value .....</b>		11 <b>29,563,767</b>	31 <b>0</b>	51 <b>1,638,758</b>
Current value .....		12 34,088,462	32 0	52 1,906,909
Total revaluations .....		13 698		
Total devaluations .....		14 1,093,301	34 0	54 0

The item C.II.2 includes:

Quoted debt securities .....	61	0
Unquoted debt securities .....	62	0
<b>Book value .....</b>	63	<b>0</b>
of which convertible debt securities .....	64	0





Company

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

## Assets - Information regarding associated companies (\*)

N. ord. (**)	Type (1)	Quoted unquoted (2)	Activity (3)	Company name and registration place	Currency
1	b	NQ	9	AG SE&A Ltda. SAN PAOLO Av. Presidente Juscelino Kubitschek, n° 1455 - 8° - BRASILE	BRL
2	b	NQ	2	Caja de Ahorro y Seguro S.A. BUENOS AIRES Fitz Roy 957 - ARGENTINA	ARS
3	b	NQ	9	CMN Global Inc. THORNHILL - ONTARIO 150 Commerce Valley Drive West, 9th Floor -	CAD
4	b	NQ	2	Europ Assistance Holding SAS PARIGI 2 rue Pillet-Will - FRANCIA	EUR
5	b	NQ	1	FATA Asigurari S.A. BUCAREST Lt. Av. Marcel Andreescu, no 30 - ROMANIA	RON
6	b	NQ	9	GBS S.c.p.A. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
7	b	NQ	9	Genamerica Management Corp. NEW YORK 7 WTC, 250 Greenwich Street, 33rd Fl - STATI	USD
8	b	NQ	2	Generali (Schweiz) Holding AG ADLISWIL Soodmattenstrasse, 10 - SVIZZERA	CHF
9	b	NQ	2	Generali Beteiligungs-GmbH AQUISGRANA Maria Theresia Allee 38 - GERMANIA	EUR
10	b	NQ	2	Generali Beteiligungsverwalt. VIENNA Landskronngasse 1-3 - AUSTRIA	EUR
11	b	NQ	1	Generali Brasil Seguros S.A. RIO DE JANEIRO Avenida Barão de Tefé, 34, 16th floor - BRASILE	BRL
12	b	NQ	2	Generali CEE Holding B.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
13	b	NQ	1	Generali China Life Insurance PECHINO B-12 Jianguomenwai Avenue, Chaoyang District - CINA	CNY
14	b	NQ	1	Generali Companhia de Seguros LISBONA Rua Duque de Palmela no. 11 - PORTOGALLO	EUR
15	b	NQ	9	Generali Consulting Solutions WILMINGTON 1209 Orange Street - STATI UNITI D'AMERICA	USD
16	b	NQ	9	Generali CST S.r.l. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
17	b	NQ	2	Generali Deutschland AG MONACO Adenauerring 7 - GERMANIA	EUR
18	b	NQ	1	Generali Ecuador S.A. GUAYAQUIL WTC Torre B Piso 15, Avenida Francisco de Arellana -	USD
19	b	NQ	2	Generali España Holding S.A. MADRID Calle Orense 2 - SPAGNA	EUR
20	b	NQ	2	Generali Financial Asia Ltd HONG KONG 5/F, 14-18/F Generali Tower, 8 Queen's Road East -	HKD
21	b	NQ	2	Generali France S.A. PARIGI 2 rue Pillet-Will - FRANCIA	EUR
22	b	NQ	1	Generali Hellas A.A.E. ATENE 35-37 Iliou Street & Pytheou - GRECIA	EUR
23	b	NQ	1	Generali Holding Vienna AG VIENNA Landskronngasse 1-3 - AUSTRIA	EUR
24	b	NQ	1	Generali Italia S.p.A. MOGLIANO VENETO Via Marocchesa n. 14 - ITALIA	EUR
25	b	NQ	9	Generali Link Limited DUBLINO GH Navan Business Park, Athlumney, Navan, Co.Meath -	EUR
26	b	NQ	2	Generali Participations NL NV AMSTERDAM Diemerhof 42 - OLANDA	EUR
27	b	NQ	9	Generali Real Estate S.p.A. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
28	b	NQ	4	Generali Realities Ltd TEL AVIV 2, Hagdud Haivri Str. - ISRAELE	ILS
29	b	NQ	1	Generali Vida de Seguros S.A. LISBONA Rua Duque de Palmela no. 11 - PORTOGALLO	EUR
30	b	NQ	1	Generali Vietnam Life Ins. HO CHI MINH CITY AB Tower, 76 Le Lai, District 1 - VIETNAM	VND
31	b	NQ	9	Generali Vitality GmbH MONACO Adenauerring 9 - GERMANIA	EUR
32	b	NQ	2	GI Holding S.p.A. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
33	b	NQ	9	GSS - Generali Shared Services TRIESTE Piazza Duca degli Abruzzi, 2 - ITALIA	EUR
34	b	NQ	2	Lion River I N.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
35	b	NQ	2	Redoze Holding N.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
36	b	NQ	2	Transocean Holding Corporation NEW YORK 7 World Trade Center 250 Greenwich Street 33rd	USD
37	b	NQ	9	Welion S.c.a.r.l. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
38	d	NQ	1	Generali China Insurance PECHINO B-12 Jianguomenwai Avenue, Chaoyang District - CINA	CNY
39	d	NQ	2	Guotai Asset Management Co. SHANGAI 39F, World Financial Center, 100 Century Avenue -	CNY
40	d	NQ	2	NEIP II S.p.A. CONEGLIANO Via Vittorio Alfieri n. 01 - ITALIA	EUR
41	d	NQ	9	Servizi Tecnologici Avanzati BOLOGNA Via Paolo Nanni Costa, 30 - ITALIA	EUR
42	e	NQ	2	Fin. Priv. S.r.l. MILANO Via Filodrammatici, 8 - ITALIA	EUR
43	e	NQ	4	GLL GmbH & Co. Retail KG i.L. MONACO Lindwurmstr. 76 - GERMANIA	EUR
44	e	NQ	2	H2i S.p.A. ROMA Via F. Paulucci de Calboli - ITALIA	EUR
45	e	NQ	9	Perils AG ZURIGO Marktgasse 3 - SVIZZERA	CHF
46	e	NQ	9	Protos S.p.A. ROMA Via Livenza, 3 - ITALIA	EUR

## Notes on the accounts - Attachment 6

Year 2019

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Paid up capital		Equity (***) (4)	Last year Gain or Loss (***) (4)	Share owned (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
150,000	10,000	13,661,384	1,339,031	99.99	0.01	100.00
269,000,000	2,690,000	1,563,038,253	2,231,541,265	62.50	27.50	90.00
6,738,011	60,000,100	8,249,258	1,295,009	100.00	0	100.00
20,270,528	1,266,908	170,110,877	122,692	95.69	4.31	100.00
0	0	0	0	0	0	0
7,853,626	7,853,626	41,605,955	-1,503,075	1.22	98.78	100.00
50,000	50	33,380	-652	100.00	0	100.00
4,332,000	8,664	1,465,769,819	52,603,670	51.05	48.95	100.00
1,005,000	1,005,000	4,557,732,436	1,156,560,894	100.00	0	100.00
3,370,297	3,370,297	1,163,385,270	160,724,809	29.72	70.28	100.00
1,513,400,726	4,229,589	514,946,868	-38,317,723	99.31	0.69	100.00
100,000	100,000	156,372,727,803	10,709,415,465	100.00	0	100.00
3,700,000,000	3,700,000,000	6,913,338,483	975,781,808	50.00	0	50.00
73,000,000	292,000	68,880,007	583,055	100.00	0	100.00
156,420	156,420	1,288,354	134,831	100.00	0	100.00
10,000	10,000	1,326,697	-41,607	100.00	0	100.00
137,560,202	53,734,454	1,824,550,862	1,394,024,814	4.04	95.96	100.00
8,000,000	8,000,000	13,469,569	-919,113	52.45	0	52.45
563,490,658	93,758,845	934,522,904	314,721,428	100.00	0	100.00
226,240,000	226,240,000	184,574,455	-8,235	100.00	0	100.00
114,547,490	498,032,566	3,713,857,551	523,361,017	66.92	31.75	98.67
22,776,198	3,796,033	94,010,126	7,785,188	100.00	0.00	100.00
0	0	0	0	0	0	0
1,618,628,450	3,237,256,900	11,868,488,735	882,451,419	100.00	0	100.00
0	0	0	0	0	0	0
1,784,509,360	115,450,936	6,777,793,290	249,516,691	52.43	47.57	100.00
780,000	1,500,000	75,071,115	47,325,627	100.00	0	100.00
2	20,000	5,694,000	0	100.00	0	100.00
14,000,000	56,000	26,682,528	1,037,496	86.60	13.39	99.99
5,252,600,000,000	5,252,600,000,000	3,196,041,039	-686,497,248	100.00	0	100.00
250,000	1	15,766,845	-3,800,937	100.00	0	100.00
41,360,000	41,360,000	382,744,595	118,558,475	37.72	62.28	100.00
1,002,000	1,002,000	95,567,759	-1,845,991	47.80	52.10	99.90
643,255	643,255	5,129,514,954	172,476,352	26.91	72.32	99.23
22,689,011	500,000	368,754,338	2,302,539	6.02	93.98	100.00
243,000,000	1,949,806	275,468,571	35,751,865	100.00	0	100.00
10,000	10,000	-57,468	-375,535	1.00	99.00	100.00
1,300,000,000	1,300,000,000	868,783,966	6,138,321	49.00	0	49.00
110,000,000	110,000,000	2,090,327,409	391,022,959	30.00	0	30.00
55,000	55,000	55,000	0	48.16	0	48.16
102,000	200,000	102,000	0	25.00	0	25.00
20,000	20,000	0	0	14.29	0	14.29
381,010,000	381,010,000	0	0	31.50	13.12	44.62
1,589,953	1,589,953	0	0	10.51	0	10.51
4,000,000	250	0	0	10.00	0	10.00
1,100,000	1,100,000	0	0	17.80	0	17.80

N. ord. (**)	Type (1)	Quoted unquoted (2)	Activity (3)	Company name and registration place	Currency
47	e	NQ	9	SOA Group S.p.A. ROMA Via Lovanio, 6 - ITALIA	EUR
48	e	NQ	8	Trieste Adriatic Maritime Srl TRIESTE Via Cassa di Risparmio 10 - ITALIA	EUR
49	e	NQ	2	Venice S.p.A. VICENZA Strada Statale Padana verso Verona, 6 - ITALIA	EUR

(\*) The companies of the group and the other companies in which a stake is held directly must be listed, also through trust companies or third parties.

(\*\*) The order number must be greater than "0"

(1)

a = parent Companies  
b = affiliated Companies  
c = affiliates of parent  
d = associated Companies  
e = Other

(2) Indicate Q for securities traded on the market  
And NQ for other markets

(3) Activity

1 = Insurance Company  
2 = Financial Company  
3 = Credit Institution  
4 = Real estate Company  
5 = Trust Company  
6 = Management or distribution company for mutual investment funds  
7 = Consortium  
8 = Industrial enterprise  
9 = Other company or entity

(4) Amounts in original currency

(5) Indicate the total share owned

Paid up capital		Equity (***) (4)	Last year Gain or Loss (***) (4)	Share owned (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
1,000,000	1,000,000			10.06	0	10.06
6,232,500	6,232,500			11.26	0	11.26
5,092,221	5,092,221			15.75	0	15.75

(\*\*\*) To be filled only for subsidiaries and associates

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

Assets - Details of investments in Group companies and other companies where a significant interest is held:  
Equities

N. ord. (1)	Type (2)	(3)	Name of the company	Increases in the year		
				For purchases		Others increases
				Quantity	Value	
1	b	D	Generali Latam Ltda	0	0	0
2	b	V	Caja de Ahorro y Seguro S.A. - Classe A	0	0	0
2	b	V	Caja de Ahorro y Seguro S.A. - Classe B	0	0	0
3	b	D	CMN Global Inc.	0	0	443
4	b	D	Europ Assistance Holding	22,465	8,803	0
5	b	D	FATA Assicurari S.A.	0	0	0
6	b	D	GBS S.c.p.A.	0	0	0
7	b	D	Genamerica Management Corporation	0	0	0
8	b	D	Generali (Schweiz) Holding AG	0	0	8,220
8	b	V	Generali (Schweiz) Holding AG	0	0	13,129
9	b	D	Generali Beteiligungs-GmbH	0	0	0
9	b	V	Generali Beteiligungs-GmbH	0	0	0
10	b	V	Generali Beteiligungsverwaltung-GmbH	0	0	800
11	b	D	Generali Brasil Seguros S.A.	1,100,778	31,506	0
12	b	D	Generali CEE Holding B.V.	0	0	0
13	b	V	Generali China Life Insurance	0	0	885
14	b	D	Generali Companhia de Seguros S.A.	0	0	0
15	b	D	Generali Consulting Solutions	1	891	3
16	b	D	Generali CST S.r.l.	0	0	0
17	b	D	Generali Deutschland Holding AG	0	0	0
17	b	V	Generali Deutschland Holding AG	0	0	0
18	b	D	Generali Ecuador S.A.	0	0	0
19	b	D	Generali España Holding S.A.	0	0	0
19	b	V	Generali España Holding S.A.	0	0	0
20	b	D	Generali Financial Asia Ltd	56,400,000	6,448	434
21	b	D	Generali France S.A.	0	0	0
21	b	V	Generali France S.A.	0	0	0
22	b	D	Generali Hellas A.E.A.Z.	0	0	0
22	b	V	Generali Hellas A.E.A.Z.	0	0	0
23	b	V	Generali Holding Vienna AG	0	0	0
24	b	D	Generali Italia S.p.A.	0	0	0
24	b	V	Generali Italia S.p.A.	0	0	0
25	b	V	Generali Link Limited - Ord.	0	0	0
26	b	D	Generali Participations Netherlands N.V.	0	0	0
26	b	V	Generali Participations Netherlands N.V.	0	0	0
27	b	D	Generali Real Estate S.p.A.	0	0	0
28	b	D	Generali Realities Ltd	0	0	0
29	b	V	Generali Vida de Seguros S.A.	0	0	0
30	b	V	Generali Vietnam Life Insurance LLC	400,000,000,000	15,858	3,502
31	b	V	Generali Vitality-GmbH	0	0	2,417
32	b	D	Generali Investments Holding S.p.A.	0	0	0
33	b	D	GSS - Generali Shared Services S.c.a.r.l.	0	0	0
34	b	D	Lion River I N.V. - Classe A	0	0	0
34	b	D	Lion River I N.V. - Classe J	0	0	0
34	b	D	Lion River I N.V. - Classe B	0	0	0
34	b	D	Lion River I N.V. - Classe C	0	0	0
34	b	D	Lion River I N.V. - Classe D	0	0	0

Notes to the accounts - Attachment 7

Year 2019

Decreases in the year			Accounting value (4)		Purchase cost	Current value
For sales		Others decreases	Quantity	Value		
Quantity	Value					
0	0	1	9,999	30	30	2,423
0	0	2,285	874,250	4,072	4,072	22,661
0	0	1,057	807,000	1,885	1,885	20,918
0	0	0	60,000,100	6,541	6,541	6,541
0	0	0	1,212,256	475,990	475,990	475,990
4,703,284	3,394	96	0	0	0	0
0	0	0	95,525	484	551	549
0	0	0	50	8	21	30
0	0	0	1,703	232,165	232,165	256,585
0	0	0	2,720	370,794	370,795	409,813
0	0	0	658,304	2,014,088	2,094,443	2,483,224
0	0	0	346,696	1,060,720	1,095,346	1,307,791
0	0	0	1,001,703	123,676	123,676	123,676
0	0	54,389	4,200,370	113,252	305,075	113,252
0	0	0	100,000	5,159,441	5,159,441	5,980,181
0	0	0	1,850,000,000	235,071	235,071	319,622
0	0	0	291,996	61,322	61,322	61,322
0	0	0	2	1,030	1,030	1,030
0	0	0	10,000	1,410	1,410	1,327
0	0	0	2,170,870	234,243	234,243	234,243
0	0	0	1,000	99	99	99
0	0	0	4,196,058	23	23	6,723
0	0	0	50,483,372	348,796	348,796	430,033
0	0	0	43,275,473	298,996	298,996	368,634
0	0	0	226,240,000	25,511	25,511	28,112
0	0	0	166,164,105	263,701	263,701	1,190,579
0	0	0	167,101,655	265,793	265,793	1,197,297
0	0	0	3,026,018	19,461	43,454	55,742
0	0	0	770,013	5,341	35,145	14,184
0	0	800	0	0	0	0
0	0	0	994,617,804	4,960,174	4,960,174	4,960,174
0	0	0	2,242,639,096	7,382,782	7,382,782	7,382,782
2,000,000	2,000	0	0	0	0	0
0	0	0	45,085,614	2,307,196	2,308,758	2,504,432
0	0	0	48,475,773	2,477,765	2,502,365	2,692,750
0	0	0	1,500,000	105,160	105,160	105,160
0	0	0	20,000	0	0	1,469
0	0	0	48,496	13,205	13,205	20,743
0	0	0	5,252,600,000,000	200,007	200,007	200,007
0	0	0	1	20,579	20,579	20,579
0	0	0	15,600,000	78,000	78,000	121,741
0	0	0	479,000	47,628	55,702	48,222
0	0	0	150,000	150	150	150
0	0	0	1,666	2	115	2
0	0	0	1,666	34	14,841	34
0	0	0	1,666	5,365	5,365	5,368
0	0	0	5,000	7	14,459	7

N. ord. (1)	Type (2)	(3)	Name of the company	Increases in the year		
				For purchases		Others increases
				Quantity	Value	
34	b	D	Lion River I N.V. - Classe E	0	0	0
34	b	D	Lion River I N.V. - Classe F	0	0	0
34	b	D	Lion River I N.V. - Classe G	0	0	0
34	b	D	Lion River I N.V. - Classe H	0	0	0
34	b	D	Lion River I N.V. - Classe I	0	0	0
34	b	D	Lion River I N.V. - Classe K	0	0	0
34	b	D	Lion River I N.V. - Classe L	0	0	0
34	b	D	Lion River I N.V. - Classe N	0	0	0
34	b	D	Lion River I N.V. - Classe O	0	0	0
34	b	D	Lion River I N.V. - Classe P	0	0	0
35	b	D	Redoze Holding N.V.	0	0	0
36	b	D	Transocean Holding Corporation	0	0	3,444
37	b	D	Welion S.c.a.r.l.	0	0	0
38	d	D	Generali China Insurance	0	0	307
39	d	D	Guotai Asset Management Co.	0	0	492
40	d	D	NEIP II S.p.A.	0	0	0
41	d	D	Servizi Tecnologici Avanzati S.p.A.	0	0	0
42	e	D	Fin. Priv. S.r.l.	0	0	0
43	e	V	GLL GmbH & Co. Retail KG	0	0	0
44	e	D	H2i S.p.A.	0	0	0
45	e	D	Perils AG	0	0	13
46	e	D	Protos S.p.A.	0	0	0
47	e	D	SOA Group S.p.A.	0	0	0
48	e	D	Trieste Adriatic Maritime S.r.l.	0	0	0
49	e	D	Venice S.p.A. - Classe A	0	0	0
49	e	D	Venice S.p.A. - Classe B	0	0	0
			<b>Total C.II.1</b>		<b>63,507</b>	<b>34,089</b>
	a		Parent companies		0	0
	b		Affiliated companies		63,507	33,277
	c		Affiliated of parent companies		0	0
	d		Associated companies		0	799
	e		Other		0	13
			<b>Totale D.I.</b>		<b>0</b>	<b>0</b>
			<b>Totale D.II.</b>		<b>0</b>	<b>0</b>



Decreases in the year			Accounting value (4)		Purchase cost	Current value
For sales		Others decreases	Quantity	Value		
Quantity	Value					
0	0	0	2,000	2	14	2
0	0	2	1,666	0	2	0
0	0	0	1,666	86,805	86,805	154,892
0	0	10	1,666	0	10	0
0	0	190	1,666	2	3,062	2
0	0	0	1,000	29,463	29,463	32,423
0	0	0	1,000	10,303	10,303	17,594
0	0	251	1,000	1,583	5,860	1,583
0	0	1,925	430	5,393	8,631	5,393
0	0	0	1,000	29,149	29,149	29,221
0	0	0	30,113	18,155	19,145	22,070
0	0	0	1,949,806	190,658	190,658	217,566
0	0	0	100	0	0	1
0	0	0	637,000,000	81,445	81,445	81,445
0	0	0	33,000,000	130,795	130,795	130,795
0	0	0	26,486	1,806	3,130	1,806
0	0	0	50,000	0	0	0
0	0	0	2,857	14,352	14,352	14,459
0	0	0	120,000,000	39,839	79,256	39,839
0	0	111	167,070	60	1,500	60
0	0	0	25	368	368	975
0	0	0	195,790	60	60	1,145
0	0	0	100,608	93	93	202
0	0	0	701,757	647	713	642
0	0	383	400,964	397	5,762	397
0	0	383	400,964	397	5,762	397
	<b>5,394</b>	<b>61,882</b>		<b>29,563,767</b>	<b>30,052,623</b>	<b>33,929,106</b>
	0	0		0	0	0
	5,394	61,005		29,293,509	29,729,388	33,656,945
	0	0		0	0	0
	0	0		214,046	215,370	214,046
	0	877		56,213	107,865	58,116
	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>
	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>

Notes on the accounts - Attachment 8

Company

Assicurazioni Generali S.p.A.

Year 2019

Assets - Breakdown on the basis of the utilisation of other financial investments: equities and shares, shares in common investment funds, debt securities and other securities, participation in investment pools e other financial investments (items C.III.1, 2, 3, 5, 7)

I - Non-life business

	Durable portfolio		Non durable portfolio		Total	
	Book Value	Current value	Book Value	Current value	Book Value	Current value
1. Equity and shares	12,528	23,440	7,699	10,316	20,227	33,756
a) listed shares	4,095	4,095	6,617	9,125	10,712	13,220
b) unlisted shares	7,610	7,429	1,082	1,191	8,692	8,620
c) units	823	11,916	0	0	823	11,916
2. Shares in common investment funds	0	48	990,453	994,445	990,453	994,493
3. Debt securities and other fixed-income securities	104,75	108,43	413,874	422,240	518,632	530,675
a1) listed governments bonds	53,285	54,339	295,846	301,089	349,131	355,428
a2) other listed securities	51,473	54,096	117,254	120,288	168,727	174,384
b1) unlisted government bonds	0	0	774	863	774	863
b2) other unlisted securities	0	0	0	0	0	0
c) convertible bonds	0	0	0	0	0	0
5. Participation in investment	0	0	0	0	0	0
7. Other	0	0	441	443	441	443

II - Life business

	Durable portfolio		Non durable portfolio		Total	
	Book Value	Current value	Book Value	Current value	Book Value	Current value
1. Equity and shares	7,141	7,390	10,011	10,943	17,152	18,333
a) listed shares	0	0	7,963	8,796	7,963	8,796
b) unlisted shares	56	87	2,048	2,147	2,104	2,234
c) units	7,085	7,303	0	0	7,085	7,303
2. Shares in common investment funds	0	0	2,142,93	2,143,17	2,142,93	2,143,17
3. Debt securities and other fixed-income securities	453,96	506,07	433,825	455,192	887,792	961,268
a1) listed governments bonds	212,99	236,72	202,301	210,699	415,294	447,425
a2) other listed securities	227,78	251,08	199,554	212,516	427,334	463,596
b1) unlisted government bonds	13,194	18,270	29,275	29,282	42,469	47,552
b2) other unlisted securities	0	0	2,695	2,695	2,695	2,695
c) convertible bonds	0	0	0	0	0	0
5. Participation in investment	0	0	0	0	0	0
7. Other	0	0	0	0	0	0

## Notes on the accounts - Attachment 9

Year 2019

Company Assicurazioni Generali S.p.A.

Assets - Variation for the year of other durable financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-income securities, participation in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)

	Equities and C.III.1	Shares in common investment funds C.III.2	Debt securities and fixed income C.III.3	Participation in investment C.III.5	Other financial investments C.III.7
+ Initial goodwill .....	18,127	0	650,025	0	0
+ Revaluations .....	3,047	0	63,048	0	0
for: acquisitions .....	2,300	0	42,786	0	0
reversal value .....	747	0	248	0	0
transfers from the non-durable portfolio	0	0	939	0	0
other changes .....	0	0	19,075	0	0
- Devaluations .....	1,505	0	154,349	0	0
for: sales .....	832	0	47,073	0	0
devaluations .....	655	0	0	0	0
transfers from the non-durable portfolio	0	0	0	0	0
other changes .....	18	0	107,276	0	0
<b>Book value .....</b>	<b>19,669</b>	<b>0</b>	<b>558,724</b>	<b>0</b>	<b>0</b>
Current value .....	30,831	48	614,511	0	0

## Notes on the accounts - Attachment 10

Company

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

Year 2019

Assets - Variations for the year regarding loans and deposits with credit institutions (items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
Initial goodwill .....	+	1 743	21 142,060
Revaluations for the year .....	+	2 269	22 316,663
for: payments .....		3 252	
reversal value .....		4 0	
other changes .....		5 17	
Devaluations for the year .....	-	6 329	26 312,726
for: redemptions .....		7 329	
devaluations .....		8 0	
other changes .....		9 0	
<b>Book value .....</b>		<b>10 683</b>	<b>30 145,997</b>

Notes on the accounts - Attachment 11  
Year 2019

Company **Assicurazioni Generali**

Assets relating to contracts linked to investment funds and market index (item D.I)

**TOTAL OF INVESTMENT FUNDS**

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings .....	1 0	21 0	41 0	61 0
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests .....	2 0	22 0	42 0	62 0
2. Debt securities and other fixed-income securities .....	3 0	23 0	43 0	63 0
3. Loans .....	4 0	24 0	44 0	64 0
III. Shares in common investment funds	5 185,926	25 155,104	45 159,446	65 153,402
IV. Other financial investments:				
1. Equities .....	6 255	26 207	46 223	66 215
2. Debt securities and other fixed-income securities .....	7 444	27 39,821	47 479	67 31,579
3. Deposits with credit institutions .....	8 0	28 0	48 0	68 0
4. Other financial investments .....	9 0	29 0	49 0	69 0
V. Other assets .....	10 1,747	30 374	50 1,747	70 374
VI. Cash at bank and in hand .....	11 3,608	31 1,990	51 3,608	71 1,990
Other liabilities	12 -1,542	32 -1,193	52 -1,542	72 -1,192
Deposits with ceding companies	13 38,138	33 32,547	53 38,138	73 32,547
<b>Total</b> .....	14 <b>228,576</b>	34 <b>228,850</b>	54 <b>202,099</b>	74 <b>218,915</b>

Notes on the accounts - Attachment 11  
Year 2019

Company  
**Assicurazioni Generali**

Assets relating to contracts linked to investment funds and market index (item D.1)

**Lifetime income bond**

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings .....	0	21	0	41
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests .....	0	22	0	42
2. Debt securities and other fixed-income securities .....	0	23	0	43
3. Loans .....	0	24	0	44
III. Shares in common investment funds	0	25	0	45
IV. Other financial investments:				
1. Equities .....	0	26	0	46
2. Debt securities and other fixed-income securities .....	0	27	39,368	47
3. Deposits with credit institutions .....	0	28	0	48
4. Other financial investments .....	0	29	0	49
V. Other assets .....	0	30	393	50
VI. Cash at bank and in hand .....	1,282	31	664	51
Other liabilities	0	32	0	52
Deposits with ceding companies	0	33	0	53
<b>Total</b> .....	<b>1,282</b>	<b>34</b>	<b>40,425</b>	<b>54</b>
			<b>1,282</b>	<b>74</b>
				<b>32,158</b>

Notes on the accounts - Attachment 11  
Year 2019Company **Assicurazioni Generali**

Assets relating to contracts linked to investment funds and market index (item D.I)

**Managed Funds**

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings .....	0	21	0	41
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests .....	0	22	0	42
2. Debt securities and other fixed-income securities .....	0	23	0	43
3. Loans .....	0	24	0	44
III. Shares in common investment funds	5,200	25	4,150	45
IV. Other financial investments:			2,872	65
1. Equities .....	0	26	0	46
2. Debt securities and other fixed-income securities .....	417	27	403	47
3. Deposits with credit institutions .....	0	28	0	48
4. Other financial investments .....	0	29	0	49
V. Other assets .....	56	30	53	50
VI. Cash at bank and in hand .....	444	31	399	51
Other liabilities	-1,541	32	-1,193	52
Deposits with ceding companies	0	33	0	53
<b>Total</b> .....	<b>4,576</b>	<b>34</b>	<b>3,812</b>	<b>74</b>
			<b>2,283</b>	<b>2,466</b>

Notes on the accounts - Attachment 11  
Year 2019

Assicurazioni Generali

Company

Assets relating to contracts linked to investment funds and market index (item D.1)

Lavoro Indiretto

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings .....	0	21	0	61
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests .....	0	22	0	62
2. Debt securities and other fixed-income securities .....	0	23	0	63
3. Loans .....	0	24	0	64
III. Shares in common investment funds	0	25	0	65
IV. Other financial investments:				
1. Equities .....	0	26	0	66
2. Debt securities and other fixed-income securities .....	0	27	0	67
3. Deposits with credit institutions .....	0	28	0	68
4. Other financial investments .....	0	29	0	69
V. Other assets .....	0	30	0	70
VI. Cash at bank and in hand .....	0	31	0	71
Other liabilities	0	32	0	72
Deposits with ceding companies	38,138	33	32,547	73
<b>Total</b> .....	<b>38,138</b>	<b>34</b>	<b>32,547</b>	<b>74</b>
			<b>38,138</b>	<b>32,547</b>



Notes on the accounts - Attachment 11  
Year 2019

Company **Assicurazioni Generali**

Assets relating to contracts linked to investment funds and market index (item D.I)

**Unit vision choice**

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings .....	0	21	0	41
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests .....	0	22	0	42
2. Debt securities and other fixed-income securities .....	0	23	0	43
3. Loans .....	0	24	0	44
III. Shares in common investment funds	180,722	25	150,954	45
IV. Other financial investments:			156,570	65
1. Equities .....	0	26	0	46
2. Debt securities and other fixed-income securities .....	0	27	0	47
3. Deposits with credit institutions .....	0	28	0	48
4. Other financial investments .....	0	29	0	49
V. Other assets .....	1,687	30	-73	50
VI. Cash at bank and in hand .....	1,848	31	921	51
Other liabilities	0	32	0	52
Deposits with ceding companies	0	33	0	53
<b>Total</b> .....	<b>184,257</b>	<b>34</b>	<b>151,802</b>	<b>54</b>
			<b>160,105</b>	<b>74</b>
				<b>151,471</b>

Notes on the accounts - Attachment 11  
Year 2019

Assicurazioni Generali

Company

Assets relating to contracts linked to investment funds and market index (item D.I)

AG European Equity Fund

	Current value		Acquisition cost				
	Current year	Previous year	Current year	Previous year			
I. Lands and buildings .....	0	21	0	41	0	61	0
II. Invest. in affiliated undertakings and other shareholdings:							
1. Shares and interests .....	0	22	0	42	0	62	0
2. Debt securities and other fixed-income securities .....	0	23	0	43	0	63	0
3. Loans .....	0	24	0	44	0	64	0
III. Shares in common investment funds	4	25	0	45	4	65	0
IV. Other financial investments:							
1. Equities .....	255	26	207	46	223	66	215
2. Debt securities and other fixed-income securities .....	27	27	50	47	27	67	52
3. Deposits with credit institutions .....	0	28	0	48	0	68	0
4. Other financial investments .....	0	29	0	49	0	69	0
V. Other assets .....	4	30	1	50	4	70	1
VI. Cash at bank and in hand .....	34	31	5	51	34	71	5
Other liabilities	-1	32	0	52	-1	72	0
Deposits with ceding companies	0	33	0	53	0	73	0
<b>Total</b> .....	<b>323</b>	<b>34</b>	<b>263</b>	<b>54</b>	<b>291</b>	<b>74</b>	<b>273</b>

## Notes on the accounts - Attachment 13

Company

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

Year

2019

Liabilities - Variation for the year of the components of the provision for unearned premiums (item C.I.1) and those of the provision for claims outstanding (item C.I.2) of non-life lines of business

Typology	Current year	Previous year	Change
<b>Premium reserve:</b>			
Unearned premium reserve.....	1 417,828	11 402,663	21 15,165
Unexpired risk reserve .....	2 4	12 93	22 -89
<b>Book value .....</b>	3 <b>417,832</b>	13 <b>402,756</b>	23 <b>15,076</b>
<b>Provision for claims outstanding:</b>			
Provision for refunds and direct expenses .....	4 1,549,914	14 1,344,002	24 205,912
Provision for claim settlement costs .....	5 20,147	15 12,379	25 7,768
IBNR provision .....	6 561,649	16 406,669	26 154,980
<b>Book value .....</b>	7 <b>2,131,710</b>	17 <b>1,763,050</b>	27 <b>368,660</b>

## Notes on the accounts - Attachment 14

Company

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

Year

2019

Liabilities - Changes in the components of the mathematical provision for the year (item C.II.1) and in the components of the provision for profit sharing and premium refunds (item C.II.4)

Typology	Current year	Previous year	Change
Mathematical reserve for pure premiums .....	<sup>1</sup> 4,109,475	<sup>11</sup> 5,052,049	<sup>21</sup> -942,574
Premiums brought forward .....	<sup>2</sup> 222,909	<sup>12</sup> 205,010	<sup>22</sup> 17,899
Demographical risk reserve .....	<sup>3</sup> 0	<sup>13</sup> 0	<sup>23</sup> 0
Integration provisions .....	<sup>4</sup> 48,423	<sup>14</sup> 118,308	<sup>24</sup> -69,885
<b>Book value .....</b>	<sup>5</sup> <b>4,380,807</b>	<sup>15</sup> <b>5,375,367</b>	<sup>25</sup> <b>-994,560</b>
Provision for profit sharing and premium refunds .....	<sup>6</sup> 94,434	<sup>16</sup> 81,609	<sup>26</sup> 12,825

## Notes on the accounts - Attachment 15

Company

Assicurazioni Generali S.p.A.

Year

2019

Liabilities - Change for the year in the provisions in the funds for risks and charges (item E) and change in the severance pay provisions (item G.VII)

		Provisions for retirement and similar obligations	Provisions for taxes	Other provision	Change in the severance pay provisions
Initial amounts .....	+	0 <sup>11</sup>	34,656 <sup>21</sup>	97,492 <sup>31</sup>	2,395
Sums set aside for the year .....	+	0 <sup>12</sup>	0 <sup>22</sup>	12,426 <sup>32</sup>	835
Other increases .....	+	0 <sup>13</sup>	0 <sup>23</sup>	0 <sup>33</sup>	0
Other utilisations for the year .....	-	0 <sup>14</sup>	22,417 <sup>24</sup>	43,533 <sup>34</sup>	991
Other decreases .....	-	0 <sup>15</sup>	0 <sup>25</sup>	0 <sup>35</sup>	673
<b>Book value .....</b>		<b>0<sup>16</sup></b>	<b>12,239<sup>26</sup></b>	<b>66,385</b>	<b>1,566</b>

Notes on the accounts - Attachment 16  
Year 2019

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

Details of assets and liabilities referring to group companies and other companies in which a significant interest is held

I: Assets

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
Shares and interests .....	1 0	2 29,293,508	3 0	4 214,046	5 56,213	6 29,563,767
Debt securities .....	7 0	8 0	9 0	10 0	11 0	12 0
Loans .....	13 0	14 1,638,758	15 0	16 0	17 0	18 1,638,758
Participation in investment pools .....	19 0	20 0	21 0	22 0	23 0	24 0
Deposits with credit institutions .....	25 0	26 10,000	27 0	28 0	29 0	30 10,000
Other financial investments .....	31 0	32 0	33 0	34 0	35 0	36 0
Deposits with ceding companies .....	37 0	38 3,502,534	39 0	40 0	41 0	42 3,502,534
Investments relating to contracts linked to investment funds and market index	43 0	44 33,156	45 0	46 0	47 0	48 33,156
Investments relating to the administration of pension funds .....	49 0	50 0	51 0	52 0	53 0	54 0
Debtors arising out of direct insurance operations .....	55 0	56 591	57 0	58 0	59 0	60 591
Debtors arising out of reinsurance operations .....	61 0	62 55,275	63 0	64 989	65 0	66 56,264
Other debtors .....	67 0	68 407,318	69 0	70 0	71 0	72 407,318
Bank and postal deposits .....	73 0	74 27,693	75 0	76 0	77 0	78 27,693
Other .....	79 0	80 32,820	81 0	82 0	83 0	84 32,820
<b>Total</b> .....	85 <b>0</b>	86 <b>35,001,653</b>	87 <b>0</b>	88 <b>215,035</b>	89 <b>56,213</b>	90 <b>35,272,901</b>
of which subordinated activities .....	91 0	92 0	93 0	94 0	95 0	96 0

Details of assets and liabilities referring to group companies and other companies in which a significant interest is held

II: Liabilities

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
Subordinated liabilities .....	97 0	98 158,762	99 0	100 0	101 0	102 158,762
Deposits received from reinsurers .....	103 0	104 10,037	105 0	106 0	107 0	108 10,037
Creditors arising out of direct insurance operations .....	109 0	110 4,609	111 0	112 0	113 0	114 4,609
Creditors arising out of reinsurance operations .....	115 0	116 118,670	117 0	118 0	119 0	120 118,670
Amounts owed to credit institutions .....	121 0	122 0	123 0	124 0	125 0	126 0
Loans guaranteed by mortgages .....	127 0	128 0	129 0	130 0	131 0	132 0
Other financial liabilities .....	133 0	134 4,950,339	135 0	136 0	137 0	138 4,950,339
Other liabilities .....	139 0	140 2,476,856	141 0	142 0	143 0	144 2,476,856
Miscellaneous liabilities .....	145 0	146 25	147 0	148 0	149 0	150 25
<b>Total .....</b>	151 0	152 7,719,298	153 0	154 0	155 0	156 7,719,298

## Notes on the accounts - Attachment 17

Company **Assicurazioni Generali S.p.A.** Year 2019

## Details of classes I, II, III, IV of "guarantees, commitments and other evidence accounts"

	Current year	Previous year
I. Guarantees issued:		
a) fidejussions and endorsements issued in the interest of parent companies, affiliated companies and affiliates of parent companies	1 0	31 0
b) fidejussions and endorsements issued in the interest of associated companies and other companies in which a significant interest is	2 0	32 0
c) fidejussions and endorsements issued in the interest of third	3 0	33 0
d) other personal guarantees issued in the interest of parent companies, affiliated companies and affiliates of parent companies	4 1,186,348	34 796,291
e) other personal guarantees issued in the interest of associated companies and other companies	5 0	35 0
f) other personal guarantees issued in the interest of third parties	6 0	36 0
g) guarantees secured by mortgages for obligations of parent affiliated companies and affiliates of parent companies	7 0	37 0
h) guarantees secured by mortgages for obligations of associated companies and companies in which a significant interest is held	8 0	38 0
i) guarantees secured by mortgages for third parties obligations	9 0	39 0
l) guarantees issued for obligations of the Company	10 0	40 0
m) assets deposited for accepted reinsurance operations	11 152,105	41 170,767
<b>Total</b>	12 <b>1,338,453</b>	42 <b>967,058</b>
II. Guarantees received:		
a) from group companies, associated companies and other	13 0	43 0
b) from third parties	14 1,102,276	44 598,596
<b>Total</b>	15 <b>1,102,276</b>	45 <b>598,596</b>
III. Guarantees issued by third parties in the interest of the Company:		
a) from group companies, associated companies and other	16 0	46 0
b) from third parties	17 22,701	47 101,321
<b>Total</b>	18 <b>22,701</b>	48 <b>101,321</b>
IV. Commitments:		
a) commitments for acquisitions with obligation to resale	19 0	49 0
b) commitments for sales with obligation to buy back	20 0	50 0
c) other commitments	21 3,065,130	51 2,968,196
<b>Total</b>	22 <b>3,065,130</b>	52 <b>2,968,196</b>
V. Assets relating to pension funds managed in the name and on behalf of third parties	23 0	53 0
VI. Securities deposited with third parties	24 13,693,152	54 13,579,165
<b>Total</b>	25 <b>13,693,152</b>	55 <b>13,579,165</b>



Notes on the accounts - Attachment 18  
2019Company Assicurazioni Generali S.p.A.

## Breakdown of derivatives according to type of contracts

Derivatives contracts	Current year				Previous year												
	Purchases		Sales		Purchases		Sales										
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)									
<b>Futures:</b>																	
on shares	1	0	101	0	21	0	121	0	41	0	141	0	61	0	161	0	
on debt	2	0	102	0	22	0	122	0	42	0	142	0	62	0	162	0	
on currencies	3	0	103	0	23	0	123	0	43	0	143	0	63	0	163	0	
on rates	4	0	104	0	24	0	124	0	44	0	144	0	64	0	164	0	
others	5	0	105	0	25	0	125	0	45	0	145	0	65	0	165	0	
<b>Options:</b>																	
on shares	6	0	106	0	26	0	126	0	46	0	146	0	66	0	166	0	
on debt	7	0	107	0	27	0	127	0	47	0	147	0	67	0	167	0	
on currencies	8	0	108	0	28	0	128	0	48	0	148	0	68	0	168	0	
on rates	9	0	109	0	29	0	129	0	49	0	149	0	69	0	169	0	
others	10	0	110	0	30	0	130	0	50	0	150	0	70	0	170	0	
<b>Swaps:</b>																	
on currencies	11	1,048,749	111	-176,670	31	601,751	131	-19,423	51	1,289,072	151	-378,254	71	616,514	171	1,379	
on rates	12	0	112	0	32	613,885	132	-24,639	52	0	152	0	72	277,769	172	-10,659	
others	13	0	113	0	33	255,000	133	0	53	0	153	0	73	255,000	173	0	
<b>Other operations:</b>																	
	14	0	114	0	34	0	134	0	54	0	154	0	74	0	174	0	
<b>Total</b>	15	<b>1,048,749</b>	115	<b>-176,670</b>	35	<b>1,470,636</b>	135	<b>-44,062</b>	55	<b>1,289,072</b>	155	<b>-378,254</b>	75	<b>1,149,283</b>	175	<b>-9,280</b>	

Only transactions on derivatives extant at the balance sheet date and that represent commitments for the Company must be included. In the event of a contract not belonging precisely to the above-mentioned types or a contract which has characteristics of different types of contracts, the contract must be included in the nearest type. Items compensations are not allowed, unless they refer to purchase/sale transactions referring to the same type of contract (same content, deadline, underlying asset...)

Contracts providing for currency swaps must be shown only once, with conventional reference to the currency to be purchased. Contracts that allow both currency swaps and interest rate swaps must be reported exclusively among currency contracts. Derivative contracts providing for interest rate swaps are conventionally classified as "purchases" or "sales" depending on whether they commit the insurance company to purchase or sell the fixed rate.

- (1) For derivatives that imply or could imply futures contracts, the settlement price of the contracts has to be indicated; in all other cases, the nominal value of the reference capital has to be indicated.  
(2) Indicate the fair value of derivatives

Notes on the accounts - Attachment 19

Year 2019

Company Assicurazioni Generali S.p.A.

Details of the non-life business technical account

	Gross written premiums	Earned written premiums	Gross cost of claims	Operating expenses	Reinsurance balance
<b>Direct insurance:</b>					
Accident and Health (class of insurance 1 and 2) .....	1 35,408	2 34,729	3 24,613	4 5,836	5 -423
Motor TPL (class of insurance 10) .....	6 208	7 203	8 303	9 18	10 -2
Motor, other classes (class of insurance 3) .....	11 4,673	12 4,569	13 3,943	14 87	15 1,073
Marine, aviation and transport (classes of insurance 4, 5, 6, 7, 11 and 12) .....	16 15,325	17 13,372	18 15,589	19 3,231	20 -1,599
Fire and other damage to property (classes of insurance 8 and 9)	21 50,134	22 49,255	23 75,657	24 6,390	25 1,516
General liability (class of insurance 13) .....	26 117,831	27 112,309	28 100,447	29 18,192	30 3,355
Credit and suretyship (classes of insurance 14 and 15)	31 1,225	32 1,184	33 10	34 237	35 -1,469
Miscellaneous financial loss (class of insurance 16) .....	36 15,835	37 15,529	38 4,668	39 1,831	40 -587
Legal expenses (class of insurance 17) .....	41 4	42 -1	43 192	44 0	45 156
Assistance (class of insurance 18) .....	46 93	47 79	48 0	49 13	50 -10
<b>Total direct insurance</b> .....	51 <b>240,736</b>	52 <b>231,228</b>	53 <b>225,422</b>	54 <b>35,835</b>	55 <b>2,010</b>
<b>Inward reinsurance</b> .....	56 <b>236,140</b>	57 <b>240,794</b>	58 <b>108,557</b>	59 <b>31,999</b>	60 <b>-79,459</b>
<b>Total Italian portfolio</b> .....	61 <b>476,876</b>	62 <b>472,022</b>	63 <b>333,979</b>	64 <b>67,834</b>	65 <b>-77,449</b>
<b>Foreign portfolio</b> .....	66 <b>1,505,370</b>	67 <b>1,503,044</b>	68 <b>998,018</b>	69 <b>314,628</b>	70 <b>-162,327</b>
<b>Total</b> .....	71 <b>1,982,246</b>	72 <b>1,975,066</b>	73 <b>1,331,997</b>	74 <b>382,462</b>	75 <b>-239,776</b>

## Notes on the accounts - Attachment 20

Company

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

Year

2019

Summary of life business: premiums and reinsurers' share.

	Direct business	Reinsurance	Total
Gross premiums:	1 222,166	11 1,462,378	21 1,684,544
a) 1. individual policies .....	2 46,577	12 269,521	22 316,098
2. group policies .....	3 175,589	13 1,192,857	23 1,368,446
b) 1. regular premiums .....	4 221,795	14 1,462,378	24 1,684,173
2. single premiums .....	5 371	15 0	25 371
c) 1. policies without profit sharing .....	6 176,420	16 1,453,424	26 1,629,844
2. policies with profit sharing .....	7 0	17 0	27 0
3. policies where the investment risk is borne by the policyholders and relating to the administration of pension funds .....	8 45,746	18 8,954	28 54,700

<b>Reinsurance balance .....</b>	9 <b>85,409</b>	19 <b>-14,655</b>	29 <b>70,754</b>
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## Notes on the accounts - Attachment 21

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

Year 2019

## Income from investments (items II.2 e III.3)

	Non-life	Life business	Total
<b>Income from equities:</b>			
Dividends and other income from shares and participations in companies and other companies in which a significant interest is held	1 1,275,122	41 1,269,698	81 2,544,820
Dividends and other income from equities	2 675	42 2,159	82 2,834
<b>Total</b>	3 <b>1,275,797</b>	43 <b>1,271,857</b>	83 <b>2,547,654</b>
<b>Income from land and buildings</b>	4 5,156	44 0	84 5,156
<b>Income from other investments:</b>			
Income from debt securities of group companies and other companies in which a significant interest is held	5 0	45 0	85 0
Income from loans to group companies and other companies in which a significant interest is held	6 60,429	46 55,729	86 116,158
Income from shares in common investment funds	7 1,114	47 0	87 1,114
Income from debt securities and other fixed-income securities	8 9,937	48 44,261	88 54,198
Interests on loans	9 9	49 29	89 38
Income from participation in investment pools	10 0	50 0	90 0
Interests on deposits with credit institutions	11 2,605	51 1,118	91 3,723
Income from other financial investments	12 0	52 0	92 0
Interests on deposits with ceding companies	13 251	53 157,939	93 158,190
<b>Total</b>	14 <b>74,345</b>	54 <b>259,076</b>	94 <b>333,421</b>
<b>Value re-adjustments on other investments:</b>			
Land and buildings	15 0	55 0	95 0
Shares and participations in group companies and other companies in which a significant interest is held	16 0	56 0	96 0
Debt securities issued by affiliated companies and other companies in which a significant interest is held	17 0	57 0	97 0
Other equities	18 653	58 661	98 1,314
Other debt securities	19 2,979	59 9,975	99 12,954
Other financial investments	20 3,997	60 0	100 3,997
<b>Total</b>	21 <b>7,629</b>	61 <b>10,636</b>	101 <b>18,265</b>
<b>Gains on the realisation of investments:</b>			
Surplus on the sale of land and buildings	22 0	62 0	102 0
Gains on shares and participations in group companies and other companies in which a significant interest is held	23 0	63 0	103 0
Gains on debt securities issued by group companies and other companies in which a significant interest is held	24 0	64 0	104 0
Gains on other equities	25 635	65 3,037	105 3,672
Gains on other debt securities	26 1,374	66 2,745	106 4,119
Gains on other financial investments	27 5,657	67 0	107 5,657
<b>Total</b>	28 <b>7,666</b>	68 <b>5,782</b>	108 <b>13,448</b>
<b>GRAND TOTAL</b>	29 <b>1,370,593</b>	69 <b>1,547,351</b>	109 <b>2,917,944</b>

## Notes on the accounts - Attachment 22

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

Year 2019

Income and unrelises gains on investments for the benefit of policyholders who bear the investment risk and on relating to the administration of pension funds (item II.3)

## I. Investments relating to investment funds and market index

	Amounts
<b>Income arising from:</b>	
Land and buildings .....	1 0
Investments in group companies and other companies in which a significant interest is held .....	2 4,864
Shares in common investment funds .....	3 1
Other financial investments .....	4 445
- of which income from debt securities ..... 5	435
Other .....	6 18
<b>Total</b> .....	7 <b>5,328</b>
<b>Gains on the realisation of investments:</b>	
Surplus on the sale of land and buildings .....	8 0
Gains on investments in group companies and other companies in which a significant interest is	9 0
Gains on common investment funds .....	10 3,322
Gains on other financial investments .....	11 4,818
- of which debt securities ..... 12	4,799
Other income .....	13 0
<b>Total</b> .....	14 <b>8,140</b>
<b>Unrealised gains</b> .....	15 <b>27,930</b>
<b>GRAND TOTAL</b> .....	16 <b>41,398</b>

## II. Investments relating to the management of pension funds

	Amounts
<b>Income arising from:</b>	
Investments in group companies and other companies in which a significant interest is held .....	21 0
Other financial investments .....	22 0
- of which income from debt securities ..... 23	0
Other assets .....	24 0
<b>Total</b> .....	25 <b>0</b>
<b>Profits on the realisation of investments:</b>	
Investments in group companies and companies where a significant interest is held .....	26 0
Profits on other financial investments .....	27 0
- of which debt securities ..... 28	0
Other income .....	29 0
<b>Total</b> .....	30 <b>0</b>
<b>Unrealised gains</b> .....	31 <b>0</b>
<b>GRAND TOTAL</b> .....	32 <b>0</b>

Notes on the accounts - Attachment 23

Company

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

Year 2019

Details of investment charges (items II.9 e III.5)

	Non-life business	Life business	Total
<b>Investment management charges and other charges:</b>			
Charges referring to equities .....	1 3	31 206	61 209
Charges referring to investment in land and buildings .....	2 1,596	32 0	62 1,596
Charges referring to debt securities .....	3 1,252	33 4,074	63 5,326
Charges referring to shares in common investment funds .....	4 0	34 0	64 0
Charges referring to shares in common investments .....	5 0	35 0	65 0
Charges referring to other financial investments .....	6 945	36 750	66 1,695
Interests on deposits received from reinsurers .....	7 0	37 8,534	67 8,534
<b>Total .....</b>	<b>8 3,796</b>	<b>38 13,564</b>	<b>68 17,360</b>
<b>Value re-adjustments on investments referring to:</b>			
Land and buildings .....	9 2,055	39 0	69 2,055
Shares and participations in group comp. and other companies .....	10 53,380	40 0	70 53,380
Debt securities issued by group companies and other .....	11 0	41 0	71 0
Other equities .....	12 791	42 1,954	72 2,745
Other debt securities .....	13 1,398	43 425	73 1,823
Other financial investments .....	14 53,184	44 3,162	74 56,346
<b>Total .....</b>	<b>15 110,808</b>	<b>45 5,541</b>	<b>75 116,349</b>
<b>Losses on the realisation of investments:</b>			
Losses on the sale of land and buildings .....	16 0	46 0	76 0
Losses on equities .....	17 76	47 33	77 109
Losses on debt securities .....	18 20	48 28	78 48
Losses on other financial investments .....	19 11,328	49 1,092	79 12,420
<b>Total .....</b>	<b>20 11,424</b>	<b>50 1,153</b>	<b>80 12,577</b>
<b>GRAND TOTAL .....</b>	<b>21 126,028</b>	<b>51 20,258</b>	<b>81 146,286</b>

## Notes on the accounts - Attachment 24

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

Year 2019

Investment charges and unrealised losses relating to investments for the benefit of policyholders who bear the risk and relating to the administration of pension funds (item II.10)

## I. Investments relating to investment funds and market index

	Amounts	
<b>Charges arising from:</b>		
Land and buildings .....	1	0
Investments in group companies and other companies in which a significant interest is held .....	2	0
Shares in common investment funds .....	3	0
Other financial investments .....	4	37
Other activities.....	5	625
<b>Total .....</b>	6	<b>662</b>
<b>Losses on the realisation of investments:</b>		
Losses on the sale of land and buildings .....	7	0
Losses on investments in group companies and other companies in which a significant interest is held .....	8	0
Losses on common investment funds .....	9	184
Losses on other financial investments .....	10	5
Other losses .....	11	1
<b>Total .....</b>	12	<b>190</b>
<b>Unrealised losses .....</b>	13	<b>3,013</b>
<b>GRAND TOTAL .....</b>	14	<b>3,865</b>

## II. Investments relating to the pension funds management

	Amounts	
<b>Charges arising from:</b>		
Investments in group comp. and other companies in which a significant interest is held ....	21	0
Other financial investments .....	22	0
Other activities.....	23	0
<b>Total .....</b>	24	<b>0</b>
<b>Losses on the realisation of investments:</b>		
Losses on investments in group companies and other companies in which a significant interest is held .....	25	0
Losses on other financial investments .....	26	0
Other losses .....	27	0
<b>Total .....</b>	28	<b>0</b>
<b>Unrealised losses .....</b>	29	<b>0</b>
<b>GRAND TOTAL .....</b>	30	<b>0</b>

Company Assicurazioni Generali S.p.A.

## Summary layout of technical account

	Lob 01		Lob 02	
	Accident		Health	
<b>Direct business gross of reinsurance</b>				
Written premiums .....	+	1 4,492	1 30,916	
Change in the provision for unearned premiums (+ o -) .....	-	2 -291	2 970	
Claims incurred .....	-	3 2,490	3 22,123	
Change in other technical provisions (+ o -) .....	-	4 0	4 0	
Balance of other technical income and charges (+ o -) .....	+	5 0	5 -782	
Operating expenses .....	-	6 281	6 5,555	
<b>Balance on the technical account for direct business (+ o -) .....</b>	<b>A</b>	<b>7 2,012</b>	<b>7 1,486</b>	
<b>Balance of reinsurance ceded (+ o -) .....</b>	<b>B</b>	<b>8 -96</b>	<b>8 -327</b>	
<b>Net balance of accepted business (+ o -) .....</b>	<b>C</b>	<b>9 5,289</b>	<b>9 -29,495</b>	
<b>Change in the equalisation provision (+ o -) .....</b>	<b>D</b>	<b>0</b>	<b>0</b>	
<b>Allocated investment return transf. from the non-technical account .....</b>	<b>E</b>	<b>5,334</b>	<b>4,717</b>	
<b>Net balance of accepted business (+ o -) .....</b>	<b>(A + B + C - D + E)</b>	<b>12,539</b>	<b>-23,619</b>	

	Lob 07		Lob 08	
	Cargo		Fire and natural events	
<b>Direct business gross of reinsurance</b>				
Written premiums .....	+	1 11,813	1 26,112	
Change in the provision for unearned premiums (+ o -) .....	-	2 1,507	2 -322	
Claims incurred .....	-	3 15,116	3 38,240	
Change in other technical provisions (+ o -) .....	-	4 0	4 0	
Balance of other technical income and charges (+ o -) .....	+	5 -366	5 -47	
Operating expenses .....	-	6 2,550	6 3,342	
<b>Balance on the technical account for direct business (+ o -) .....</b>	<b>A</b>	<b>7 -7,726</b>	<b>7 -15,195</b>	
<b>Balance of reinsurance ceded (+ o -) .....</b>	<b>B</b>	<b>8 -1,248</b>	<b>8 -2,615</b>	
<b>Net balance of accepted business (+ o -) .....</b>	<b>C</b>	<b>9 -2,799</b>	<b>9 17,514</b>	
<b>Change in the equalisation provision (+ o -) .....</b>	<b>D</b>	<b>0</b>	<b>97</b>	
<b>Allocated investment return transf. from the non-technical account .....</b>	<b>E</b>	<b>2,452</b>	<b>11,925</b>	
<b>Net balance of accepted business (+ o -) .....</b>	<b>(A + B + C - D + E)</b>	<b>-9,321</b>	<b>11,532</b>	

	Lob 13		Lob 14	
	General liability		Credit	
<b>Direct business gross of reinsurance</b>				
Written premiums .....	+	1 117,831	1 0	
Change in the provision for unearned premiums (+ o -) .....	-	2 5,522	2 0	
Claims incurred .....	-	3 100,447	3 4	
Change in other technical provisions (+ o -) .....	-	4 0	4 0	
Balance of other technical income and charges (+ o -) .....	+	5 -218	5 -1	
Operating expenses .....	-	6 18,192	6 0	
<b>Balance on the technical account for direct business (+ o -) .....</b>	<b>A</b>	<b>7 -6,548</b>	<b>7 -5</b>	
<b>Balance of reinsurance ceded (+ o -) .....</b>	<b>B</b>	<b>8 3,355</b>	<b>8 0</b>	
<b>Net balance of accepted business (+ o -) .....</b>	<b>C</b>	<b>9 1,660</b>	<b>9 4</b>	
<b>Change in the equalisation provision (+ o -) .....</b>	<b>D</b>	<b>0</b>	<b>0</b>	
<b>Allocated investment return transf. from the non-technical account .....</b>	<b>E</b>	<b>23,258</b>	<b>13</b>	
<b>Net balance of accepted business (+ o -) .....</b>	<b>(A + B + C - D + E)</b>	<b>21,725</b>	<b>12</b>	



Notes on the accounts - Attachment 25  
Year 2019

by branch - Non-life business -Italian portfolio

Lob 03 Motor, other classes		Lob 04 Trains		Lob 05 Aircrafts		Lob 06 Watercrafts	
1	4,673	1	1,135	1	369	1	1,064
2	104	2	371	2	-39	2	37
3	3,943	3	385	3	-154	3	-1,135
4	0	4	0	4	0	4	0
5	0	5	0	5	-6	5	-9
6	87	6	90	6	119	6	337
7	539	7	289	7	437	7	1,816
8	1,073	8	-224	8	-195	8	-33
9	-2,012	9	1	9	911	9	-31
10	0	10	0	10	0	10	0
11	1,268	11	99	11	43	11	682
12	868	12	165	12	1,196	12	2,434

Lob 09 Other damage		Lob 10 Motor TPL		Lob 11 Aviation TPL		Lob 12 Watercrafts TPL	
1	24,022	1	208	1	734	1	210
2	1,201	2	5	2	-21	2	98
3	37,417	3	303	3	1,048	3	329
4	0	4	0	4	0	4	0
5	-88	5	-4	5	-17	5	0
6	3,048	6	18	6	105	6	30
7	-17,732	7	-122	7	-415	7	-247
8	4,131	8	-2	8	100	8	1
9	12,916	9	-808	9	2,187	9	783
10	0	10	0	10	0	10	0
11	5,537	11	650	11	97	11	-75
12	4,852	12	-282	12	1,969	12	462

Lob 15 Suretyship		Lob 16 Miscell. financial loss		Lob 17 Legal expenses		Lob 18 Assistance	
1	1,225	1	15,835	1	4	1	93
2	41	2	306	2	5	2	14
3	6	3	4,668	3	192	3	0
4	0	4	0	4	0	4	0
5	-9	5	21	5	0	5	0
6	237	6	1,831	6	0	6	13
7	932	7	9,051	7	-193	7	66
8	-1,469	8	-587	8	156	8	-10
9	-1,941	9	16,707	9	-104	9	0
10	0	10	0	10	0	10	0
11	860	11	768	11	58	11	7
12	-1,618	12	25,939	12	-83	12	63

Notes on the accounts - Attachment 26  
Year 2019

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

Summary layout of technical accounts of non-life business

Italian portfolio

	Direct insurance		Reinsurance		Risks retained Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Risks accepted 3	Retrocessions 4	
Written premiums .....	1 240,736	11 30,244	21 236,140	31 91,761	41 354,871
Change in the provision for unearned premiums (+ o -) .....	2 9,508	12 -1,776	22 -4,654	32 860	42 5,770
Claims incurred .....	3 225,422	13 32,183	23 108,557	33 5,315	43 296,481
Change in other technical provisions (+ o -) .....	4 0	14 0	24 0	34 0	44 0
Balance of other technical income and charges (+ o -) .....	5 -1,526	15 95	25 3	35 1,345	45 -2,963
Operating expenses .....	6 35,835	16 1,942	26 31,999	36 7,472	46 58,420
<b>Technical balance (+ o -) .....</b>	7 <b>-31,555</b>	17 <b>-2,010</b>	27 <b>100,241</b>	37 <b>79,459</b>	47 <b>-8,763</b>
Change in the equalisation provision (+ o -)					48 97
Allocated investment return transferred from the non-technical account .....	9 37,547	29 20,146			49 57,693
<b>Balance on the technical account (+ o -) .....</b>	10 <b>5,992</b>	20 <b>-2,010</b>	30 <b>120,387</b>	40 <b>79,459</b>	50 <b>48,833</b>

Notes on the accounts - Attachment 27

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

Year **2019**

Life insurance - Summary layout of technical accounts by branch - Italian portfolio

	Lob 01 Life	Lob 02 Marriage and birth	Lob 03 Unit linked
<b>Direct business gross of reinsurance</b>			
Written premiums	107,398	0	0
Claims incurred	120,251	0	31
Change in mathematical provision and in other technical provisions (+ o -)	64,965	0	5,670
Balance of other technical income and charges (+ o -)	0	0	1,450
Operating expenses	5,572	0	1
Allocated investment return transferred to the non-technical account (*)	28,556	0	129
<b>Balance of direct business gross of reinsurance(+ o -)</b>	<b>-54,834</b>	<b>0</b>	<b>-1,057</b>
<b>Balance of reinsurance ceded (+ o -)</b>	<b>81,302</b>	<b>0</b>	<b>3,126</b>
<b>Net balance of accepted business (+ o -)</b>	<b>42,189</b>	<b>0</b>	<b>25</b>
<b>Balance of direct business gross of reinsurance(+ o -)</b>	<b>68,657</b>	<b>0</b>	<b>2,095</b>
	Lob 04 Health	Lob 05 Capitalisation	Lob 06 Pension funds
<b>Direct business gross of reinsurance</b>			
Written premiums	45,206	73	0
Claims incurred	37,312	5,091	0
Change in mathematical provision and in other technical provisions (+ o -)	4,418	-256	0
Balance of other technical income and charges (+ o -)	0	0	0
Operating expenses	4,534	0	0
Allocated investment return transferred to the non-technical account (*)	3,215	11,195	0
<b>Balance of direct business gross of reinsurance (+ o -)</b>	<b>2,157</b>	<b>6,433</b>	<b>0</b>
<b>Balance of reinsurance ceded (+ o -)</b>	<b>3,293</b>	<b>0</b>	<b>0</b>
<b>Net balance of accepted business (+ o -)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance of direct business gross of reinsurance (+ o -)</b>	<b>5,450</b>	<b>6,433</b>	<b>0</b>

(\*) Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Account

Notes on the accounts - Attachment 28  
Year 2019

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

Summary layout of technical accounts of life business

Italian portfolio

	Direct insurance		Reinsurance		Risks retained Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Risks accepted 3	Retrocessions 4	
Written premiums .....	+ 152,708	11 37,794	21 177,496	31 1,160	41 291,250
Cost of claims .....	- 168,324	12 65,724	22 689,101	32 0	42 791,701
Change in mathematical provision and in other technical provisions(+ o -) .....	- 70,577	13 54,235	23 -268,247	33 0	43 -251,905
Balance of other technical income and charges (+ o -) .....	+ 1	14 0	24 -21	34 0	44 -20
Operating expenses .....	- 10,235	15 5,566	25 18,517	35 620	45 22,576
Allocated investment return transferred to the non-technical account (*) .....	+ 49,126		26 304,651		46 353,777
<b>Balance on the technical account (+ o -) .....</b>	<b>-47,301</b>	<b>17 -87,721</b>	<b>27 42,755</b>	<b>37 540</b>	<b>47 82,635</b>

\*) Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Account

## Notes on the accounts - Attachment 29

Company **Assicurazioni Generali S.p.A.** Year **2019**

## Summary layout of technical accounts of non-life and life business - Foreign portfolio

## Section I: Non-Life Business

		Total lines of business	
<b>Direct business gross of reinsurance</b>			
Written premiums .....	+	1	255,490
Change in the provision for unearned premiums (+ o -) .....	-	2	59
Claims incurred .....	-	3	174,473
Change in other technical provisions (+ o -) .....	-	4	0
Balance of other technical income and charges (+ o -) .....	+	5	598
Operating expenses .....	-	6	62,583
<b>Balance on the technical account for direct business (+ o -) .....</b>	<b>A</b>	7	<b>18,973</b>
<b>Balance of reinsurance ceded (+ o -) .....</b>	<b>B</b>	8	<b>-35,559</b>
<b>Net balance of accepted business (+ o -) .....</b>	<b>C</b>	9	<b>43,410</b>
<b>Change in the equalisation provision (+ o -) .....</b>	<b>D</b>	10	<b>0</b>
<b>Allocated investment return transferred from the non-technical account .....</b>	<b>E</b>	11	<b>114,667</b>
<b>Balance on the technical account for direct business (+ o -) .....</b>		12	<b>141,491</b>
			<b>(A+B+C-D+E)</b>

## Section II: Life Business

		Total lines of business	
<b>Direct business gross of reinsurance</b>			
Written premiums .....	+	1	69,458
Claims incurred .....	-	2	57,526
Change in mathematical provision and in other technical provisions (+ o -) .....	-	3	34,759
Balance of other technical income and charges (+ o -) .....	+	4	8,388
Operating expenses .....	-	5	12,418
Allocated investment return transferred to the non-technical account (1) .....	+	6	57,148
<b>Balance of direct business gross of reinsurance (+ o -) .....</b>	<b>A</b>	7	<b>30,291</b>
<b>Balance of reinsurance ceded (+ o -) .....</b>	<b>B</b>	8	<b>-2,568</b>
<b>Net balance of accepted business (+ o -) .....</b>	<b>C</b>	9	<b>42,395</b>
<b>Balance on the technical account (+ o -) .....</b>		10	<b>70,118</b>
			<b>(A+B+C-D+E)</b>

(1) 'Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Account

Notes on the accounts - Attachment 30  
Year 2019

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

Layout of the links with Group companies and companies where a significant interest is held

I: Income

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
<b>Investment income</b>						
Income from land and buildings .....	1 0 2 1,588 3 0 4 0 5 0 6 1,588					
Income from equities .....	7 0 8 2,540,753 9 0 10 3,837 11 231 12 2,544,821					
Income from debt securities .....	13 0 14 0 15 0 16 0 17 0 18 0					
Interests on loans .....	19 0 20 116,158 21 0 22 0 23 0 24 116,158					
Income from other financial investments .....	25 0 26 10 27 0 28 0 29 0 30 10					
Interests on deposits with ceding companies .....	31 0 32 140,399 33 0 34 0 35 0 36 140,399					
<b>Total</b> .....	37 <b>0</b> 38 <b>2,798,908</b> 39 <b>0</b> 40 <b>3,837</b> 41 <b>231</b> 42 <b>2,802,976</b>					
<b>Unrealised income and gains on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds</b> .....						
<b>Other income</b>						
Interests on credits .....	43 <b>0</b> 44 <b>4,865</b> 45 <b>0</b> 46 <b>0</b> 47 <b>0</b> 48 <b>4,865</b>					
Recoveries of administration expenses and charges .....	49 0 50 5,718 51 0 52 0 53 0 54 5,718					
Other income and recoveries .....	55 0 56 33,863 57 0 58 0 59 0 60 33,863					
<b>Total</b> .....	61 0 62 57,127 63 0 64 0 65 0 66 57,127					
<b>Profits on realisation of investments (*)</b> .....	67 <b>0</b> 68 <b>96,708</b> 69 <b>0</b> 70 <b>0</b> 71 <b>0</b> 72 <b>96,708</b>					
<b>Extraordinary income</b> .....	73 <b>0</b> 74 <b>0</b> 75 <b>0</b> 76 <b>0</b> 77 <b>0</b> 78 <b>0</b>					
<b>GRAND TOTAL</b> .....	79 <b>0</b> 80 <b>84,882</b> 81 <b>0</b> 82 <b>0</b> 83 <b>0</b> 84 <b>84,882</b>					
	85 <b>0</b> 86 <b>2,985,363</b> 87 <b>0</b> 88 <b>3,837</b> 89 <b>231</b> 90 <b>2,989,431</b>					

Layout of the links with Group companies and companies where a significant interest is held  
II: Charges

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
<b>Charges on investments and passive interests:</b>						
Investment charges .....	91 0 92 957 93 0 94 0 95 0 96 957					
Interests on subordinated liabilities .....	97 0 98 7,661 99 0 100 0 101 0 102 7,661					
Interests on deposits from reinsurers .....	103 0 104 0 105 0 106 0 107 0 108 0					
Interests on debits from direct insurance operations .....	109 0 110 0 111 0 112 0 113 0 114 0					
Interests on debits from reinsurance operations .....	115 0 116 10,446 117 0 118 0 119 0 120 10,446					
Interests on debits towards banks and financial institutions .....	121 0 122 0 123 0 124 0 125 0 126 0					
Interests on mortgages .....	127 0 128 0 129 0 130 0 131 0 132 0					
Interests on other debits .....	133 0 134 73,903 135 0 136 0 137 0 138 73,903					
Administration charges and charges for third parties .....	139 0 140 0 141 0 142 0 143 0 144 0					
Other charges .....	145 0 146 33,967 147 0 148 0 149 0 150 33,967					
<b>Total .....</b>	151 0 152 48,678 153 0 154 0 155 0 156 48,678					
	157 0 158 175,612 159 0 160 0 161 0 162 175,612					
<b>Unrealised income and gains on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds .....</b>	163 0 164 0 165 0 166 0 167 0 168 0					
<b>Losses on realisation of investments (*) .....</b>	169 0 170 0 171 0 172 0 173 0 174 0					
<b>Extraordinary charges .....</b>	175 0 176 314 177 0 178 0 179 0 180 314					
<b>GRAND TOTAL .....</b>	181 0 182 175,926 183 0 184 0 185 0 186 175,926					

(\*) with reference to the counterpart in the operation

Notes on the accounts - Attachment 31  
Year 2019

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

Summary layout of direct business premiums written

	Non-life		Life		Total	
	Affiliates	FoS	Affiliates	FoS	Affiliates	FoS
Written premiums:						
in Italy .....	1 40,535	5 3,746	11 9,104	15 0	21 49,639	25 3,746
in other EU countries .....	2 183,651	6 12,800	12 143,603	16 0	22 327,254	26 12,800
in third countries .....	3 255,490	7 5	13 69,458	17 0	23 324,948	27 5
<b>Total .....</b>	4 <b>479,676</b>	8 <b>16,551</b>	14 <b>222,165</b>	18 <b>0</b>	24 <b>701,841</b>	28 <b>16,551</b>



## Notes on the accounts - Attachment 32

Company **Assicurazioni Generali S.p.A.** Year **2019**

## Layout of costs with regard to staff, administrators and auditors

## I: Staff costs

	Non-life business		Life business		Total	
<b>Employees' costs:</b>						
Italian portfolio:						
- Wages .....	1	166,707	31	8,193	61	174,900
- Social contributions .....	2	48,124	32	2,551	62	50,675
- Severance payments and other obligations .....	3	8,253	33	319	63	8,572
- Other employee costs .....	4	12,028	34	133	64	12,161
<b>Total .....</b>	5	235,112	35	11,196	65	246,308
Foreign portfolio:						
- Wages .....	6	19,415	36	17,884	66	37,299
- Social contributions .....	7	3,696	37	4,614	67	8,310
- Other employee costs .....	8	1,085	38	2,048	68	3,133
<b>Total .....</b>	9	24,196	39	24,546	69	48,742
<b>Grand total .....</b>	10	259,308	40	35,742	70	295,050
<b>Costs of non - subordinate workforce:</b>						
Italian portfolio .....	11	5,363	41	163	71	5,526
Foreign portfolio .....	12	309	42	12	72	321
<b>Total .....</b>	13	5,672	43	175	73	5,847
<b>Total cost of workforce .....</b>	14	264,980	44	35,917	74	300,897

## II: Details of items entered

	Non-life business		Life business		Total	
Investments charges .....	15	2,470	45	582	75	3,052
Costs of claims .....	16	9,012	46	1,063	76	10,075
Other acquisition costs .....	17	22,938	47	3,517	77	26,455
Other administration costs .....	18	16,198	48	25,923	78	42,121
Administrative charges and charges for third parties .....	19	214,362	49	4,833	79	219,195
Holding costs .....	20	0	50	0	80	0
<b>Total .....</b>	21	264,980	51	35,918	81	300,898

## III: Average number of staff

	Number	
Managers .....	91	241
Employees .....	92	883
Salaried .....	93	0
Others .....	94	0
<b>Total .....</b>	95	1,124

## IV: Administrators and auditors

	Number			
Administrators .....	96	13	98	4,251
Auditors .....	97	3	99	350



Securities and  
urban real  
estate on which  
revaluation have  
been

## Securities on which revaluations have been carried out (Art. 10 of Law 19/3/1983 n. 72)

(values in euro)

Name	Entered value 2019	Monetary revaluations	Other revaluations
GENERALI FRANCE	529,494,119	85,639	-
GENERALI (SCHWEIZ) HOLDING AG	602,958,932	110,443	502,204
<b>Total</b>	<b>1,132,453,051</b>	<b>196,082</b>	<b>502,204</b>

## Urban real estate on which revaluations have been carried out

Place ITALY	Total book values at 31/12/2019 <sup>(*)</sup>	(Art. 10 of Law 19/3/83 n. 72)	
		Monetary revaluations	Other revaluations
BUSTO ARSIZIO	280,069	23,756	454,061
CALTANISSETTA	96,047	6,881	116,975
CASALECCHIO DI RENO	182,174	13,189	166,767
CASORIA	124,556	9,086	224,404
CATANIA	235,888	-	-
CATANZARO	300,000	-	385,292
FABRIANO	1,390,000	-	1,300,938
FERMO	210,000	-	283,927
FOGGIA	239,606	114	273,458
FOLIGNO	918,277	16,828	524,436
FUCECCHIO	198,985	-	255,575
LATINA	190,000	26,004	337,934
MELEGNANO	267,087	22,450	424,205
MUGGIA	703,835	-	-
PERUGIA	77,047	-	106,031
PESCARA	650,000	-	1,088,782
PISTOIA	1,040,000	-	1,086,976
REGGIO DI CALABRIA	118,756	-	204,304
REGGIO NELL'EMILIA	1,333,204	-	2,636,950
ROMA	51,891,982	-	39,588,421
SASSARI	124,550	18,722	138,025
SERIATE	86,607	-	134,950
SIGNA	210,804	14,689	316,228
TRAPANI	115,384	-	75,164
TREVIGLIO	170,000	9,936	301,626
TRIESTE	2,796,689	-	4,412,010
VENICE	1,166,035	50,109	1,029,358
VOLTERRA	144,111	-	136,981
<b>TOTAL ITALY</b>	<b>65,261,692</b>	<b>211,764</b>	<b>56,003,777</b>

\* total book value includes as amount of Euro 2,388,083.21 for work in progress

## Urban real estate on which revaluations have been carried out

(values in euro) Place FOREIGN COUNTRY	Total book values at 31/12/2019	(Art. 10 Legge 19/3/83 n. 72)	
		Monetary revaluations	Voluntary Revaluations
GREAT BRITAIN - LONDON	547,990	0	670,973
FRANCE - PARIS	1,754,293	0	75,567
MAROCCO - CASABLANCA	956,973	232,929	676,022
EGYPT - CAIRO	2,796,622	64,328	11,757,511
LEBANON - BEIRUT	6,169,265	12,865	5,281,190
<b>TOTAL ABROAD</b>	<b>12,225,144</b>	<b>310,123</b>	<b>18,461,262</b>

### SUMMARY (in euro)

BUILDINGS IN CITIES ITALY	65,261,692	211,764	56,003,777
BUILDINGS IN CITIES ABROAD	12,225,144	310,123	18,461,262
<b>GRAND TOTAL</b>	<b>77,486,836</b>	<b>521,886</b>	<b>74,465,039</b>







# Attestation and Reports

- 289 Attestation of the Financial Statements  
pursuant to art. 154-*bis*, paragraph 5, of legislative  
decree 58 of february 24, 1998 and art. 81-*ter* of  
Consob regulation no. 11971 of 14 may 1999  
and following amendments and integrations
- 293 Board of Statutory Auditors' Report
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# Attestation of the Financial Statements

pursuant to art. 154-*bis*, paragraph 5, of legislative  
decree 58 of February 24, 1998 and art. 81-*ter* of  
Consob regulation no. 11971 of 14 May 1999  
and following amendments and integrations



Attestation of the Financial Statements pursuant to the provisions of art. 154-*bis* paragraph 5, of legislative decree 58 of February 24, 1998 and art. 81-*ter* of Consob regulation no. 11971 of 14 May 1999 and following amendments and integrations

1. The undersigned, Philippe Donnet, in his capacity as Managing Director and Group CEO, and Cristiano Borean, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A. and Group CFO, having also taken into account the provisions of Art. 154-*bis*, paragraphs 3 and 4, of the Italian Legislative Decree No. 58 dated 24 February 1998, hereby certify:
  - the adequacy in relation to the characteristics of the Company and
  - the effective implementationof the administrative and accounting procedures for the preparation of the financial statements over the course of the period from 1 January to 31 December 2019.
2. The adequacy of the administrative and accounting procedures in place for preparing the financial statements as at 31 December 2019 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.
3. The undersigned further confirm that:
  - 3.1 the financial statements as at 31 December 2019:
    - a) are prepared in compliance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with the provisions of the Italian Civil Code, of Legislative Decree No. 173 of 26 May 1997, of Legislative Decree No. 209 of 7 September 2005 and with applicable provisions, regulations and circular letters issued by ISVAP (now IVASS);
    - b) correspond to the related books and accounting records;
    - c) provide a true and fair representation of the financial position of the issuer;
  - 3.2 the management report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertain situations to which it is exposed.

Milan, -- March 2020

Philippe Donnet  
*Managing Director and Group CEO*

ASSICURAZIONI GENERALI S.p.A.



Cristiano Bore  
*Manager in charge of preparing  
the Company's financial reports and Group CFO*

ASSICURAZIONI GENERALI S.p.A.





# Board of Statutory Auditors' Report

## Report of the Board of Statutory Auditors to the Assicurazioni Generali S.p.A. General Meeting called to approve the Separate Financial Statements as at and for the year ended 31 December 2019 pursuant to s. 153 of Lgs.Decree 58/1998

Shareholders,

in compliance with s. 153 of Lgs.Decree 24 February 1998, no. 58 ("CFBA", [consolidated law on financial intermediation]) and with Consob communication no. 1025564 of 6 April 2001 and subsequent amendments and additions, and taking account of the recommendations of the Italian National Board of Accountants and Auditors ("CNDCEC"), the Board of Statutory Auditors of Assicurazioni Generali S.p.A. (the "Company" or the "Parent") sets out herewith its Report on the supervisory activities carried out during financial year 2019. (the "Company" or the "Parent") sets out herewith its Report on the supervisory activities carried out during financial year 2019.

### 1. Activities of the Board of Statutory Auditors during the financial year ending on 31 December 2019 (point 10 of Consob Notice no. 1025564/01)

The Board of Statutory Auditors (BSA) performed the activities falling within its remit during the 2019 financial year by holding 25 meetings, with an average duration of approximately two hours and twenty minutes.

The BSA also:

- attended the 14 meetings of the Board of Directors;
- attended the 14 meetings of the Risk and Control Committee ("RCC");
- attended the 3 meetings of the Related-Party Transactions Committee ("RPTC");
- attended, in the person of its Chairman and/or another statutory auditor, the 11 meetings of the Appointments and Remuneration Committee ("ARC"), with specific reference to remuneration matters;
- attended, in the person of its Chairman and/or another statutory auditor, the 13 meetings of the Investments and Strategic Transactions Committee (ISTC) (of which 4 of the former Investments Committee);
- attended, in the person of its Chairman and/or another statutory auditor, the 7 meetings of the Corporate Governance and Social and Environmental Sustainability Committee ("GSC").

In addition to the above activities, in the course of its ac-

tivity plan, the Board of Statutory Auditors, among other things:

- held meetings with and obtained information from the Group CEO, also in his capacity as Director in charge of the internal control and risk management system, the Group CFO, also in his capacity as Manager in charge of preparing the company's financial reports, the head of the Group Financial Crime Function, the Group General Counsel, the head of the Corporate Affairs Function, the head of the Group Human Resources & Organisation Function and the General Manager, and also with the heads of corporate functions affected by the inspection activities of the Board of Statutory Auditors from time to time;
- pursuant to s. 74.2, of IVASS Regulation no. 38 of 3 July 2018 ("IVASS Regulation no. 38/2018"), held meetings with and obtained information from the heads of the four fundamental functions envisaged by the aforementioned Regulation – Group Audit, Group Compliance, Risk Management, Group Actuarial ("Fundamental Functions") – and the heads of all the units that perform control activities inside the group headed by Assicurazioni Generali S.p.A. ("Group"), and ensure appropriate functional and information links;
- met the members of the Surveillance Body set up pursuant to Lgs.Decree 231/2001 for useful exchanges of information;
- pursuant to paragraphs 1 and 2 of s. 151 of the CFBA, and to s. 74.3.g of IVASS Regulation no. 38/2018, held meetings and/or exchanged information with the audit bodies of the main subsidiaries (Alleanza Assicurazioni S.p.A., Banca Generali S.p.A., Česká pojišťovna a.s., CityLife S.p.A., Europ Assistance Italia S.p.A., Generali Allgemeine Versicherungen AG, Generali Business Solutions S.C.P.A., Generali Deutschland AG, Generali España S.A. de Seguros y Reaseguros, Generali IARD S.A., Generali Insurance Asset Management S.P.A. Società di gestione del risparmio, Generali Investments Partners S.p.A. Società di gestione del risparmio, Generali Investments Holding S.p.A., Generali Italia S.p.A., Generali Personenversicherungen AG, Generali Real Estate S.p.A., Generali Real Estate S.p.A. SGR, Generali Shared Services S.c.a.r.l., Generali Versicherung AG, Generali Vie S.A., Genertel S.p.A., Genertellife S.p.A.);
- as part of the relations between audit body and external auditor envisaged under s.150.3 of the CFBA and art. 74.3.e of IVASS Regulation no. 38/2018, and in light of the powers of the Board of Statutory Auditors in



its capacity as internal control and account audit committee, held regular meetings with the external auditors EY S.p.A. (“EY”), during which data and information of significance for the performance of the bodies’ respective responsibilities were exchanged.

## 2. Transactions having a significant impact on the economic, financial and assets position. Other noteworthy events (point 1 of Consob Notice no. 1025564/01)

### 2.1 Activities performed by the BSA

The BSA monitored compliance by the Company with the legislation and the Articles of Association and observance of the principles of correct administration, with special reference to transactions having a significant impact on the economic, financial and assets position, by regularly attending meetings of the Board of Directors and examining the documentation provided.

In this context, the BSA received information from the Managing Director/Group CEO and the Board of Directors about activities performed and transactions with a significant impact on results of operations and financial position conducted by the Company, including transactions conducted through directly or indirectly controlled companies.

On the basis of the information provided, the BSA reasonably concludes that the said transactions can be deemed to comply with the legislation, the Articles of Association and principles of sound management and that they do not appear to be manifestly imprudent, rash or in conflict with the resolutions passed by the General Meeting, or such as to prejudice the integrity of the Company’s assets.

In particular, the BSA was informed about transactions in which Directors declared an interest, on their own account or on behalf of third parties, and has no comments to make about the compliance of the corresponding resolutions with the legislation and regulations.

### 2.2 Most significant events

The most significant events involving the Company and the Group in 2019 and the early months of 2020 are also described in the 2019 Integrated Annual Report and Consolidated Financial Statements. They include the following events:

#### January

- as part of the strategy to optimise the Group’s geographical presence and improve operating efficiency and capital allocation, the sale of the equity investment held in Generali Belgium SA was completed;
- a ten-year subordinated bond was issued for an overall amount of 500 million euro, for institutional investors. The bond, which qualifies as “Tier 2” regulatory capital, was intended to partially refinance 750 million euro of Group subordinated debt callable in 2019, an early repayment which, as required by law, obtained prior IVASS authorisation;
- the early repayment option was exercised on the following perpetual subordinated notes: 7.236% *Perpetual Fixed/Floating Rate Notes*, for an amount of 350 million (early repayment date 4 March 2019) and 8.5% *Perpetual Fixed/Floating Rate Notes*, for an amount of 350 million (early repayment date 6 March 2019);
- on 30 January 2019, the Board of Directors approved amendments to align the Articles of Association with IVASS Regulation no. 38/2018 concerning the composition of the Executive Committee. Specifically, the amendments provide that the Chair of the Board of Directors may no longer be a member of the Executive Committee, in accordance with the IVASS Regulation under which, in insurance companies and for Italian ultimate controlling institutional units to which the so-called reinforced regime applies (of which Assicurazioni Generali S.p.A. is one), the Chair cannot have an executive role;

#### February

- the acquisition of a majority holding in Sycomore Factory SAS was completed; the purchase began in September 2018, as part of the Company’s asset management strategy;
- the acquisition of the Slovenian insurance company Adriatic Slovenica and its subsidiaries was completed;

#### March

- in the wake of an agreement signed in July 2018, the Company completed the sale of its entire equity investment in Generali Worldwide Insurance Company Limited, based in Guernsey, and of its equity investment in Generali Link Limited, of which it held 100% of share capital;
- the launch was announced of Axis Retail Partners, a new real estate boutique that invests in shopping malls, as part of the Company strategy to expand its presence in real estate;

#### April

- On 17 April 2019 Assicurazioni Generali S.p.A. increased the share capital to 1,569,600,895 euro to service the Long-Term Incentive Plan approved by the General Meeting on 28 April 2016;
- on 30 April 2019, the sale of 89.9% of the shares of Generali Lebensversicherung was completed and an industrial partnership agreement was signed simultaneously with Viridium to complete the turnaround of Generali Deutschland;
- an agreement was signed for the purchase of the insurance portfolios of three companies of ERGO International AG in Hungary and Slovakia, in line with the Group strategy to further strengthen its leadership position in Europe;

#### June

- in Poland the acquisition of Union Investment TFI S.A. from the German group Union Asset Management Holding AG was completed, implementing the purchase agreement signed in October 2018;
- the Assicurazioni Generali S.p.A. Board of Directors approved a proposal to present a special 2019-2022 share plan for the Managing Director/Group CEO at the next General Meeting;

#### July

- Assicurazioni Generali S.p.A. exercised the early repayment option on all outstanding perpetual subordinated notes, issued on 15 July 2009, with the following characteristics: i) Description of the notes: 50,000,000 euro 9.00% Perpetual Fixed/Floating Rate Notes; ii) ISIN Code: XS0440434834; iii) Coupon: 9.00%; iv) Repayment price: 100%. The early repayment of the notes had prior IVASS authorisation;
- the share capital of Assicurazioni Generali S.p.A. was raised to 1,569,773,403 euro to service the special share plan relating to the 2016-2018 mandate of the Managing Director/Group CEO approved by the 2017 General Meeting. The shares have a par value of 1.00 euro each, including the additional dividend equivalent shares, and will be subject to a minimum holding period as envisaged by the plan regulation;

#### September

- the cash buyback of notes with a first call date in 2022 was completed for an aggregate nominal amount of approximately 1 billion euro; the first green bond, for 750 million euro, was placed;

#### December

- through the Argentinian subsidiary La Caja, a commer-

cial agreement was closed in Argentina with Mercado Libre, an e-commerce operator in South America; the agreement is designed to strengthen the P&C segment.

Notable events in early 2020 were as follows:

- in January, the acquisition begun in 2019 for 100% of the Portuguese company Seguradoras Unidas and the AdvanceCare services company was completed;
- in February, the "Green Insurance Linked Securities Framework" was developed in line with the Group sustainability strategy and the emission in September 2019 of the first green bond; the main characteristic is the investment of collateral in environment-friendly assets and the allocation of the capital to sustainable initiatives.

Beginning in January and until this report was filed, the Board of Statutory Auditors has received adequate information about the measures and initiatives taken by the Company in response to the Covid-19 crisis and healthcare emergency.

Specifically, during the meetings of the Board of Directors on 12 March and 23 March 2020, and subsequent discussions at a meeting of its own, the Board of Statutory Auditors was informed of the following measures taken by Assicurazioni Generali S.p.A. in response to the emergency:

- special committees have been promptly set up (Guidance/Specialist/Operational) to analyse the difficulties and draw up guidelines, instructions and procedures for management of the emergency;
- personnel have been provided with detailed information, through the organisation of a system to circulate notices to all personnel through the corporate intranet and e-mail messages;
- urgent indications have been issued to manage travel, meetings and events: specifically, all international, intercontinental and national travel has been banned except in exceptional essential cases that cannot be postponed due to business priorities, which must be approved by first-line managers or by the relevant HR functions; people returning from travel abroad are required to undergo a medical check before re-entering the workplace; all Generali Group internal and external events at both national and international level have been suspended;
- restrictions have been placed on access to offices for suppliers and third parties and for employees, for whom forms of smart working are given priority where possible;
- people's presence in Group offices has been reduced in order to manage the potential healthcare emergency.

## 2.3 Litigation

As stated in the 2016, 2017 and 2018 Integrated Annual Report and Consolidated Financial Statements, the Brazilian company Banco BTG Pactual S.A. (“BTG”) initiated a dispute in 2016 relating to certain claims for compensation made by BTG pursuant to an agreement whereby the sale to the latter of Banca della Svizzera Italiana S.A. (“BSI”) by a Generali subsidiary was concluded in September 2015.

The Board of Statutory Auditors has received regular updates from Group Legal Affairs on the dispute – where the parties are currently filing their closing submissions – during the meetings of the Board of Directors and the RCC and has examined the opinions drawn up by the external legal advisors. The Board of Statutory Auditors also met the Manager in charge of preparation of the company’s financial reports and the external auditors EY, with a view to monitoring the process conducted by them, within their respective remits, in order to assess possible recognition of provisions pursuant to IAS 37, and the corresponding disclosure.

As stated in the 2019 Integrated Annual Report and Consolidated Financial Statements, given the complexity and uncertainty of the dispute over if/then how much is due, and the legal opinions obtained, the Company has decided that the conditions of probability and ability to make a reliable estimate required by IAS 37 for recognition of provisions for risks have not been met in connection with BTG’s claim for compensation.

## 3. Related-party and intercompany transactions. Atypical and/or unusual transactions (points 2 and 3 of Consob Notice no. 1025564/01)

The Company has introduced “Related-Party Transaction Procedures” (“RPT Procedures”), adopted in compliance with Consob Regulation 17221/2010, as amended, and s. 2391-*bis* of the Italian Civil Code, which are also applicable to transactions performed by subsidiaries.

The Board of Statutory Auditors believes that the above procedures comply with Consob Regulation 17221/2010, as amended; during the year it monitored the Company’s compliance with the procedures.

Assicurazioni Generali S.p.A.’s 2019 Annual Financial Statements and the 2019 Integrated Annual Report and Consolidated Financial Statements illustrate the economic and asset-related effects of the related-party transactions, and describe the most significant relationships.

During 2019 two transactions classified under the RPT Procedures as of “greater materiality” and one of “minor materiality” were brought to the attention of the RPTC: the Board of Statutory Auditors attended the relevant meetings and followed the proceedings to analyse the transactions, ensuring the compliance of the Board of Directors and the RPTC with Consob Regulation 17221/2010 and with the RPT Procedures.

No urgent transactions with related parties took place.

The BSA’s surveillance activities ascertained that intra-group transactions during the year were in accordance with IVASS Regulation no. 30/2016 on intragroup transactions and concentration of risk and with the Intra-group Transactions Group Policy adopted by the Board of Directors on 15 March 2017 and updated on 20 June 2019. The main intercompany activities, with payment at market prices or at cost, were conducted by means of reinsurance and coinsurance agreements, administration and management of securities and real estate, claims management and settlement, IT and administrative services, loans and guarantees, and personnel loans. The said services allowed the rationalisation of the operational functions and a better level of services.

The BSA concluded that the information provided by the Board of Directors on intragroup and related-party transactions in the 2019 Separate Financial Statements is adequate.

As far as we are aware, no atypical and/or unusual transactions took place during 2019.

## 4. Organisational structure of the Company and the Group (point 12 of Consob Notice no. 1025564/01)

The organisational structure of the Company and the Group and its developments are described in detail in the Corporate Governance and Share Ownership Report. The Company’s organisational structure covers the duties and responsibilities of the corporate functions, the hierarchical and functional relations among them and related coordination mechanisms. It is a two-tier structure based on Group Head Office (“GHO”) and the Business Units. GHO provides strategic guidance and coordinates the 6 Business Units, which enhance entrepreneurship and local autonomy through the geographical areas and the global lines.

Organisational governance is achieved through the fol-

lowing integration and coordination mechanisms between the Business Units and the Group Head Office functions:

- the Group Management Committee (“GMC”), which provides the Group CEO and top management with support on key strategic decisions;
- the three main cross-functional committees which support the Group CEO on the direction of Group strategic decisions: the Balance Sheet Committee, the Finance Committee, the Group Product & Underwriting Committee;
- the Business Strategic Reviews, the Clearance Meetings and the Capital & Cash Deep Dives, which ensure alignment between GHO and the Business Units, with a focus on, respectively, strategic measures and discussions, business/financial performance, remittances and capital optimisation;
- the Functional Guideline and Functional Council, through which functional coordination is implemented at global level;
- a matrix system of reporting lines, classified as “solid” or “dotted” according to the intensity of guidance and coordination between the GHO Functions and the corresponding functions in the Business Units. The “solid” Functions, where hierarchical reporting is exercised in a more direct and systematic fashion by GHO (through guidance for key decisions on functional issues and human resources, e.g., recruitment, termination, assignment of annual objectives), are the Group Chief Risk Officer, the Group General Counsel, including Group Compliance, and Group Audit; the other Group Functions are dotted functions with functional reporting, where direction and coordination is based on the indication of functional guidelines and best practice and on participation in some key decisions concerning human resources.

During 2019 a sustainability management committee was set up, to guarantee a consistent approach to integrating sustainability into the core business among all Group Head Office functions and the Business Units, by identifying risks and opportunities and monitoring progress and results.

In April 2019, the position of Group Chief Digital Officer was created, reporting directly to the General Manager; this officer is responsible for overseeing, controlling and supporting Group digital and data analytics initiatives and for overseeing coordinating innovation at Group level.

Through the activities described in section 1 above, the Board of Statutory Auditors verified the adequacy of the

overall Company and Group organisational structure, especially in view of its dynamic nature, and also monitored the definition and assignment of powers, with particular attention to the separation of responsibilities in tasks and functions, pursuant to s. 74.3.b of IVASS Regulation no. 38/2018.

The Board of Statutory Auditors verified the adequacy of the Company’s instructions to the subsidiaries pursuant to s.114.2 of the CFBA, in order to obtain on a timely basis the information required to comply with the disclosure obligations of law and Regulation (EU) no. 596/2014.

Furthermore, pursuant to paragraphs 1 and 2 of s. 151 of the CFBA and s. 74.3.g of IVASS Regulation no. 38/2018, the Board of Statutory Auditors obtained the reports of the boards of statutory auditors of the main subsidiaries and/or the information sent by the boards in response to specific requests; analysis of the documents in question did not find any elements worthy of mention in this Report.

## 5. Internal Control and Risk Management System, administrative/accounting system and financial reporting process (points 13 and 14 of Consob Notice no. 1025564/01)

### 5.1. Internal Control and Risk Management System

The Corporate Governance and Share Ownership Report and the Group Risk Report (included in the 2019 Integrated Annual Report and Consolidated Financial Statements) describe the main characteristics of the internal control and risk management system.

The internal control and risk management system (“ICRMS”) consists of the rules, procedures and corporate units that – also with regard to the Company’s role as the parent of an insurance group – operate to enable the Company and Group to function effectively and to identify, manage and monitor the main risks to which they are exposed. The ICRMS is an integrated system involving the whole organisational structure: the governing bodies and the corporate units, including the control functions, are required to contribute in a coordinated and interdependent manner to its operation.

Since 2018, in compliance with industry regulations, the Company has adopted a “reinforced” corporate governance model, based on the quali-quantitative parameters

indicated in the IVASS letter to the market of 5 July 2018. Elements implied by the model include: the non-executive role of the Chair of the Board of Directors, the existence of the Control & Risks Committee and of a remuneration committee, the effective and efficient operation of the Fundamental Functions performed by specific organisational units (separate from the operating functions and not outsourced), headed by individuals with adequate skills and qualifications.

The Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions are the Fundamental Functions pursuant to IVASS Regulation no. 38/2018. To guarantee a consistent Group approach, the Company formulates Group directives on the governance system integrated with Group internal control and risk management policies, which apply to all the companies.

The ICRMS has been drawn up in accordance with Solvency II – including EIOPA delegated acts and guidelines – and with national laws and regulations that enact Solvency II. Following the issue by the Regulator of authorisation to use a “Partial Internal Model” (“PIM”) to calculate the Solvency Capital Requirement (“SCR”) as required by Solvency II, the Group is allowed to use the PIM to determine the SCR of the Group and the main Business Units for the Italian, German, French, Czech, Austrian, Swiss and, from November 2019, Spanish companies. For further details, see the Group Risk Report.

After the introduction of IVASS Regulation no. 38/2018, which involved a review of the corporate governance system in insurance companies, the Company completed the review of its own governance and internal control system. The measures taken with regard to the role of the Chair and the Board Committees, the organisational structure of the Fundamental Functions and the effective and efficient performance of their respective functions, as well as the updates to the internal regulations of the Board of Directors and the Committees, were implemented through resolutions of the Board of Directors in December 2018. On 30 January 2019 the Board of Directors approved a number of amendments to the Articles of Association for alignment with IVASS Regulation no. 38/2018 as regards the composition of the Executive Committee, which has not actually been formed by the Company. The other implementing activities that the IVASS Regulation required be updated by the end of 2019 were completed in full through the shareholder resolutions of 7 May 2019, well ahead of the regulatory deadline.

The Board of Statutory Auditors constantly monitored the alignment of the Company and Group governance structure to IVASS Regulation no. 38/2018.

As required by industry regulations, the Board of Statutory Auditors verified the adequacy of the Company and Group ICRMS, and checked its actual operation. Specifically, and in line with ss. 8 and 74 of IVASS Regulation no. 38/2018, the Board of Statutory Auditors:

- i) took note of the opinion issued half-yearly by the Board of Directors after consulting the RCC that the ICRMS is fit for purpose;
- ii) examined the RCC report issued half-yearly to support the Board of Directors;
- iii) examined the summary document regarding the assessment of the adequacy and efficacy of the Internal Control and Risk Management System drawn up by the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions;
- iv) attended all meetings of the RCC, obtaining information about the initiatives that the Committee has decided to promote or request on specific subjects;
- v) obtained information about the development of the organisational structures and the activities performed by the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions, partly by means of discussions with the managers concerned;
- vi) examined the activity reports of the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions submitted to the RCC and the Board of Directors;
- vii) examined the Group Audit Manager’s half-yearly Complaint Reports;
- viii) verified the autonomy, independence and functionality of the Group Audit Function, and established and maintained appropriate and constant ties with it;
- ix) examined the Audit Plan drawn up by the Group Audit Function and approved by the Board of Directors, observed that it had been complied with, and received information about the audit results and implementation of mitigation and corrective action;
- x) took note of the activities of the Surveillance Body formed by the Company in compliance with Lgs. Decree 231/2001 through specific disclosures and meetings for updates on the body’s activities;
- xi) obtained information from the heads of functions involved in the ICRMS;
- xii) exchanged information with the audit bodies of the subsidiaries, as required by ss. 151.1 and 151.2 of

the CFBA and by s. 74.3.g of IVASS Regulation no. 38/2018;

- xiii) met and exchanged information with the Group CEO in his capacity as Executive Director responsible for supervising the ICRMS;
- xiv) obtained information about the development of the Group's regulatory system, in particular the Company's structure of policies, regulations, guidelines and procedures designed to ensure compliance with the specific regulations of the insurance industry and listed companies applicable to or approved by the Company.

As part of its oversight of the ICRMS, the Board of Statutory Auditors paid particular attention to the IT area and to issues relating to cyber security management and data protection. In this area, on 6 June 2019, the Board of Directors adopted the "Strategic ICT & Cyber Security Plan", in compliance with s. 16 of IVASS Regulation no. 38/2018.

During 2019, the Cyber-Security area underwent specific inspections by the Group Audit Function, under the Audit Plan approved by the Board of Directors. In this regard, management continues to implement the initiatives intended to gradually strengthen monitoring and risk mitigation. In this context, the refinement of systems and procedures suitable to prevent and reduce the said risk remains an area of attention subject to regular monitoring by the Board of Statutory Auditors.

The Board of Statutory Auditors also continued to monitor implementation of the plan of initiatives to mitigate the risk of money-laundering and financing of terrorism, taking account of the annual self-assessment based on specific methodologies indicated by IVASS.

After the issue of IVASS Regulation no. 44/2019 on organisation, procedures, internal controls and verification of clients in relation to the risk of money-laundering and financing of terrorism, during 2019 the Company began implementing the relevant regulatory dispositions, also through the introduction of the new Group Guideline "AML/CTF Risk-Based Approach".

The new guidelines, whose drafting was monitored by the Board of Statutory Auditors during the regular meetings with the relevant functions, focus specifically on closer coordination and monitoring of Group companies, Group-wide sharing of client data, uniformity of client profiling, creation of new information flows and tighter monitoring of suspicious transactions.

During 2019, the anti-money laundering area underwent

specific inspections by the Group Audit Function, which substantially verified the adequacy of the control system. Looking forward, the new requirements under IVASS Regulation no. 44/2019 provide for the Group database to be implemented as from 1 January 2020. Here, the "Group Data Sharing" project has been launched and is expected to be completed in 2020; the objective is to achieve greater uniformity in the approach to risk management among Group companies.

Also with regard to anti-money laundering, during 2019 IVASS conducted an inspection of the Company and the Italian subsidiaries in the "Life" business; the inspection was completed on 20 December 2019 and the report on the findings is pending. Through meetings and discussions with the function concerned and attendance at RCC and Board of Directors meetings, the Board of Statutory Auditors was kept constantly informed about the requests made by IVASS and the replies of the Company offices.

As noted in the report on financial year 2018, the action plan to support the internal control system of the international branches continued in 2019, regarding which the Board of Statutory Auditors received continuous information from the four Fundamental Functions. The plan was completed except for matters concerning Brexit, which are still pending.

With regard to the requirements introduced by the latest legislation for the insurance sector – international sanctions, privacy and client protection – work continued in 2019 for the Group roll-out of the controls set up by the Company, which take account of the highest risk profile; during the year, action on these issues was taken by Group Audit and by Group Compliance, as envisaged in the respective Plans; the risk analysis has been updated for 2020 activity planning.

The above-mentioned areas addressed by reinforcement programs, also with a view to the continuous improvement of the efficiency and effectiveness of the Group system, are specifically monitored by the Board of Statutory Auditors.

In the light of all the above information and taking the dynamic nature of the ICRMS into account, no factors emerged from the analyses conducted or the information obtained that could lead this BSA to consider the Company's internal control and risk management system not fit for purpose as a whole.

## 5.2. Administrative accounting system and financial reporting process

As regards the administrative accounting system and the financial reporting process, the Board of Statutory Auditors monitored the activities conducted by the Company for continuous assessment of their adequacy and operation.

This objective was pursued by the Company by adopting a “financial reporting model” consisting of a set of principles, rules and procedures designed to guarantee an adequate administrative and accounting system. Consistently with the Company ICRMS, the financial reporting model involves the corporate bodies and the operating and control units in an integrated management approach, consistently with the different levels of responsibility. The main characteristics of the model are described in the Corporate Governance and Share Ownership Report.

The data and information exchanged with the external auditors for the performance of our respective tasks pursuant to s. 150.3 CFBA and s.74.3.e of IVASS Regulation no. 38/2018 showed no questions to be highlighted in this report.

At a meeting on 31 March 2020, the Board of Statutory Auditors examined the additional report drawn up by the EY external auditors, ex s. 11 of EU Regulation 537/2014 and noted that it identified no significant shortcomings in the internal control system with regard to financial reporting. The draft report had already been discussed and analysed during the regular information exchanges between the Board of Statutory Auditors and the external auditors.

In overseeing the adequacy of the administrative and accounting system, the BSA also established, pursuant to s. 15 of Consob Regulation no. 20249 of 28 December 2017 (“Markets Regulation”), that the corporate organisation and procedures enable the Company to ascertain that the companies controlled by it and incorporated and governed by the legislation of non-EU countries, which are required to comply with Consob regulations, have an administrative/accounting system fit for the purpose of supplying the Company’s management and external auditors regularly with the business and financial data required to draw up the consolidated financial statements. At 31 December 2019, the significant non-EU companies for the purposes of the Markets Regulation were: Generali Personenversicherungen AG, Generali (Schweiz) Holding AG and Generali China Life Insurance Co. Ltd.

## 5.3. Consolidated Non-Financial Statement

The Board of Statutory Auditors reminds the reader that pursuant to Lgs.Decree no. 254/2016 and subsequent amendments, and to the implementing regulation issued by CONSOB with resolution no. 20267 of 18 January 2018, the Company is required to draft and publish a Consolidated Non-Financial Disclosure (“CNFD”). As required by s. 4 of Lgs.Decree no. 254/2016, the CNFD provides non-financial information on the Company and its subsidiaries “to the extent required to ensure comprehension of the group’s business, performance and results, and the impact produced by it”.

As specified in s. 3.7 of Lgs.Decree no. 254/2016, the Board of Statutory Auditors, in the performance of its statutory functions, monitored compliance with the legislation governing the preparation and publication of the CNFD. Specifically, the Board of Statutory Auditors verified the adequacy of the organisation structure adopted by the Group in connection with its strategic socio-environmental objectives and the adequacy of the Group processes and structures that oversee the production, reporting, measurement and representation of non-financial results and information.

For this purpose, the BSA examined the documentation made available by the Company and held meetings with the management team responsible for the information in the CNFD – an interdisciplinary group including the Group CFO Function and the Group Risk Management Function – and the representatives of the external auditor, which is also responsible for issuing a specific report certifying conformity as required by s. 3.10 of Lgs.Decree no. 254/2016.

The Board of Directors approved the CNFD on 12 March 2020; the document was drafted in compliance with Lgs.Decree 254/2016 and taking account of the criteria envisaged by the International <IR> Framework, issued by the International Integrated Reporting Council (“IIRC”). In 2019 the materiality analysis method used by the Company evolved to focus on assessment of mega trends: the main social, environmental and governance changes expected to have a significant impact on the corporate world, society and the natural environment over a ten-year timeline, bringing risks and opportunities for the Group, its value chain and its stakeholders. The standard adopted for reporting on the material subjects identified by the Group is the Consolidated Set of GRI Sustainability Reporting Standards – published in 2016 by the GRI Global Reporting Initiative (GRI – Ref-

erenced claim) – with reference to selected GRI Standards and indicators of GRI G4 Financial Services Sector Disclosures. The analysis also considered the European Commission's orientation on disclosure of non-financial information, which was subsequently taken up by the ESMA.

When drawing up the CNFD, the Company did not exercise the option to omit information concerning imminent developments and transactions under negotiation allowed by s. 3.8 of Lgs.Decree 254/2016. The Board of Statutory Auditors also noted that the external auditor EY issued its report as per s. 3.10 Lgs.Decree no. 254/2016 on 31 March 2020. In the report, EY certified that on the basis of the work performed, no elements had come to its attention suggesting that the CNFD had not been drawn up, in all significant respects, in compliance with the terms of ss. 3 and 4 Lgs.Decree no. 254/2016 and the reporting standard used by the Group.

In turn, the Board of Statutory Auditors observes that, during its inspections, no evidence of CNFD non-conformity with the laws governing its preparation and publication came to its attention.

## 6. Other activities performed by the Board of Statutory Auditors

In addition to the matters described above, the Board of Statutory Auditors performed further specific periodic checks in accordance with the statutory and regulatory provisions applicable to the insurance industry.

Specifically, in part through its attendance at meetings of the RCC, the Board of Statutory Auditors:

- verified compliance with the investment policy guidelines approved by the Board of Directors, pursuant to s. 8 IVASS Regulation no. 24 of 6 June 2016;
- checked that transactions in derivative financial instruments complied with the guidelines and limitations issued by the Board of Directors, and checked that the Company had duly issued the periodic communications to IVASS;
- analysed the administrative procedures adopted for the handling, safekeeping and accounting of financial instruments, and checked the instructions issued to depositaries regarding periodic despatch of statements of account with suitable indications of any encumbrances;
- checked that the assets covering the technical reserves were free of encumbrances and fully available;
- ascertained correspondence with the register of assets destined to cover the technical reserves.

In the Notes to the Financial Statements, the Company has provided a report on share-based payment agreements, in particular the incentive plans based on equity instruments allocated by the parent company and other companies belonging to the Group.

## 7. Organisation and management model pursuant to Lgs.Decree no. 231/2001

The development activities begun in 2018 led to the approval of an update to the organisation and management model pursuant to Lgs.Decree 231/2001 on the administrative liability of entities and subsequent amendments and additions, through a resolution of the Board of Directors on 8 April 2019. The aim of the update is to ensure closer integration of the model with the internal regulatory system, greater simplification and usability through clear links between functions and relative applicable controls, and specific attention to indicating the regulatory controls adopted at local branch level. During 2019, the Surveillance Body completed its assessment of the impact of the crime risks envisaged by legislation that came into force after the resolution passed by the Board of Directors on 8 April 2019. The Company will update the organisation and management model during 2020 on the basis of the results of the assessment.

The Board of Statutory Auditors viewed and obtained information regarding the organisational and procedural activities conducted pursuant to Lgs.Decree 231/2001. The main questions relating to the organisational and procedural activities conducted by the Company pursuant to Lgs.Decree 231/2001 are set out in the Corporate Governance and Share Ownership Report.

No noteworthy facts and/or circumstances emerged from the report submitted by the Surveillance Body on its activities.

## 8. Ratification of the Corporate Governance Code, Composition of the Board of Directors, and remuneration (point 17 of Consob Notice no. 1025564/01)

The Company follows the Corporate Governance Code issued by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. The checklist for compliance



with the principles and criteria of the Corporate Governance Code is set out in the Information Compendium to the 2019 Corporate Governance and Share Ownership Report published on the Company website, to which reference should be made.

The Board of Statutory Auditors has evaluated the procedures for concrete implementation of the principles and application criteria of the Corporate Governance Code, and has no comments to make on them.

The Board of Statutory Auditors notes that the Board of Directors has evaluated the operation, size and composition of the Board of Directors and the Board Committees. The 2019 Board review, which involved all the directors and the Chair of the Board of Statutory Auditors, was conducted with the active involvement of an external consultant, and took the form of a questionnaire and a series of interviews. The assessment examined the operation and efficiency of the Board of Directors and the Board Committees, and their size and composition, as envisaged by the Corporate Governance Code. The information received was treated as confidential and reproduced in consolidated form in the final self-assessment report.

The process and the results of the 2019 Board review were presented to and discussed by the Board of Directors at its meetings on 5 November 2019 and 19 February 2020, attended by the Board of Statutory Auditors. The main strengths and areas for attention identified by the 2019 Board review are detailed in the 2019 Corporate Governance and Share Ownership Report.

In early 2020, in line with the recommendations of Rule Q.1.1 of the Rules of Conduct for the Board of Statutory Auditors of Listed Companies drawn up by the National Board of Accountants and Auditors (CNDCEC), the Board of Statutory Auditors itself conducted a self-assessment of its composition and operation, and discussed the findings at special meetings.

Also in early 2020, with the expiry of its mandate imminent, the Board of Statutory Auditors drafted a report as recommended by Rules Q.1.2 and Q.1.6 of the Rules of Conduct for the Board of Statutory Auditors of Listed Companies drawn up by the National Board of Accountants and Auditors (CNDCEC). The report was presented to the Board of Directors and the RCC and included in the documentation made available for shareholders at the next General Meeting. At the meeting, the shareholders will be asked to appoint a new Board of Statutory Auditors and establish its remuneration for the three years 2020/22. The purpose of the report is to provide the General Meeting, the shareholders interested in submitting lists for the appointment of the new Board of

Statutory Auditors and the candidates for the position of auditor with an overview of the activities that the Board of Statutory Auditors is called upon to perform, so that the necessary professional skills and the adequacy of the remuneration proposed for performance of the engagement may be properly assessed.

The Board of Statutory Auditors also verified the correct application of the criteria and process established by the Board of Directors to assess the independence of directors classed as “independent”; it also ascertained that its own independence requirements were met, and informed the Board of Directors of its findings as required by the Corporate Governance Code.

In light of the Company policies and operating guidelines, the Board of Directors conducted its own assessment as to whether the independence requirement was met, on the basis of all the information available to the Company and specific supplementary declarations designed to obtain from self-declared independent Directors precise information about the existence of any commercial, financial or professional relationships, self-employment or employment relations or relationships of a financial or professional nature, that are of significance under the Corporate Governance Code and the CFBA.

The BSA notes that the Board of Directors has adopted a specific top management succession policy and plan. The BSA has no comments to make about the consistency of the remuneration policy with the recommendations of the Corporate Governance Code and its compliance with IVASS Regulation no. 38/2018.

## 9. External audit (points 4, 7, 8 and 16 of Consob Notice no. 1025564/01)

### 9.1. Activities of the Board of Statutory Auditors in financial year 2019

The external auditors EY were engaged to audit the separate financial statements and the Group consolidated financial statements for the nine years 2012-2020; during the 2019 financial year EY checked that the Company's accounts were properly kept and transactions properly recognised in the accounting records.

On 31 March 2020 the external auditors issued the reports pursuant to ss. 14 and 16 of Lgs. Decree 39/2010 for, respectively, the separate financial statements and

the Group consolidated financial statements as at and for the year ended 31 December 2019. The reports indicate that the financial statements are drawn up clearly and truthfully and correctly represent the assets/liabilities, financial position, results of operations and cash flows for the year ended 31 December 2019, in compliance with the applicable standards and regulations.

The Manager in charge of preparation of the Company's financial reports and the Managing Director/Group CEO issued the declarations and certifications required by s. 154-*bis* of the CFBA as regards the Company's separate financial statements and the consolidated financial statements as at and for the year ended 31 December 2019.

Within the terms of its remit, the BSA monitored the general layout of the financial statements and the consolidated financial statements in accordance with the legislation and specific regulations governing drafting of insurance companies' financial statements.

The BSA declares that the Group consolidated financial statements were drawn up in compliance with the IAS/IFRS International Accounting and Financial Reporting Standards issued by the IASB and endorsed by the European Union, in compliance with EU Regulation no. 1606 of 19 July 2002 and the CFBA, and with Lgs. Decree 209/2005 as amended. The consolidated financial statements were also drawn up as required by IS-VAP Regulation no. 7 of 13 July 2007 as amended, and contain the information required by Consob Notice no. 6064293 of 28 July 2006. The Notes to the Financial Statements illustrate the evaluation criteria used, and provide the information required by the applicable legislation.

The Directors' Report annexed to the separate financial statements of the parent company illustrates the business trend, indicating current and prospective developments, and the Group's development and reorganisation process. It also provides appropriate information with regard to Covid19.

Through its attendance at the meetings of the RCC at which the Manager in charge of preparation of the Company's financial reports and the managers of the external auditors were also present, the Board of Statutory Auditors reported to the Board of Directors on 12 March 2020 that it had no observations regarding the correct application of the accounting principles and the consistency of their use in the drafting of the consolidated financial statements.

On 31 March 2020, EY provided the Board of Statutory Auditors, in its capacity as Internal Control and Audit

Committee, with its own additional report pursuant to s. 11 of EU Regulation Reg. 537/2014. In compliance with s. 19.1.a, Lgs. Decree 39/2010, the Board of Statutory Auditors promptly forwarded the report to the Board of Directors, without observations.

During the year, the Board of Statutory Auditors held meetings with the managers of the external auditors EY, also pursuant to s. 150.3 of the CFBA and s. 74.3.e of IVASS Regulation no. 38/2018. As part of its oversight activities as per s. 19 of Lgs. Decree 39/2010, the Board of Statutory Auditors acquired information from EY concerning the planning and execution of the audit. During the meetings, significant information and data were exchanged to assist the Board of Statutory Auditors and the external auditors in their respective activities, and no facts or situations worthy of remark emerged.

Pursuant to s.19.1.e. Lgs. Decree 39/2010, the Board of Statutory Auditors, again in its capacity as Internal Control and Audit Committee, checked and monitored the independence of the external auditors. The checks found no situations that prejudiced the independence of the external auditors or constituted grounds for incompatibility under the applicable legislation. This is confirmed by the statement issued by EY pursuant to s.6.2.a EU Regulation Reg. 537/2014.

## *9.2. Activities of the Board of Statutory Auditors with regard to non-audit services*

With regard to non-audit services, at the recommendation and with the support of the Board of Statutory Auditors, at the beginning of 2017 the Company adopted a specific procedure to govern the assignment of non-audit services to the external auditors and entities of the network of the external auditors ("Guidelines for the assignment of non-audit services to auditors"). As noted in the report issued last year, during 2018 the Board of Statutory Auditors supervised the update of the above Guidelines to ensure alignment with the interpretative changes of current law.

In 2019 additional processes were implemented to raise the awareness of the Group companies regarding correct application of the new Guidelines in accordance with the recommendations of the Board of Statutory Auditors. Furthermore, a procedure was introduced for the specific purpose of managing the eventuality that in 2020, the last year of the engagement of the external auditors EY (outgoing auditor), the Company invite KPMG S.p.A. to perform non-audit services. Since KPMG S.p.A. will take the statutory audit of the Group accounts over from EY

as from financial year 2021 (incoming auditor), in 2020 it will be in a so-called “cooling-in period”, as per s. 5.1.b Reg. Law no. 537/2014.

In addition to the above, during 2019, as envisaged by s.19.1.e of Lgs.Decree 39/2010 and s. 5.4 of EU Reg. 537/2014, in its capacity as internal control and audit committee, the Board of Statutory Auditors conducted a preventive examination of the proposals for the assignment of non-audit services to the external auditor or to entities in its network.

During its assessment, and with the support of Group Audit, the Board of Statutory Auditors ascertained the compatibility of said services with the prohibitions of s. 5 EU Reg. 537/2014, and the absence of potential risks to the independence of the external auditor arising from performance of the services, in light of the provisions of Lgs.Decree 39/2010 (ss. 10 et seq.), of the Issuers’ Regulation (s. 149-*bis* et seq.) and of Audit Principle no. 100.

As the statutory pre-requisites were fulfilled, the BSA approved the commissioning of the service from EY or other entities belonging to its network.

The fees for non-audit services provided by the external auditor or other entities belonging to its network to the Company and its subsidiaries in the 2019 financial year are disclosed in detail in the Notes to the Financial Statements. During the year, in its capacity as internal control and audit committee, the Board of Statutory Auditors supervised the trend of said fees in light of s.4 EU Reg. 537/2014.

### ***9.3. Activities of the Board of Statutory Auditors for the assignment of the statutory audit engagement for the nine years 2021-2029***

As noted above, the statutory audit engagement currently performed by EY S.p.A. will expire with the approval of the Company financial statements as at and for the year ended 31 December 2020.

As observed in the Report on financial year 2018, the selection of the new external auditor has already taken place and was concluded with the shareholder resolution of 7 May 2019 approving the assignment of the audit engagement for the nine years 2021-2029 to KPMG S.p.A. The resolution was carried on the basis of the recommendation drawn up by the Board of Statutory Auditors pursuant to s. 16.2 of EU Regulation no. 537/2014 and approved at a BSA meeting on 4 March 2019.

## **10. Opinions issued by the Board of Statutory Auditors during the financial year (*point 9 of Consob Notice no. 1025564/01*)**

During the year, the Board of Statutory Auditors also issued the opinions, comments and attestations required by the applicable legislation.

At the meeting of the Board of Directors held on 28 January 2019, the Board of Statutory Auditors expressed a favourable opinion on the remuneration of the Group Audit Function (attainment of 2018 targets and setting of 2019 targets) and the Audit Plan for 2019.

At the meeting of the Board of Directors of 13 March 2019, the Board of Statutory Auditors expressed a favourable opinion pursuant to s. 2389 Italian Civil Code on the proposal to assign new shares to the Managing Director/Group CEO in connection with the resolution to raise the share capital to service the 2016 LTI plan.

At the meeting of the Board of Directors of 5 June 2019, the Board of Statutory Auditors expressed a favourable opinion on (i) the resolution to raise the share capital to service the 2016-2019 special share plan for the Managing Director/Group CEO; (ii) the remuneration proposal for the Chair of the Board of Directors.

At the meeting of 20 June 2019, the Board of Statutory Auditors expressed a positive opinion on the determination of the remuneration of the Managing Director/Group CEO, also with regard to the 2019 LTI plan.

During the 2019 financial year the BSA also regularly commented on the half-year reports on complaints prepared by the Group Audit Function in compliance with ISVAP Regulation no. 24 of 19 May 2008 as amended. The reports did not highlight any particular problems or organisational deficiencies. The BSA also checked that the Company sent the reports and associated BSA comments promptly to IVASS.

## **11. Complaints pursuant to s. 2408 of the Italian Civil Code. Omissions, censurable facts or irregularities found (*points 5, 6 and 18 of Consob Notice no. 1025564/01*)**

The Board of Statutory Auditors has received no notification of complaints under s. 2408 Italian Civil Code during 2019 and the early months of 2020.

No censurable facts, omissions or irregularities to be reported to the Regulators emerged from the supervisory activities performed.

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With reference to all the considerations set out in this Report, the Board of Statutory Auditors finds no reason to object to the approval of the Separate Financial Statements of Assicurazioni Generali S.p.A. as at and for year ended 31 December 2019, as submitted to you by the Board of Directors.

With regard to the proposal formulated by the Board of Directors on 12 March 2020 to distribute a dividend arising entirely from the profit for the year, the Board of Statutory Auditors wishes to draw attention to the following.

On 17 March 2020, the EIOPA issued a statement on action to mitigate the impact of COVID-19 on the European insurance sector, which the Board of Statutory Auditors received and promptly examined. The EIOPA indications, in particular the invitation to insurance companies to adopt prudence in their dividend distribution policies and variable components of remuneration for company representatives, were analysed by the Board of Directors on 23 March 2020: after a wide-ranging discussion that included the relevant corporate functions, the directors decided to confirm the proposals drawn up on 12 March 2020 on the agenda of the next Shareholders' Meeting. The Board of Statutory Auditors followed the considerations of the Board of Directors, supported by sustainability checks based on the information available, and specifically the decision to proceed with the dividend proposal, and has no observations to make on the question.

Subsequently, in a letter dated 30 March 2020, IVASS also requested that, when examining the 2019 financial statements and in light of the situation created by COVID-19, insurance companies and Italian ultimate controlling institutional units “*adopt individually and at group*

*level extreme caution in the distribution of dividends and other assets and in the payment of the variable remuneration component to corporate managers.*”

The Board of Statutory Auditors was immediately informed about and took due note of the IVASS letter and, as required by the Regulator, through this report calls the attention of the shareholders to the question in view of the forthcoming General Meeting.

Lastly, on 2 April 2020, EIOPA issued a new statement asking insurance companies to temporarily suspend discretionary distribution of dividends in view of the current climate of uncertainty, specifying that this suspension may be reviewed once the financial and economic impact of COVID-19 becomes clearer. EIOPA also invited insurance companies to adopt a similar prudent approach to variable remuneration of company representatives: in this regard, EIOPA expressed an expectation that companies would review their current remuneration policies to ensure their consistency with prudent planning of capital and the current economic scenario. In this context, according to the European Regulator, the variable portion of remuneration should be identified conservatively, and the possibility of its deferral should be taken into consideration.

On the basis of the information provided to the Board of Statutory Auditors, the Company's Board of Directors will meet shortly to discuss the recommendations of the European and national regulators. The Board of Statutory Auditors reminds the Board of Directors of the importance of making a decision on the basis of a reasonable and prudent approach appropriate for the current situation of uncertainty.

Trieste, 03 April 2020

#### **The Board of Statutory Auditors**

Carolyn Dittmeier, Chair  
Lorenzo Pozza  
Antonia Di Bella

# Independent Auditor's Report





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## Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, to article 10 of EU Regulation n. 537/2014 and to article 102 of Legislative Decree n. 209, dated 7 September 2005

(Translation from the original Italian text)

To the shareholders of  
Assicurazioni Generali S.p.A.

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Assicurazioni Generali S.p.A. (the Company), which comprise the balance sheet as at December 31, 2019, the income statement for the year then ended, and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2019, and of its financial performance for the year then ended, in accordance with Italian regulations governing financial statements.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We identified the following key audit matters:

Key Audit Matters	Audit Responses
<p><b>Valuation of interests in affiliated companies</b> Interests in affiliated companies are recorded in the financial statements at 31 December 2019, for an amount of Eur 29,563,767 thousand, representing around 65% of total assets. At least annually, Management evaluates the presence of any indicators of impairment losses for each interest in affiliated companies, and in case of occurrence, an impairment test is carried out. An eventual impairment loss is determined by comparing the carrying amount of the interest in affiliated companies with its recoverable amount, estimated based on future benefits which are expected to flow to the Company.</p> <p>The processes and valuation methods for determining the recoverable amount of each investment require the use of methodologies, sometimes complex, which imply, by their nature, to use of judgment by management when choosing the assumptions to be applied. For these reasons, we considered this aspect a key matter for our audit.</p> <p>The financial statement information relating to interests in affiliated companies is reported in the explanatory notes in "Part A - Evaluation criteria - Explanation of the evaluation criteria" and in "Part B - Information on the balance sheet and income statement" in Section 2.2.1.</p>	<p>The audit response included several procedures, the most relevant of which are outlined below:</p> <ul style="list-style-type: none"> <li>• An understanding of management process regarding interests in affiliated companies designed by the Company and of the related key controls, as well as the testing of these controls, in particular with reference to the process used to identify indicators of impairment losses and the evaluation of these investments;</li> <li>• The performance of test of details on movements related to these investments which occurred during the financial year;</li> <li>• The evaluation of the appropriateness of the methodologies and the reasonableness of the assumptions used to determine the recoverable amounts and the verification of the related results.</li> </ul> <p>We also involved valuation specialists to assist us in performing our audit procedures. Finally, we assessed the adequacy of the disclosures provided in the explanatory notes.</p>
<p><b>Non-life technical provisions estimation</b> The technical provisions of the non-life segment are recorded at 31 December 2019 for an amount equal to Eur 2,550,106 thousand, of which around 71% represented by indirect business.</p> <p>The valuation of the non-life technical provisions is a well-structured estimation process that requires the use of complex statistical and actuarial methodologies and calculation models, characterised by a high level of subjectivity when choosing the assumptions, such as the frequency and average cost of the claims, used as input to develop the estimate. This is further highlighted in long-tail businesses such as the</p>	<p>The audit response included several procedures, the most relevant of which are outlined below.</p> <ul style="list-style-type: none"> <li>• An understanding of estimation process of technical provisions designed by the Company and of the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the insurance portfolio used to calculate the non-life technical provisions;</li> <li>• The evaluation of the appropriateness of the methodologies and the</li> </ul>





general liability segment, which is one of the main line of business of the Company. For these reasons, we considered this aspect a key matter for our audit. The financial statement information relating to non-life technical provisions is disclosed in the explanatory notes in "Part A - Evaluation criteria" and in "Part B - Information on the balance sheet and income statement" in Section 10.

reasonableness of the assumptions used to estimates the non-life technical provisions, including the additional technical provisions;

- comparative analyses through the calculation of appropriate indicators observed historically and their correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results determined in previous financial years;
- test of details on basic data, including the information communicated by the ceding companies;
- the check that the estimated amount of the technical provisions is included in a range of acceptable values, also through independently reperforming of the actuarial calculation, when applicable.

We also involved actuarial specialists to assist us in performing our audit procedures. Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

#### Life technical provisions estimation

The technical provisions of the life segment are recorded at 31 December 2019 for an amount equal to Eur 6,091,608 thousand, of which around 78% represented by indirect business. The valuation of the life technical provisions is a well-structured estimation process that requires the use of complex statistical and actuarial methodologies and calculation models, characterised by a high level of subjectivity when choosing the assumptions used to develop the estimate. Furthermore, determining the technical provisions of the life segment requires the use of consistent databases whose completeness and accuracy are essential to determine the result.

For these reasons, we considered this aspect a key matter for our audit.

The financial statement information relating to life insurance provisions is disclosed in the explanatory notes in "Part A - Evaluation criteria" and in "Part B - Information on the balance sheet and income statement" in Section 10.

The audit response included several procedures, the most relevant of which are outlined below:

- an understanding of estimation process of life technical provisions designed by the Company and of the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the insurance portfolio used to calculate the life technical provisions, taking into consideration also the control activities performed by the actuarial function of the Company and the related results;
- The evaluation of the appropriateness of the methodologies and the reasonableness of the assumptions used to estimate the life technical provisions, including the additional technical provisions;
- comparative analyses through the calculation of appropriate indicators observed historically and their



correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results determined in previous financial years;

- test of details on basic data, including the information communicated by the ceding companies;
- recalculation of the mathematical provision for pure premiums, for a representative sample of policies;
- the development, of an independent range of acceptable values, also through sensitivity analyses, representative of the level of uncertainty in setting the assumptions underlying the estimation of life technical provisions, and verifying that these were included in that range.

We also involved an actuarial specialist to assist us in performing our audit procedures. Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

## Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and presentation of the financial statements, that give a true and fair view in accordance with Italian regulations governing financial statements, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

### **Additional information pursuant to article 10 of EU Regulation n. 537/14**

The shareholders of Assicurazioni Generali S.p.A., in the general meeting held on April 30, 2011, engaged us to perform the audits of the financial statements of each year ending December 31, 2012 to December 31, 2020.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared in accordance with article 11 of the EU Regulation n. 537/2014.



## Report on compliance with other legal and regulatory requirements

### Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Assicurazioni Generali S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Assicurazioni Generali S.p.A. as at December 31, 2019, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2019 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2019 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

### Opinion pursuant to the article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005 of the non-life segment

In performing the engagement assigned by Assicurazioni Generali S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the non-life technical provisions recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2019. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts.

Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2019, are sufficient in conformity with the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.

### Opinion pursuant to the article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005 of the life segment

In performing the engagement assigned by Assicurazioni Generali S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the life technical provisions recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2019. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts.

Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December, 31 2019, are sufficient in conformity with



the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.

### Other aspects

The determination of the technical provisions is a complex estimation process that involves many subjective variables for which any change thereof may have an effect on the results. For this reason, we developed a range of reasonably possible outcomes, distinctively for non-life and life segments, in order to take into consideration the uncertainty of these subjective variables. In assessing the sufficiency of the above-mentioned technical provisions, we tested that those provisions fall within such ranges.

Trieste, 31 March 2020

EY S.p.A.

Signed by: Mauro Agnolon, auditor

This report has been translated into the English language solely for the convenience of international readers.

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Pictures

**Studio Mistaker**

Print

**Lucaprint S.p.A.**

Concept & Design

**Inarea Strategic Design**





