



# GENERALI GROUP 2013 Results

The power of Discipline, Simplicity and Focus

*Please note that prior year's figures have been restated throughout the whole presentation to reflect the new perimeter of the Group.*

*Net income, Shareholders' Equity, Solvency I, Life Value KPIs, Embedded Value, Economic Solvency are not adjusted for disposed entities.*

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

# Agenda

- **Business Overview** **Page 3**  
Mario Greco – Group CEO
- **2013 Group Financials** **Page 12**  
Alberto Minali – Group CFO
- **Backup** **Page 41**

## Agenda

# I. Business Overview

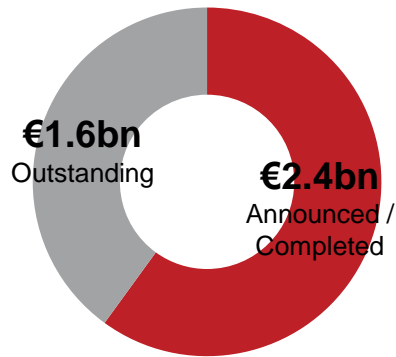
**Mario Greco – Group CEO**

# The power of Discipline, Simplicity and Focus

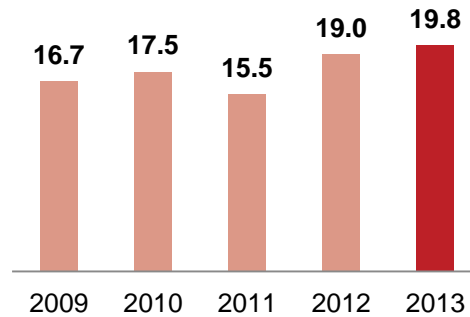
Satisfactory results allow normalisation of dividend policy



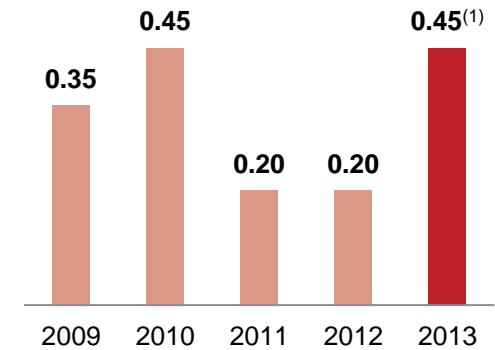
Disposals achieved vs. target



Shareholders' equity

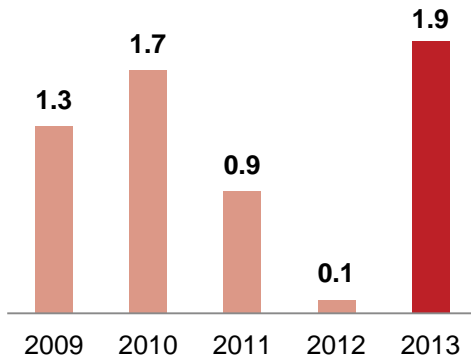


Dividend per share

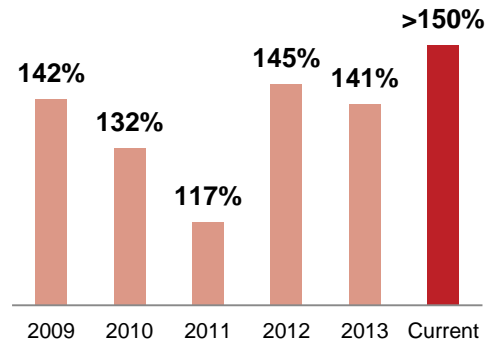


(1) Proposed

Net Profit (€bn)



Solvency I Ratio



# The power of Discipline, Simplicity and Focus

Minority buy-outs: Creating a simpler, more effective organisation

	% of operating profit <sup>(1)</sup>	Ownership status end 2012	Expected Ownership status end 2014
Italy	38%	100%	100%
Germany	14%	93%	100%
France	13%	100%	100%
CEE	10%	51%	100%

- In addition to disposing of assets, we have committed €~2.9 bn to buy out the minorities in some of our major operations
- Full ownership is critical for us to reap the benefits of a simpler and more effective organisation

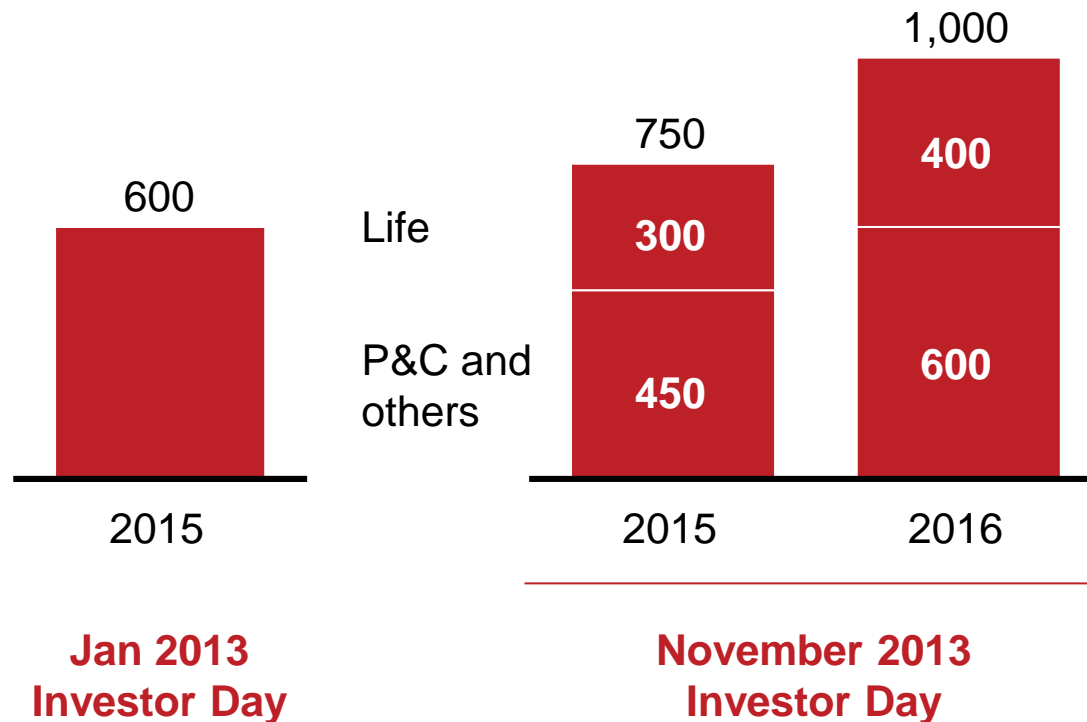
(1) % of FY13 insurance operating profit (Life + P&C)

# The power of Discipline, Simplicity and Focus

We significantly increased our cost saving ambitions

## Target gross savings<sup>(1)</sup>

€ m



- In November, we increased our planned cost saving ambitions, to total € 1 bn by 2016
- Technical Excellence and other initiatives are expected to generate a further € 1 bn gross operating impact by 2016

(1) Before the effect of inflation and growth investments

# Underlying business performance remains solid

We are on track to meet 2015 targets despite market headwinds

- **Profitability improved:** Operating RoE up 80bp
- **Cash flow (Free surplus measure):** Strongly improved, already exceeded 2015 target
- **Solvency:** ~150% at end February (>150% adjusting for ineligible subordinated debt)
- **Leverage:** Expected to fall this year as we repay debt, as committed in November, also further boosting interest cover

	FY12	FY13	Δ
Operating RoE (%)	11.3%	12.1%	+80bp
Expected net free surplus (€ bn)	1.5	2.1	+38%
Debt leverage (%)	40.4%	39.6%	-80bp
Interest cover (x)	3.6x	4.2x	+0.5x
Solvency I (%)	145%	141%	-4%pts.

2015 TARGETS
>13%
> € 2 bn
< 35%
~ 7x
> 160%

~ 150% at end  
Feb<sup>(1)</sup>

(1) Before replacement of ineligible subordinated debt at year end

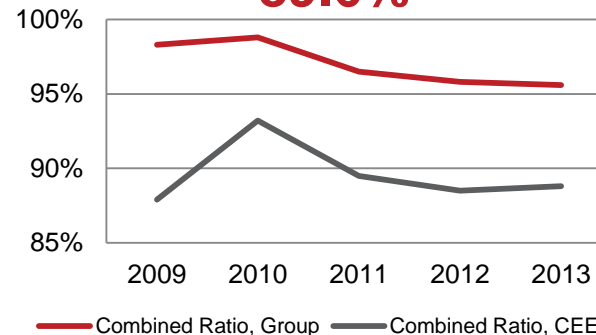
# Key business highlights 2013

## CEE

- Acquisition of outstanding minorities announced January 2013
- A major force in the region (#4 insurance group, with ~6% market share)
- Full management control from April 2013
- New management acted quickly to protect or improve profitability
- Consistently excellent combined ratio, also in 2013 despite significantly higher Nat Cat

5 year average CEE combined ratio

**89.6%**

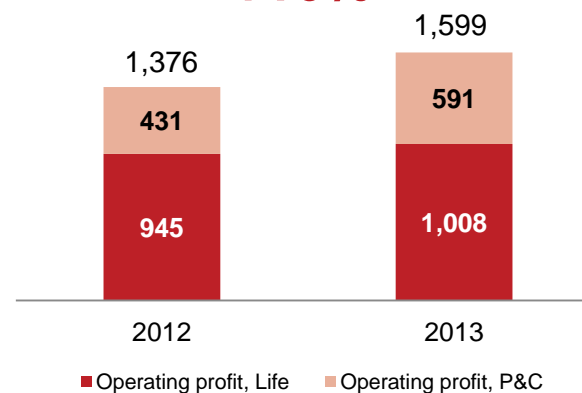


## Italy

- Leading market positions (#1 in Life and Non-Motor P&C; #2 in Motor P&C)
- Creation of Generali Italia achieved, through merger of Generali, INA, and Toro
  - Rolling out of Generali IT platform to former INA and Toro networks
  - Product simplification underway (70% reduction in number of products)
  - Integration complete by mid 2016
- Significant improvement in Insurance profitability already in 2013 (+16%)
- Another good year for Banca Generali, operating profit +16%

Operating profit

**+16%**



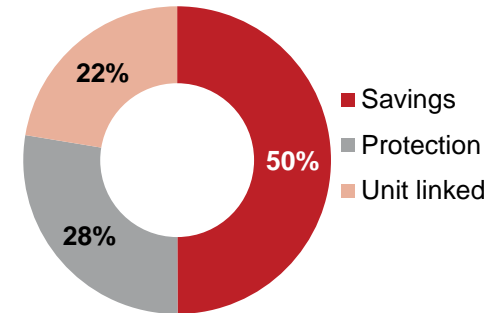
# Key business highlights 2013

## Germany

- Acquisition of outstanding minorities announced July 2013
- #2 player in the German market
- Leadership position in protection and unit linked
- Taking market share in a hardening motor market (premiums +4.8% YoY, +10% in Motor), with combined ratio better than market average

Life insurance: Share of unit linked & protection premiums

**50%**

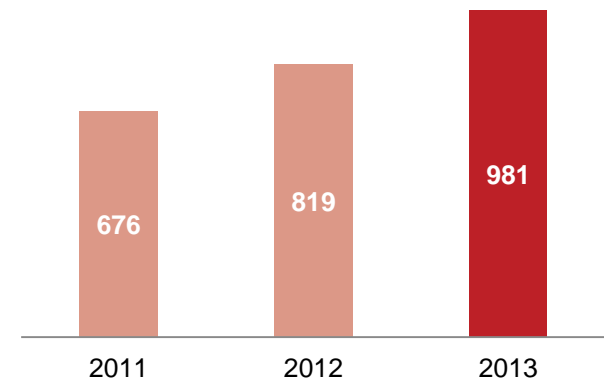


## Asia

- Acquisition of outstanding minorities of Generali Asia (controlling Philippines, Thailand, and Indonesia) announced November 2013
- Limited overall size in the region, but
  - Gross premium growth ~20%, approaching €1bn
  - Biggest non-Chinese company in **China**, contributing € 656 m of premiums and €25m of operating profit in FY13
  - **Indonesia** second largest market, approaching € 100 m of premiums following a doubling of volumes<sup>(1)</sup> in FY13

CAGR in Asia Gross Premiums

**+20%**

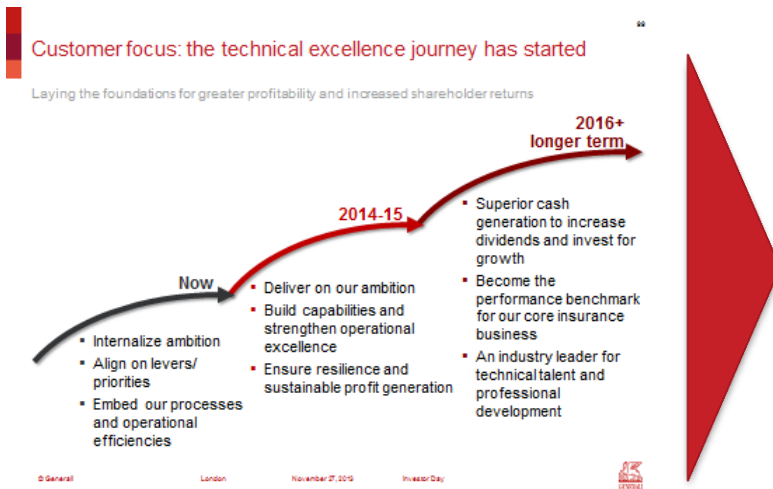


(1) At constant exchange rates

# 2014: Transformation and delivery

Our revolution of simplicity, discipline and focus will continue at pace

## The path as we laid out in November



## Priorities and expectations for 2014

- Completion of minority acquisitions in Central and Eastern Europe and Germany
- Further reduce leverage with retiring of at least € 700 m of debt, and continue working towards our Solvency target
- Delivery of € 300 m in cost savings, as part of our € 1 bn promise by 2016
- Further capitalise on our strong position in Direct, where we are already a market leader with > € 4 bn of premiums
- Exploit technical excellence in P&C to maximise competitive advantage and rebalance business and in Life to optimise risk and return
- Further reduction in liquidity, diversification of investment portfolio, and exit of pacts
- Major progress of restructuring in Italy

## **Our vision for Generali in 2015**

- **Focused on core insurance business, with greater contribution from P&C**
- **Stronger capital position and disciplined balance sheet management**
- **Superior customer acquisition and retention; focus on retail and affluent space**
- **Consistent technical excellence and tight control of costs**

**The mission is to deliver top quartile shareholder returns and profitability**

## Agenda

# II. 2013 Group Financials

## Alberto Minali – Group CFO

- Profit & Loss and Balance Sheet
- Business review

Page 13

Page 26

## Agenda

# II. 2013 Group Financials

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Page 13

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Page 26

## Key 2013 financials at a glance

- **Operating Result:** Overall improvement, despite weak market conditions and a transitional year for the Group
  - **Life:** operating profits up despite low rate environment. Strong recovery in net inflows continues
  - **P&C:** operating profits up despite higher Nat Cats, reflecting improvement in underlying margins
- **Net Result:** Substantial improvement, following impairments last year. Some one-off items in Q4
- **Solvency I:** 141% at year end. Up to ~150% currently (>150% after adjusting for replacement of ineligible sub debt). We remain on track to deliver 160% by 2015

	FY12	FY13	LFL Δ	4Q12	4Q13	LFL Δ
Operating result (€ m)	3,994	4,207	+5.3%	864	859	-0.6%
Of which: Life	2,535	2,645	+4.3%			
Of which: P&C	1,561	1,616	+3.5%			
Net result (€ m)	94	1,915	n.m.	(1,039)	324	n.m.
EPS (€)	0.06	1.24	+1.18	n.m.	0.21	n.m.
Shareholders' equity	19,013	19,778	+4.0%			
Solvency I	145%	141%	-4%pts.			

Estimated to be  
~150% today

## Exceptional impacts in Q4

- A number of one-off effects occurred in Q4
- Limited net impact overall
- Solvency impact of bond eligibility (-3%pts.) should be temporary, as we intend to issue a replacement bond at the appropriate time

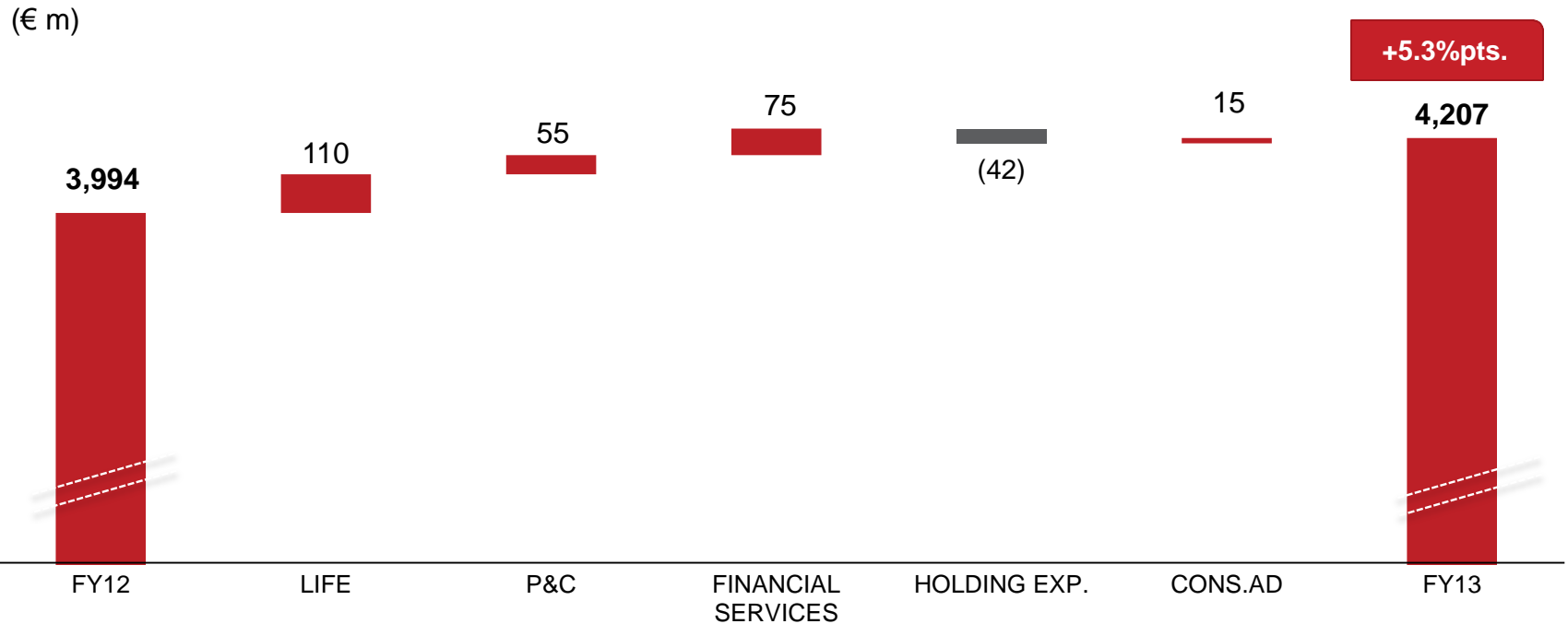
	Net Result (€m)	Solvency I (%)
Disposal of subsidiaries <sup>(1)</sup>	489	+5%pts.
Revaluation Banca d'Italia	255	+1%pts.
BSI (mainly intangibles)	(217)	–
Revaluation of Telco to market <sup>(2)</sup>	(189)	-1%pts.
France reserve adjustments	(127)	-1%pts.
Exceptional tax in Italy	(90)	-1%pts.
Re-assessment of bond eligibility	–	-3%pts.
Other items <sup>(3)</sup>	(138)	-1%pts.
<b>Total</b>	<b>(17)</b>	<b>-1%pts.</b>

(1) Disposal of US Re and Mexico. Solvency I impact including associated release of required capital.

(2) Based on price per Telecom Italia share of € 0.72 at year end.

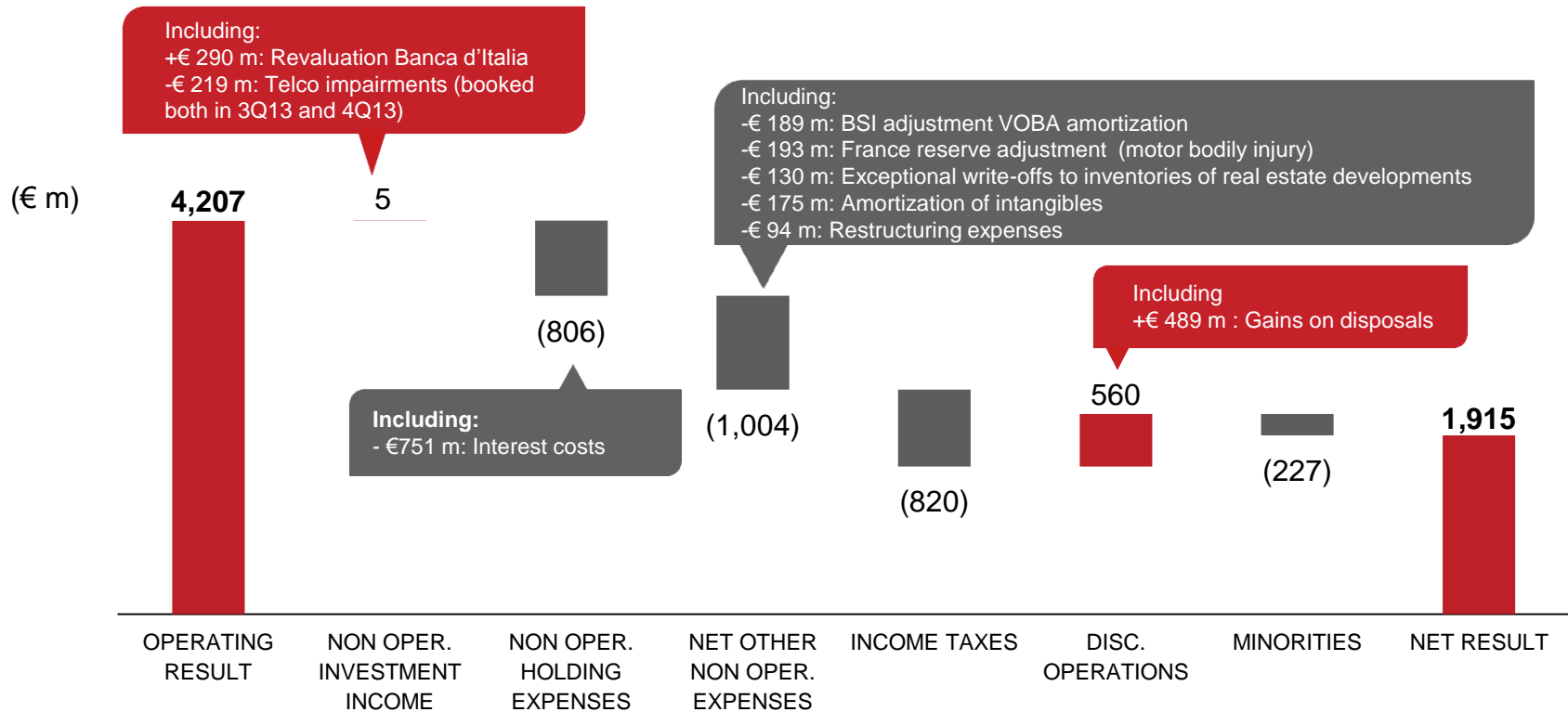
(3) Includes impact on net result of: € -33 m timing difference related to the booking of premium reserves, € -46 m of provisions in Italy, € -63 m relating to hedging losses, plus other net exceptional gains and impairments on investments and related assets

# Operating result by segment



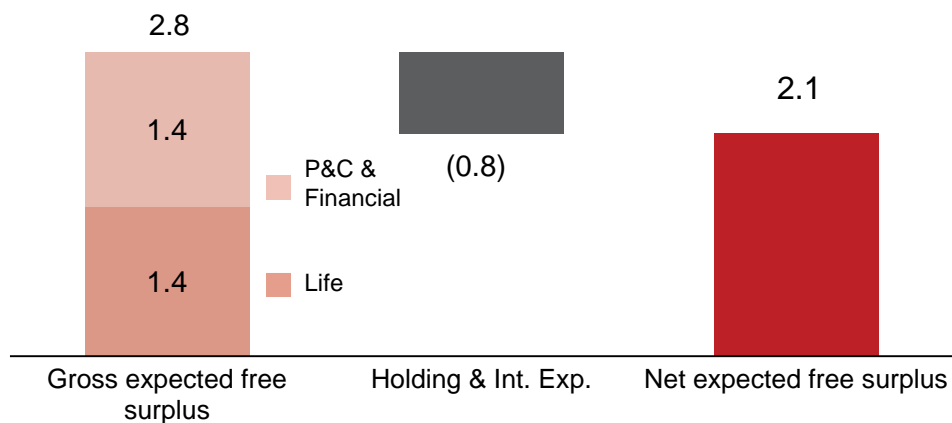
FY13	2,645	1,616	483	(354)	(182)
FY12	2,535	1,561	408	(313)	(197)
Δ	+4.3%	+3.5%	+18.4%	+13.3%	-7.4%

# From operating result to net profit



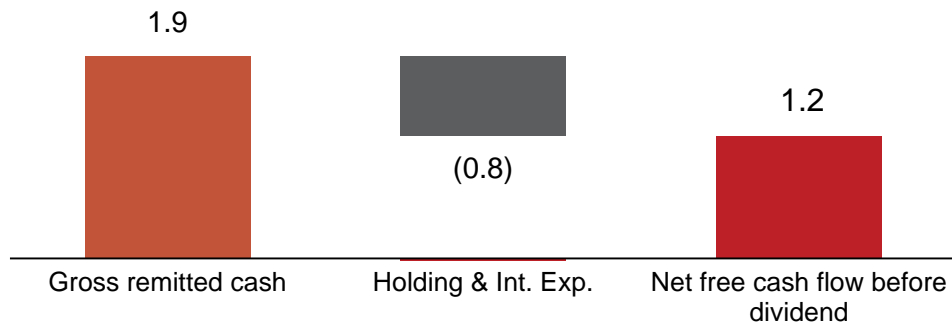
	OPERATING RESULT	NON OPER. INVESTMENT INCOME	NON OPER. HOLDING EXPENSES	NET OTHER NON OPER. EXPENSES	INCOME TAXES	DISC. OPERATIONS	MINORITIES	NET RESULT
<b>FY13</b>	4,207	5	(806)	(1,004)	(820)	560	(227)	1,915
<b>FY12</b>	3,994	(1,356)	(673)	(413)	(1,239)	58	(278)	94
<b>Δ</b>	+5.3%	n.m.	+19.9%	n.m.	-33.8%	n.m.	-18.2%	n.m.

# 2013 Group Free Cash Flow



## Net Expected Free Surplus

- € 2.1 bn net free surplus (2012: € 1.5 bn)
- Life gross free surplus: € 1.4 bn
- P&C + Financial gross free surplus: € 1.4 bn
- Holding and Interest costs: € 0.8 bn



## Net remitted cash flow

- € 1.9 bn of cash remitted to parent company (remittance ratio ~70% of gross free surplus)
- € 1.2 bn net free cash flow before dividend

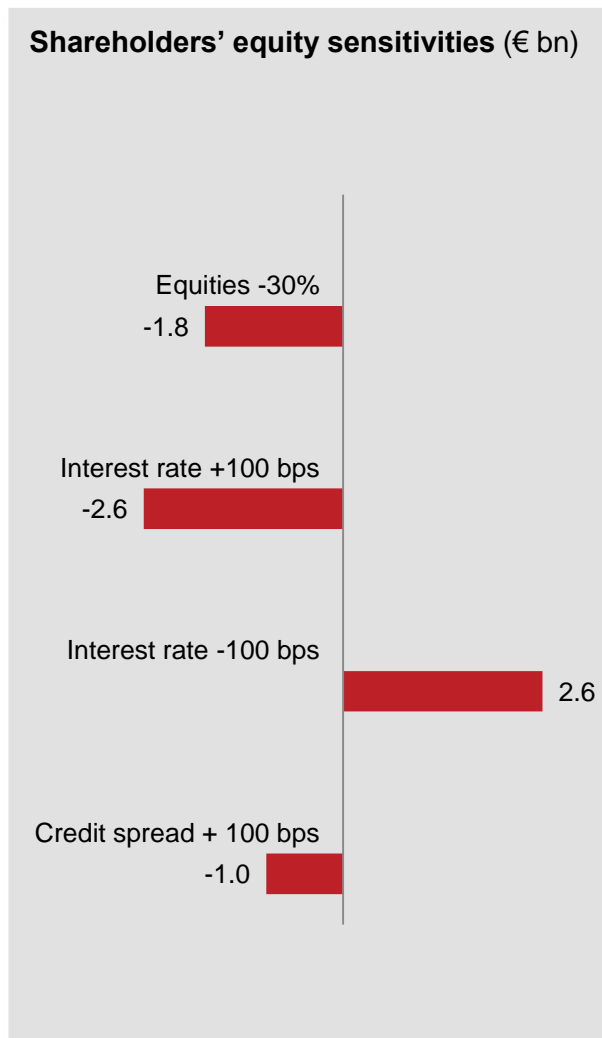
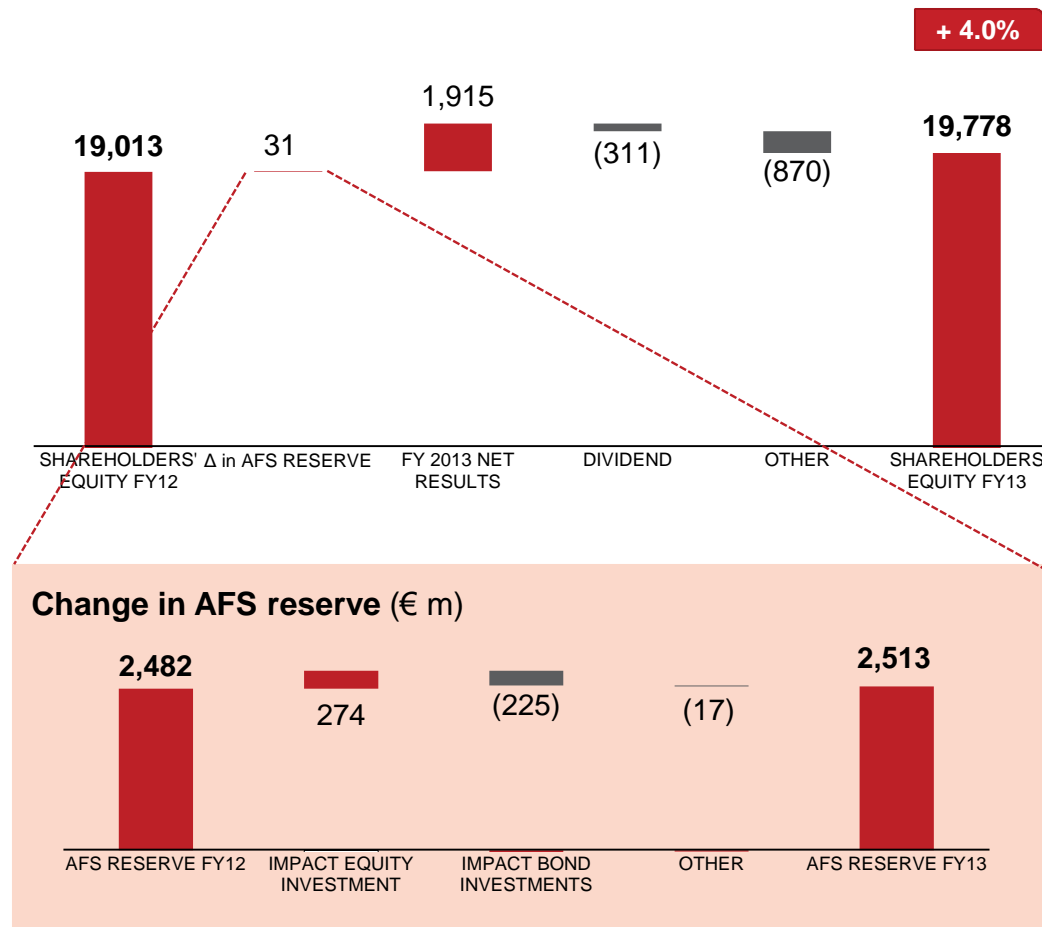
(1) Life FCF based on EV calculations

(2) P&C and Financial Segment Operating Result net of Taxes and Minorities

(3) Holding and Interest Expenses net of Taxes and Minorities

# Shareholders' equity

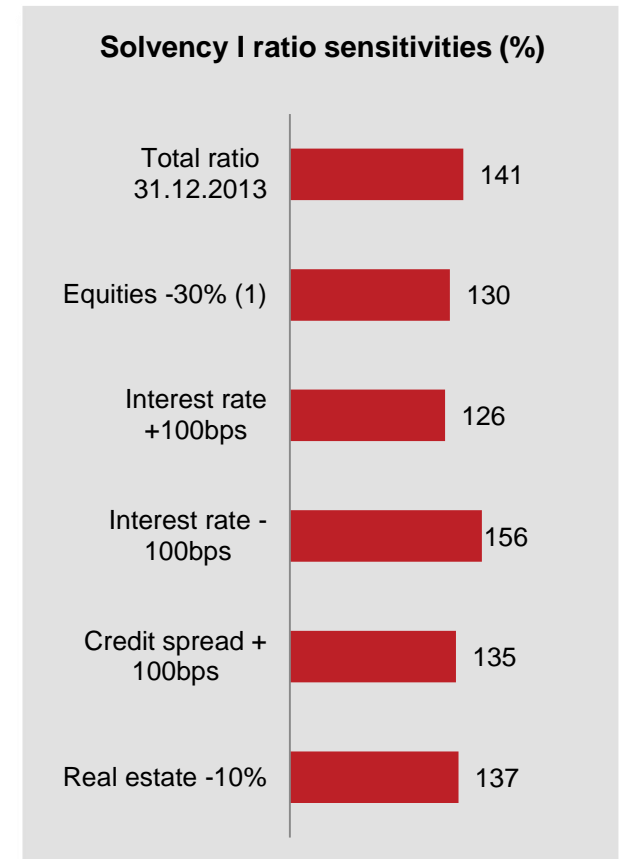
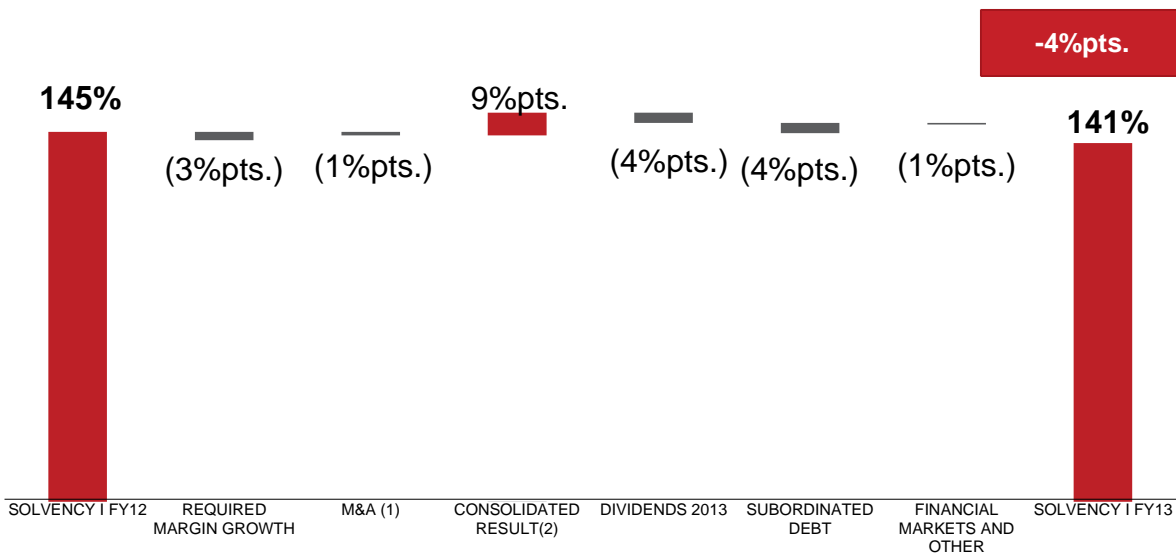
Shareholders' equity rollforward (€ m)



# Solvency I

## Solvency I rollforward (%)

- 9%pts generated from earnings (excl. disposal gains)
- M&A broadly neutral (disposals offset minority acquisitions)
- Sub debt includes -3%pts. from ineligible sub debt at year end.
- We estimate current ratio, after year end movements, of ~150% (>150% when sub debt replaced)



(1) Including disposals of US Re, Mexico, acquisitions of GPH (25%) and GDH (3%), Banca Generali (12%) and own shares placement

(2) Excluding the net realised gain from Mexico and USA disposal (€ 0.5 bn)

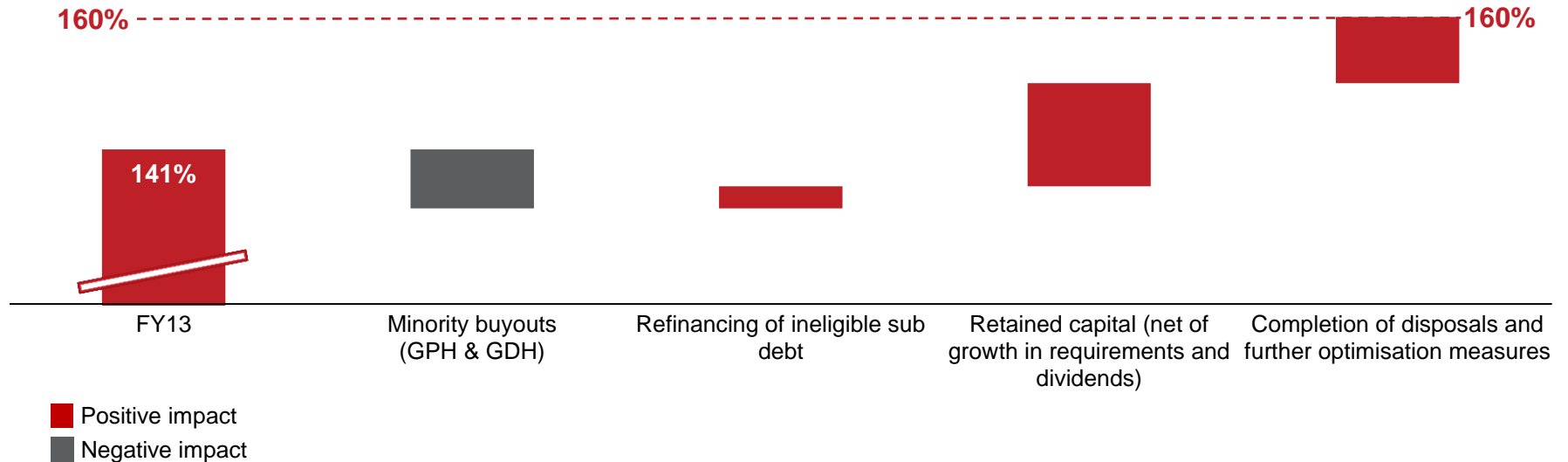
# Solvency I

We remain on track to deliver our 2015 ambition of 160%

## Key drivers:

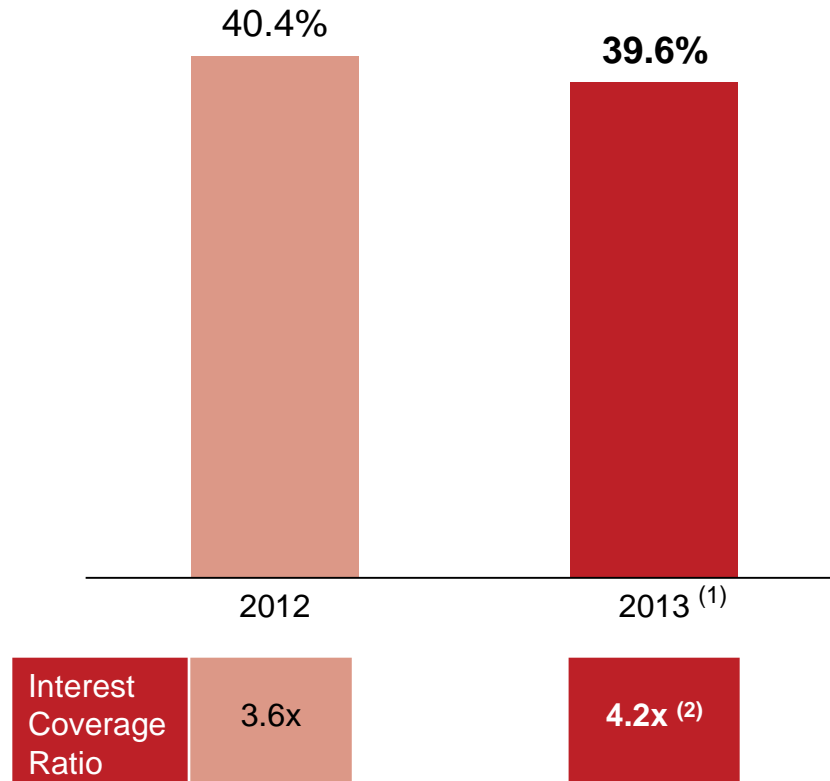
- Organic retained earnings generation is the main contributor
- Completion of disposal programme & other capital optimisation measures offset cost of minority buy-outs
- Analysis does not take into account recent positive mark to market movements

## Solvency 1 ratio: updated walk to 2015



# Leverage

## Debt leverage (%)



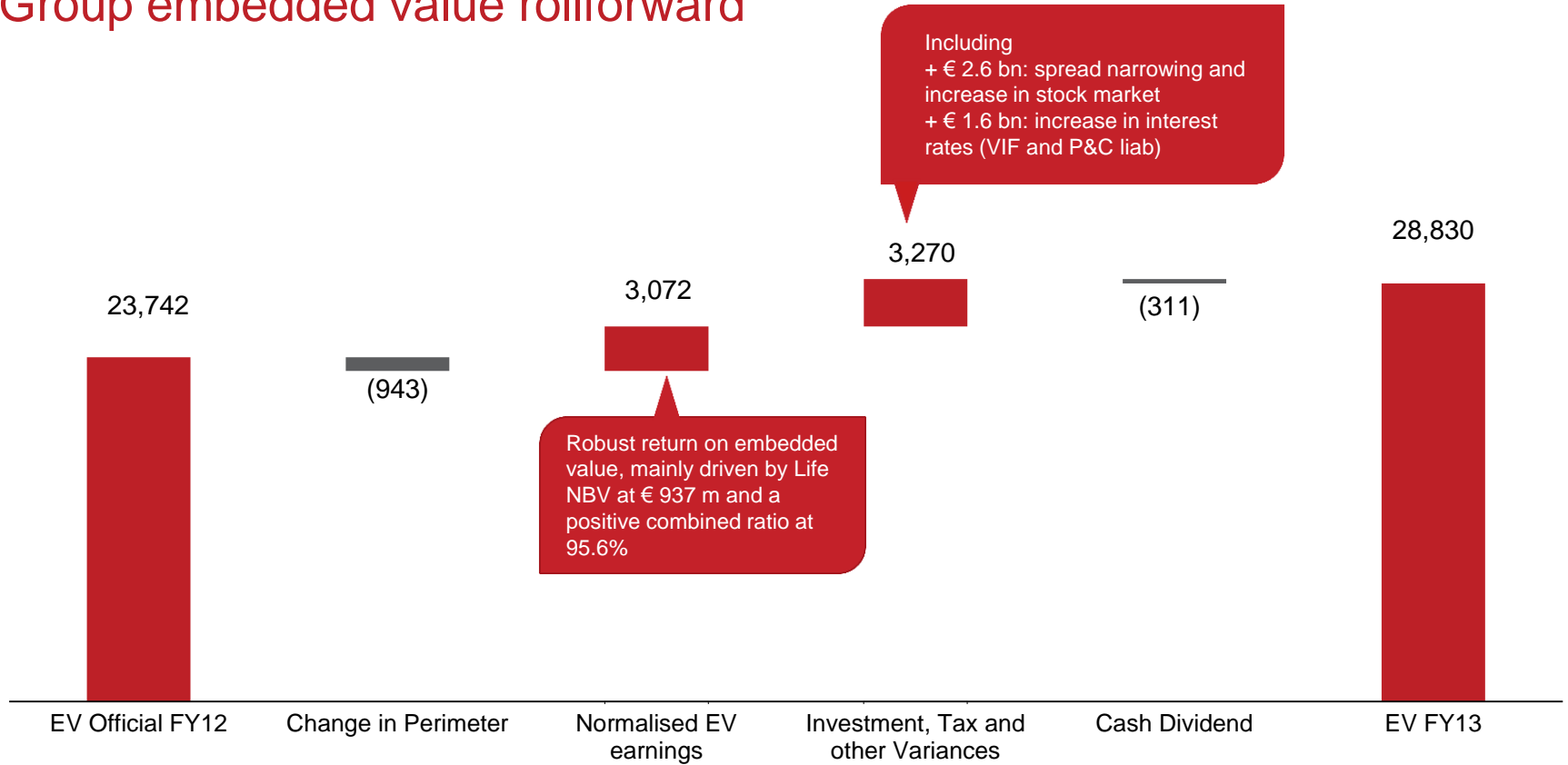
- Slight improvement of the Leverage ratio:
  - Reduction of stock of financial debt
  - Higher shareholders' equity
- Increase in the Interest Coverage ratio:
  - Improved Group profitability
  - Despite the increase in interest expenses on financial debt related to the subordinated bonds issued in 2012
- Both measures expected to improve in 2014 due to announced debt reduction target

(1) Financial Leverage = Financial Debt / Financial Debt + Adjusted Shareholders' Equity

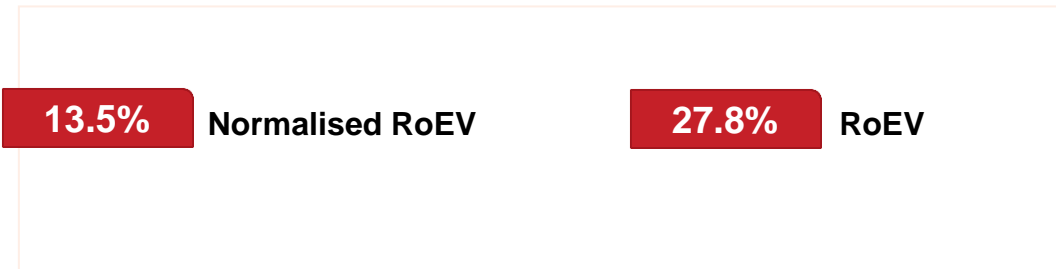
Adjusted Shareholders' Equity = Shareholders' Equity gross of minorities excluding gains and losses included in Other Comprehensive Income (OCI).

(2) Calculated excluding disposal gains

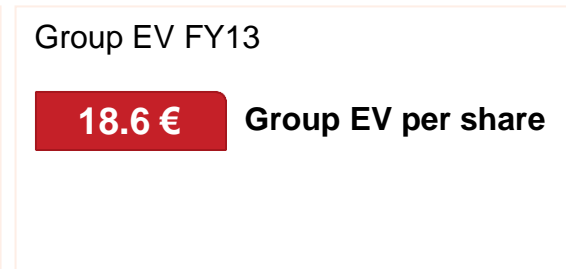
# Group embedded value rollforward



## Return on Embedded Value



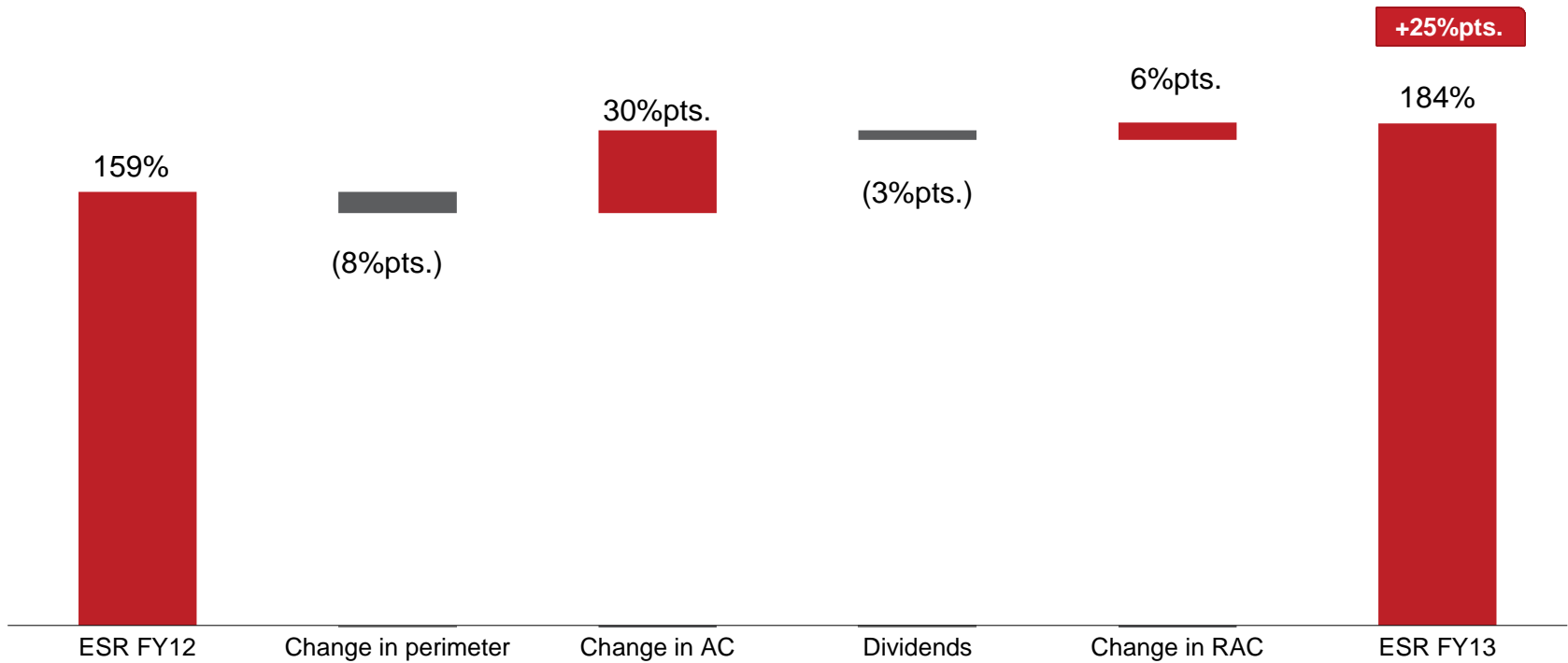
## Group Embedded Value



# Economic solvency

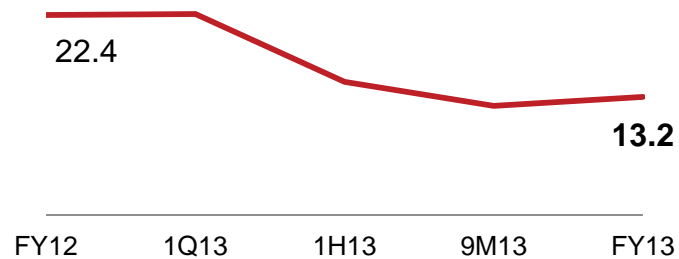
## Economic solvency rollforward (%)

- Good overall performance of financial markets drives the increase of available capital
- Disposal operations, reduction of subordinated liabilities and declared dividends lower the capital at disposal
- Improved market conditions are reflected in a better risk absorbing capacity, driving down capital requirement



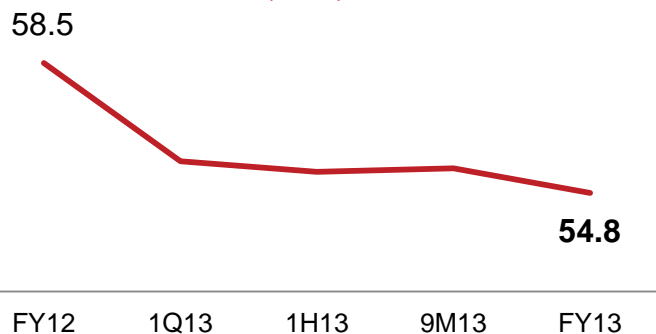
# Update on liquidity<sup>(1)</sup> and Italian government bond exposure

Cash<sup>(1)</sup> level (€ bn)



- Liquidity slightly increased in Q4 due to bond maturities, equity disposals (Pirelli and Telefonica) and sovereign bonds exposure reduction
- Market conditions did not allow quick redeployment of liquidity
- Cash will continue to be deployed based on market opportunities

Exposure to Italian Government Bonds (€ bn)



- Italian government bonds exposure decreased by 6% YoY, despite market appreciation
- Further reductions will continue in 2014 for diversification purposes

(1) Total liquidity includes cash designated for operating business and investment purposes. Cash refers only to Life and P&C portfolio; cash on financial business is not included.

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## Alberto Minali – Group CFO

- Profit & Loss and Balance Sheet

Page 13

- Business Review

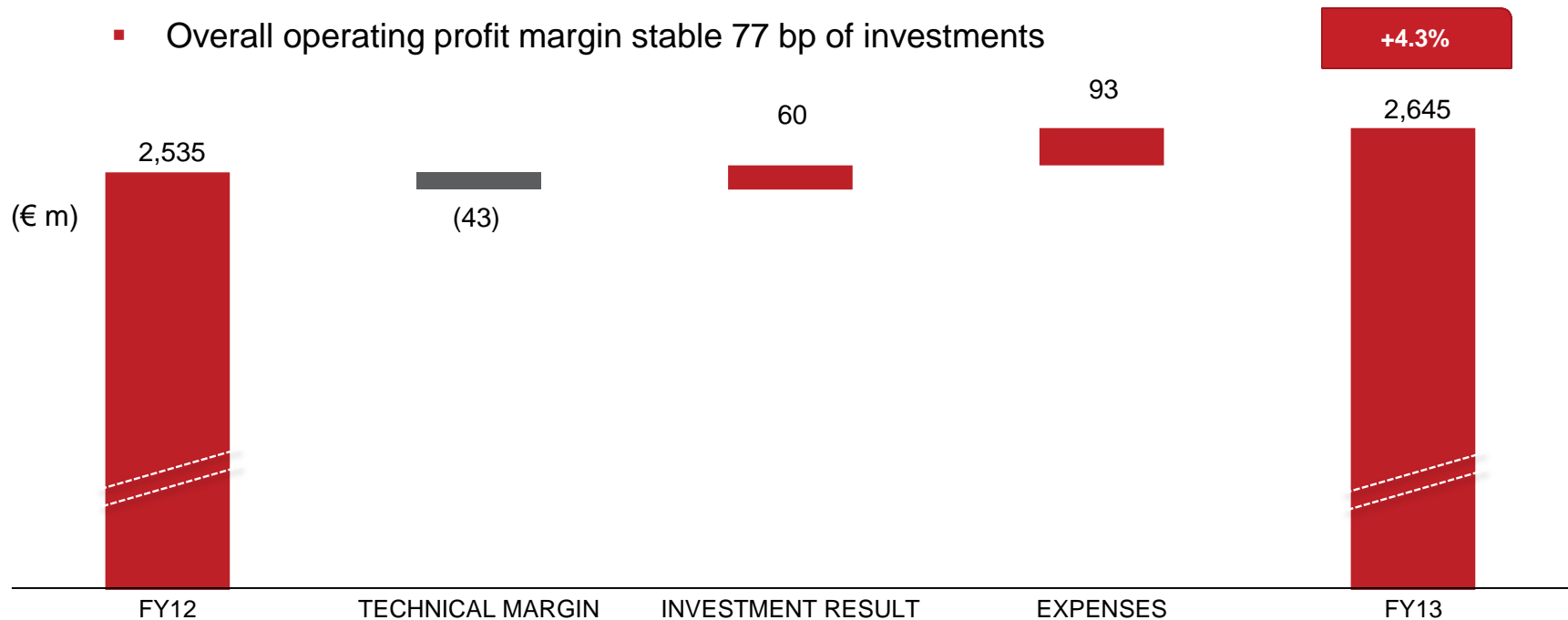
Page 26

## Life key financial indicators

(€ m)	FY12	FY13	LFL Δ	4Q12	4Q13	LFL Δ
Gross written premiums	45,198	45,115	+0.2%	12,561	12,315	-1.4%
Net inflows	3,097	8,702	+178.4%	2,170	2,187	+1.4%
Life operating result	2,535	2,645	+4.3%	422	573	+35.9%
Life operating ratio on investments (bps)	78	77	-1	16	20	+4
APE	4,508	4,470	-1.0%	1,324	1,259	-6.4%
New Business Value	863	937	+14.2%	211	267	+34.6%
Margins on APE (%)	19.2%	21.0%	+2.7%pts.	15.9%	21.2%	+6.5%pts.

# Life Operating result by driver

- Good development thanks to increasing investment result and decreasing expense ratio
- Technical margin decreasing mainly due to lower surrender profits
- Overall operating profit margin stable 77 bp of investments

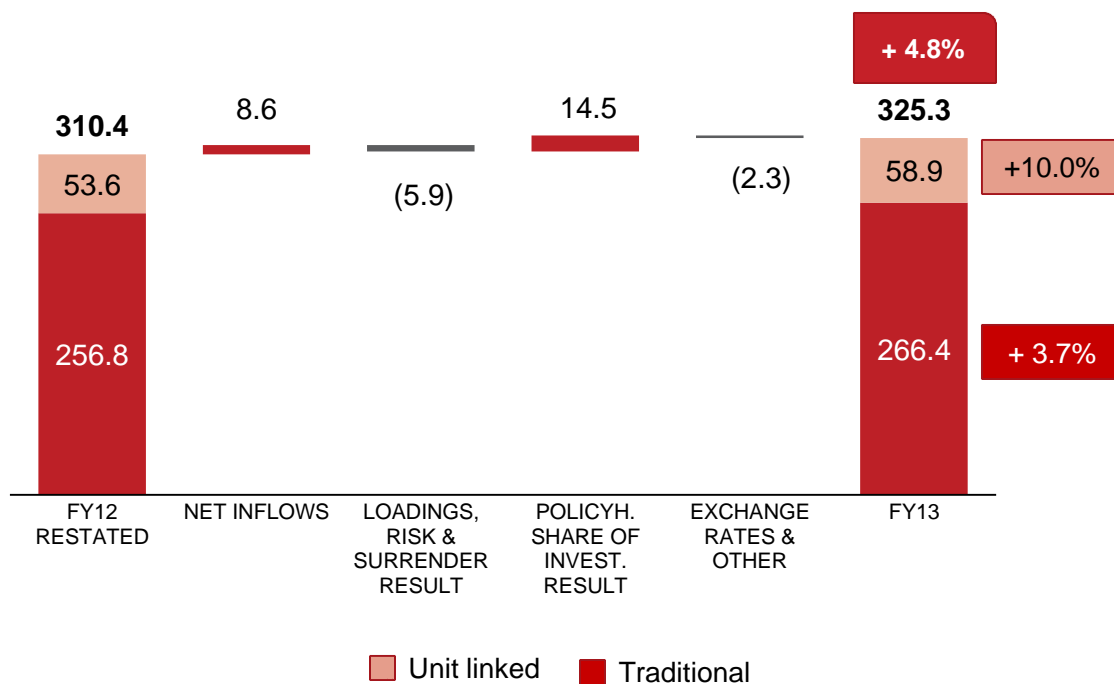


<b>FY13</b>	5,743	1,783	(4,882)
<b>FY12</b>	5,786	1,723	(4,975)
<b>Δ %</b>	-0.7%	+3.5%	-1.9%

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

(€ m)	FY12	FY13
Italy	65	1,972
France	(2,236)	(184)
Germany	4,551	4,377
CEE	351	541
EMEA	(28)	1,436
Lat. Am.	246	266
Asia	184	275
International	(35)	18
<b>TOTAL</b>	<b>3,097</b>	<b>8,702</b>

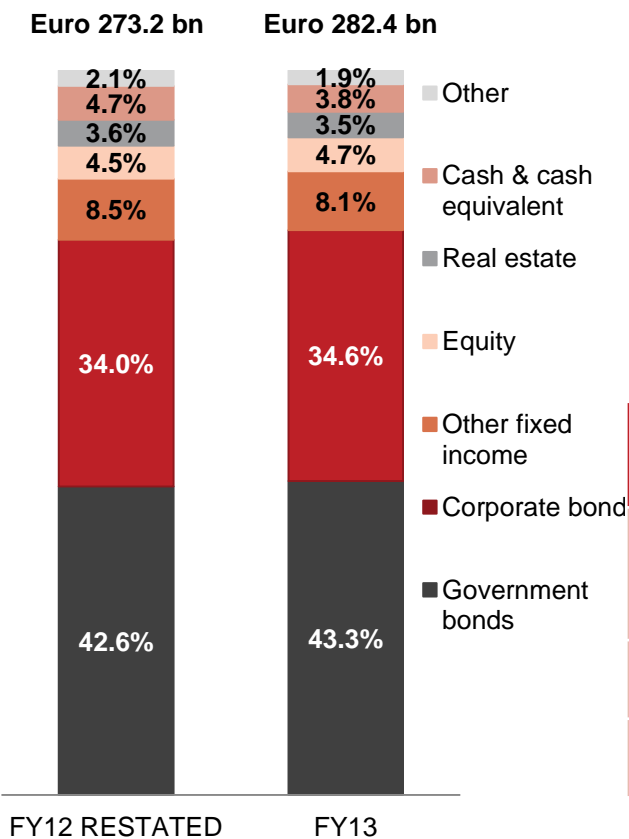
- Strong recovery in net inflows has continued
  - Notable improvements in Italy and EMEA
  - Continued strong flows in Germany
- Overall growth in reserves of 4.8%



(1) Including liabilities related to investment contracts

# Life investment performance

## Life segment own investments (%)



- Current return generally affected by reinvestment in a lower yield environment

	Current return		Fixed income		Equity		Real Estate		Total	
			FY12	FY13	FY12	FY13	FY12	FY13	FY12	FY13
Euro m			9,181	9,325	426	388	594	587	10,527	10,606
%			4.2	3.9	3.3	3.1	6.1	5.9	4.1%	3.8%

## Life new business analysis

- Resilient APE (-1.0%), with saving business slowdown partially offset by positive developments of unit linked business (+8.4%) and protection business (+3.6%)
- NBM improves (+2.7p.p. on homogeneous basis) thanks to the contribution of protection business and the further decrease of guarantees (from 1.38% to 1.23%) on saving products
- IRR at 11.9% and payback period equal to 7.7 years

(€ m)	APE			NBV			MARGIN ON APE		
	FY12	FY13	LFL Δ	FY12	FY13	LFL Δ	FY12	FY13	LFL Δ
Italy	1,637	1,845	+12.7%	281	336	+21.0%	17.2%	18.2%	+1.3%pts.
France	944	752	-20.3%	120	96	-20.6%	12.8%	12.7%	+0.0%pts.
Germany	917	938	+0.8%	186	248	+31.6%	20.2%	26.5%	+6.2%pts.
CEE	187	191	-23.7%	59	73	-8.9%	31.4%	38.5%	+6.2%pts.
EMEA	622	597	-3.6%	129	156	+21.7%	20.8%	26.1%	+5.4%pts.
Lat. Am.&Asia	201	147	+10.1%	88	28	-1.9%	44.1%	18.9%	-1.1%pts.
<b>TOTAL</b>	<b>4,508</b>	<b>4,470</b>	<b>-1.0%</b>	<b>863</b>	<b>937</b>	<b>+14.2%</b>	<b>19.2%</b>	<b>21.0%</b>	<b>+2.7%pts.</b>

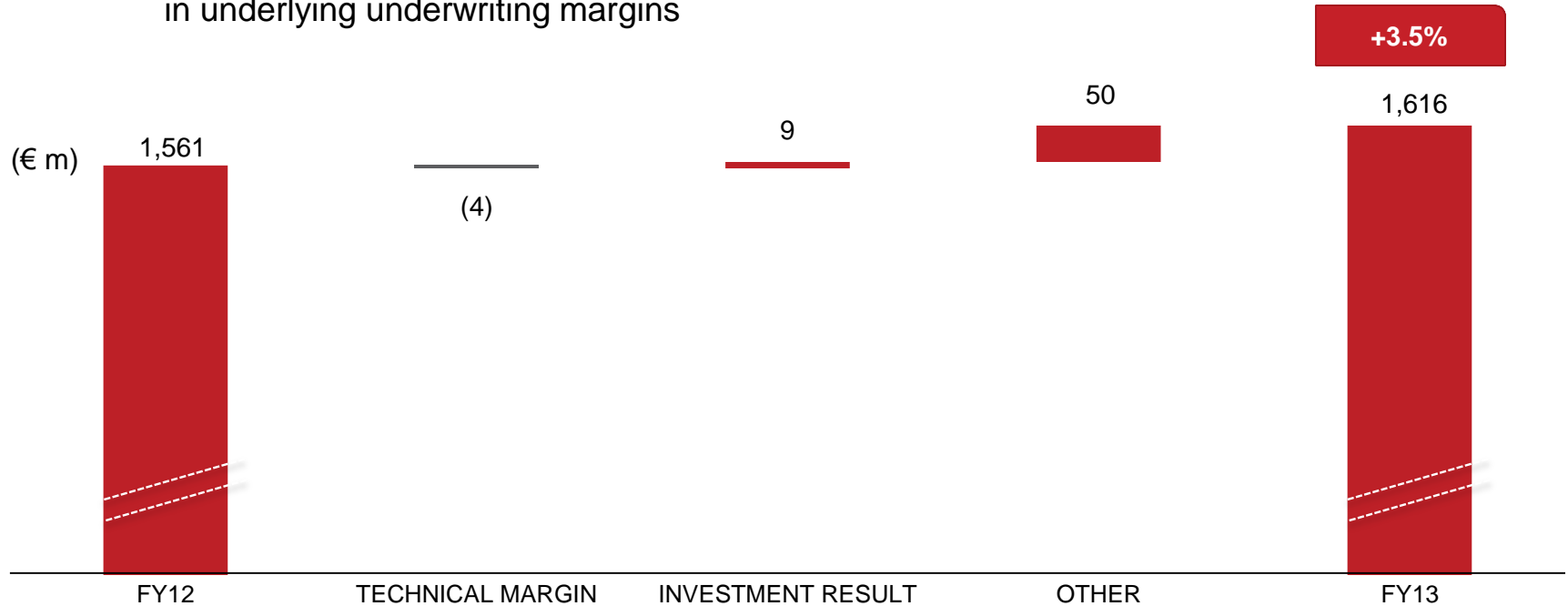
FY13 amounts include the contributions from USA and Mexico only for 1Q13. Such contributions, as well as other perimeter and FX rates changes, are neutralized in the like for like variation

# P&C key financial Indicators

(€ m)	FY12	FY13	LFL Δ	4Q12	4Q13	LFL Δ
Gross written premiums, of which:	21,296	20,940	-0.6%	5,228	5,025	-2.4%
Primary Motor	8,426	8,282	+0.3%	1,785	1,732	-0.3%
Primary Non Motor	12,171	11,956	-1.2%	3,250	3,128	-2.8%
Combined ratio (%)	95.8%	95.6%	-0.2%pts.	92.7%	97.3%	+4.6%pts.
Nat Cat impact (%)	1.5%	2.3%	+0.9%pts.	-0.3%	+1.7%	n.m.
P&C operating result	1,561	1,616	+3.5%	482	291	-39.7%

## P&C Operating result by driver

- Improving result, despite significantly higher Nat Cat impact, reflecting an improvement in underlying underwriting margins



<b>FY13</b>	807	1,029	(220)
<b>FY12</b>	811	1,020	(270)
<b>Δ %</b>	-0.5%	+0.8%	-18.5%

# P&C gross written premiums trends

(€ m)	FY12	FY13	LFL $\Delta$
Italy	6,836	6,316	-7.6%
France	2,864	2,722	-4.9%
Germany	3,278	3,436	+4.8%
CEE	1,940	1,924	-0.3%
EMEA	4,262	4,218	-0.6%
Lat Am	898	1,112	+47.2%
Asia	92	92	+0.8%
International	1,126	1,118	-0.7%
<b>Total</b>	<b>21,296</b>	<b>20,940</b>	<b>-0.6%</b>

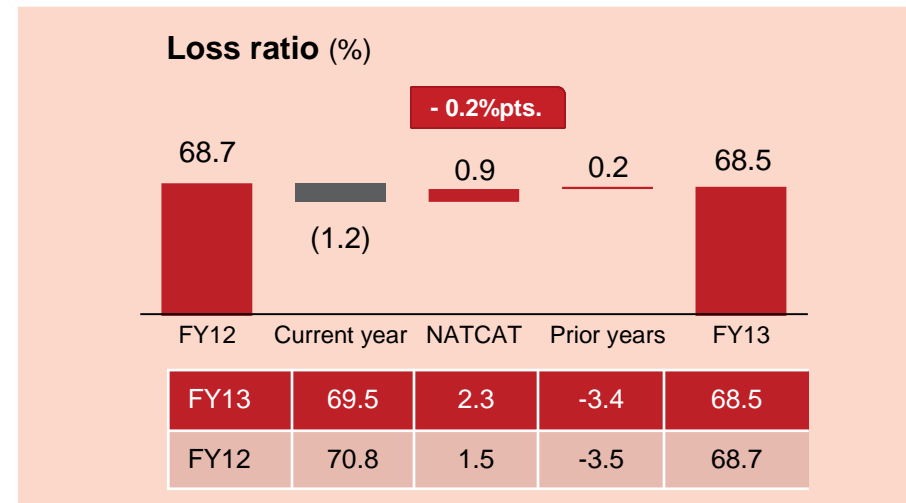
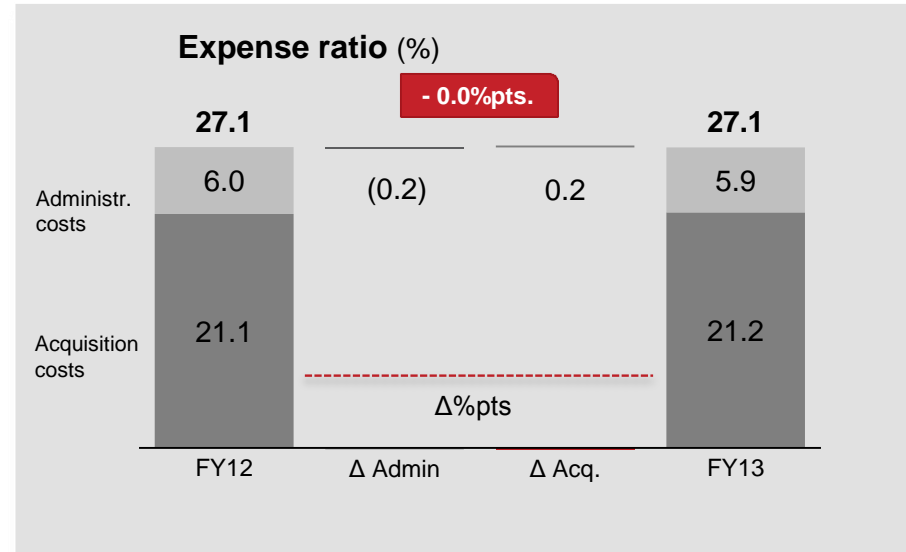
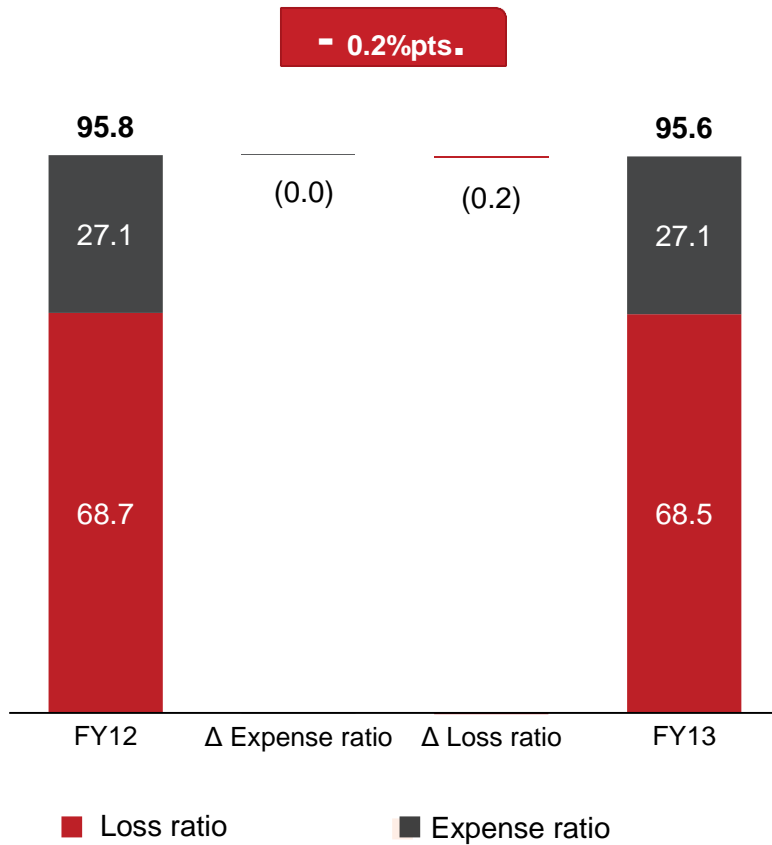
## Overall stable premium development:

- Decline in **Italy** primarily driven by Motor and Commercial, reflecting weak economy. Stable development in retail non-motor. In Motor, lower car registrations and market competition continued.
- Decline in **France** driven by motor, also reflecting steps taken to clean the portfolio.
- Significant improvement in **Germany**, especially in Motor, driven by improved tariffs and lower lapses.
- Significant like for like increase in **Latin America**, driven by Brazil and Argentina (latter reflects inflation but also tariff increases).

# Combined ratio analysis

Current year loss ratio improved 1.2%pts.

## Combined ratio (%)



## Combined ratio by country

COUNTRY	FY12	FY13	Δ
Italy	95.7%	92.4%	-3.3%pts.
France	101.4%	105.5%	+4.1%pts.
Germany	94.5%	95.7%	+1.2%pts.
CEE	88.5%	88.8%	+0.3%pts.
EMEA	96.0%	95.8%	-0.2%pts.
Lat Am	102.7%	100.9%	-1.7%pts.
Asia	106.7%	120.0%	+13.3%pts.
International	90.7%	90.6%	+0.0%pts.
<b>Total</b>	<b>95.8%</b>	<b>95.6%</b>	<b>-0.2%pts.</b>

- Current year Loss Ratio confirms good quality of pricing, underwriting and distribution in the main Countries
- Nat Cat impact mainly due to floods and storms that hit France and Germany, mitigated by reinsurance

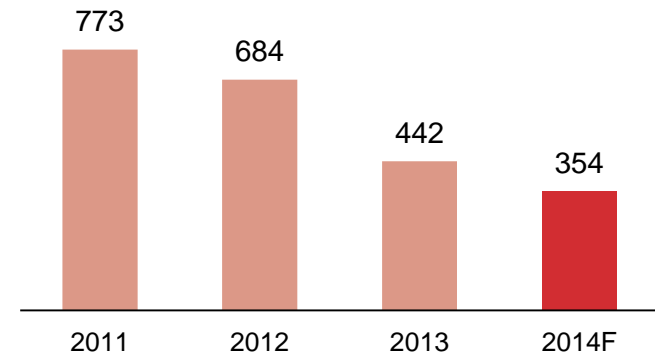
# P&C reinsurance renewal

Significant improvement in prices, terms & conditions

## Treaty renewals

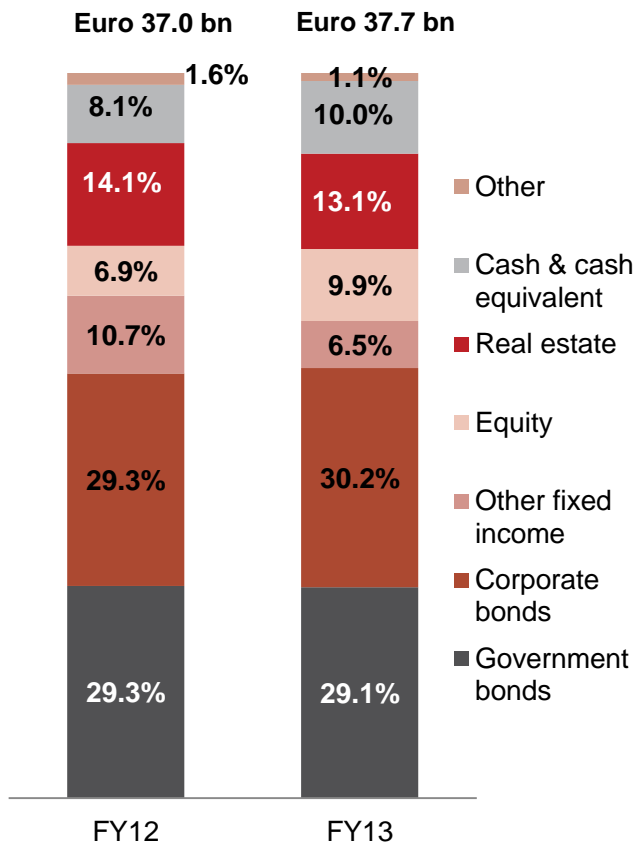
- The majority of our protection renews in January
- Market conditions were favourable:
  - Ample availability of capacity in the market
  - Significant (15-20%) rate reductions negotiated across all lines, despite some protections being loss affected in 2013
  - In most classes improved treaty terms & conditions
  - Modest increase in group retentions, but also upper limits
  - Overall treaty spend for the group continues to fall, as indicated in November

**Treaty reinsurance expenditure**  
(€ m - underwriting year basis)



# P&C investment performance

## P&C segment own investments (%)



- Current return generally affected by reinvestment in a lower yield environment

Current return	Fixed income		Equity		Real Estate		Total	
	FY12	FY13	FY12	FY13	FY12	FY13	FY12	FY13
Euro m	874	885	74	95	340	303	1,371	1,384
%	3.7	3.5	2.6	3.2	6.4	5.9	3.9%	3.7%

## Financial segment key financial indicators

	FY12	FY13	LFL Δ
Operating result (€ m)	408	483	+18.4%
Net fees and commissions (€ m)	827	883	+6.8%
Cost / income ratio (%)	69.0%	66.3%	-2.7%pts
Third party AUM (€ bn)	96.4	104.3	+3.8%

	4Q12	4Q13	LFL Δ
Operating result (€ m)	88	116	+31.4%
Net fees and commissions (€ m)	206	242	+17.5%
Cost / income ratio (%)	72.3%	67.1%	-5.2%pts

## Final remarks

- **Good progress in a transitional year for the group**
- **Profits are improving in all of our segments**
- **Confidence in results leads us to more than double the dividend**
- **Solvency is on track for our 2015 target of 160%.**
- **Leverage has fallen and will continue to fall in 2014**

## Agenda

# IV. Backup

- Investments **Page 42**
- Financial debt **Page 47**
- Life EV **Page 50**
- Capital **Page 55**
- Definitions **Page 58**

## Agenda

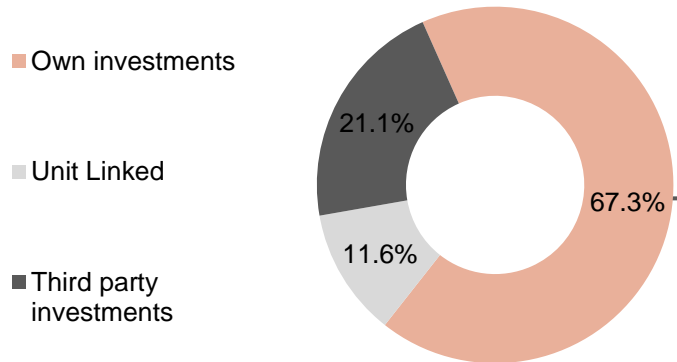
# IV. Backup

- Investments **Page 42**
- Financial debt **Page 47**
- Life EV **Page 50**
- Capital **Page 55**
- Definitions **Page 58**

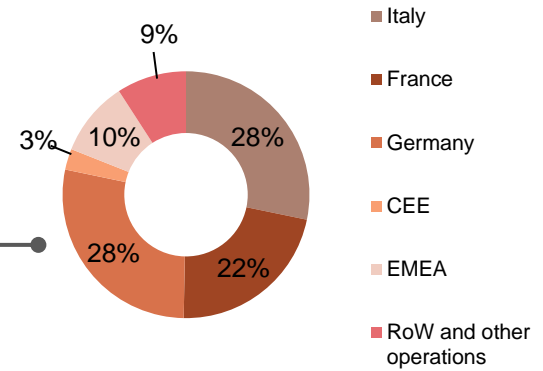
# Assets under management

Total portfolio € 508 bn

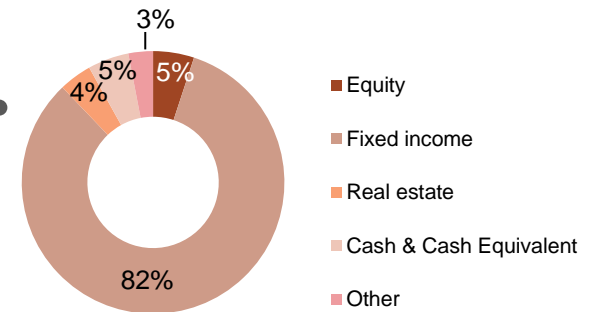
Breakdown by region and asset class



By Region

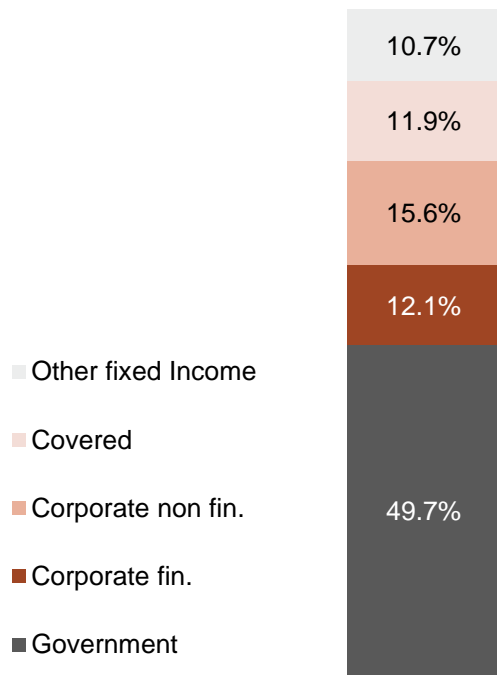


By Asset Class

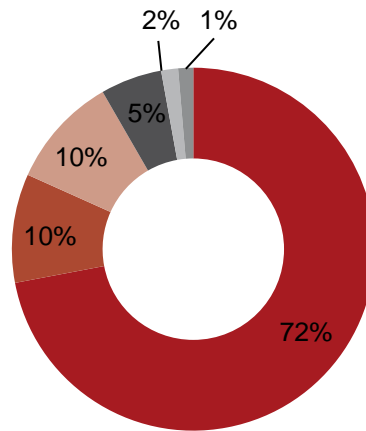


# Fixed Income Portfolio

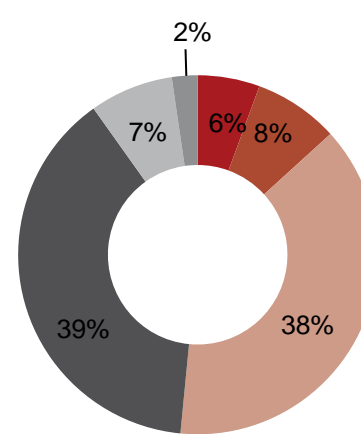
Total Portfolio € 280 bn



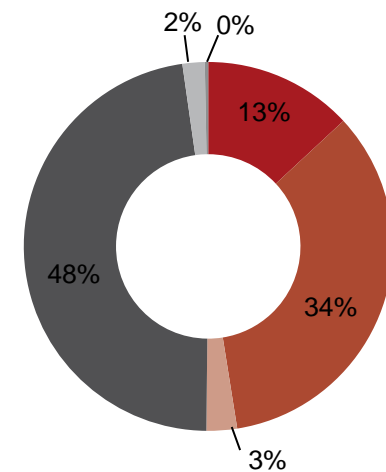
Covered € 33 bn



Corporate € 78 bn



Government € 139 bn <sup>(1)</sup>



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

Bond duration	FY12	FY13
Life	6.7	7.2
P&C	3.7	4.0

Life duration Gap	FY12	FY13
	2.1	1.5

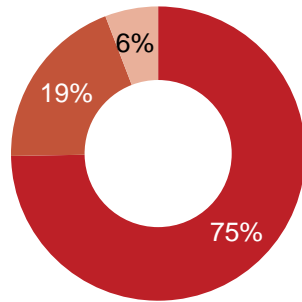
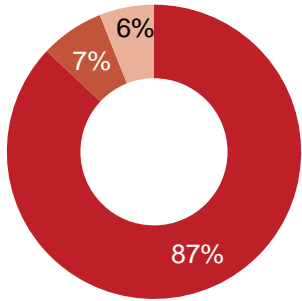
(1) Italian government bond exposure is 87% of BBB

# Equity & Equity-like

Total portfolio (€ 17.7 bn)

Alternative funds (€ 1.9 bn)

Equity (€ 11.1 bn)

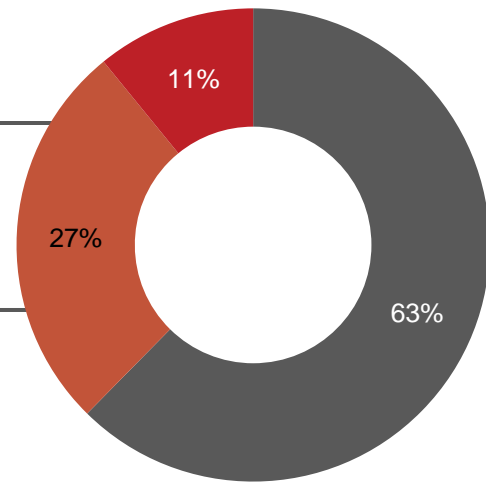


**Life, P&C and Financial**

- Life
- P&C
- Financial

**Life, P&C and Financial**

- Life
- P&C
- Financial



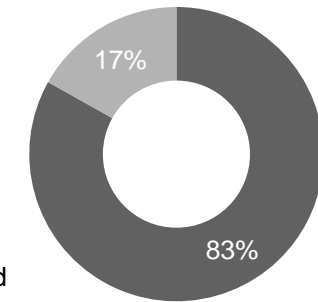
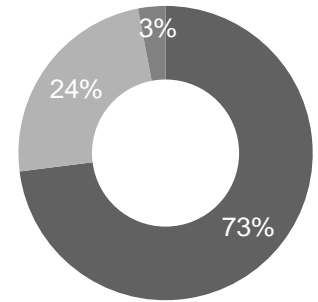
- Equity
- Equity Funds
- Alternatives

**Life, P&C and Financial**

- Life
- P&C
- Financial

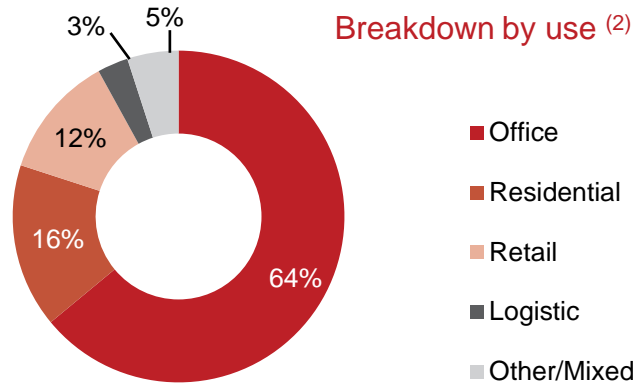
**Listed and Unlisted**

- Quoted
- Unquoted



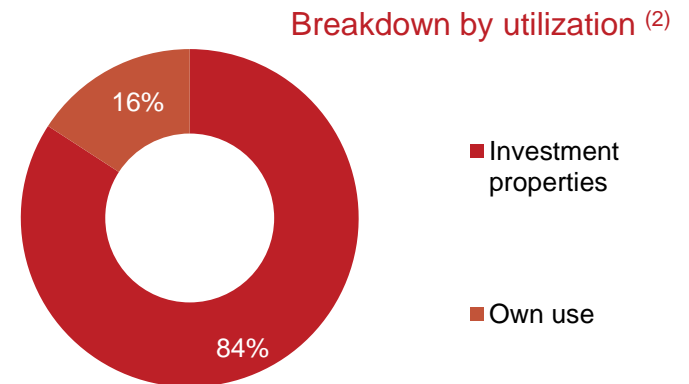
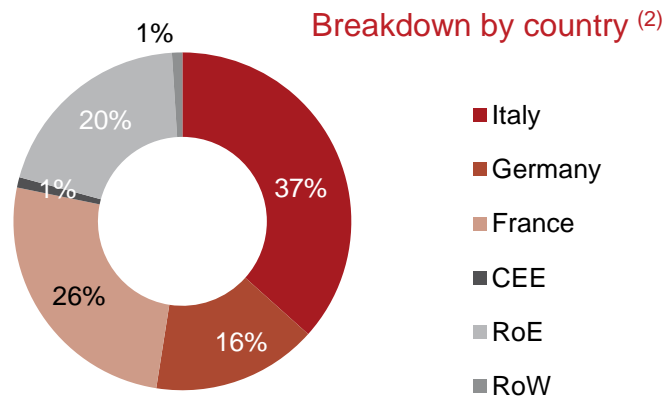
# Asset Allocation: Real Estate <sup>(1)</sup>

## Total portfolio (€ 24.9 bn <sup>(1)</sup>)



## Off balance sheet gains

(€ m)	FY12	FY13
Gross Unrealised Gains and Losses (UGL)	5,783	5,574
Shareholders' share of UGL (after P/H share, tax & minorities)	3,765	3,647



(1) Data, at fair value, includes own use assets and property inventory

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

## Agenda

# III. Backup

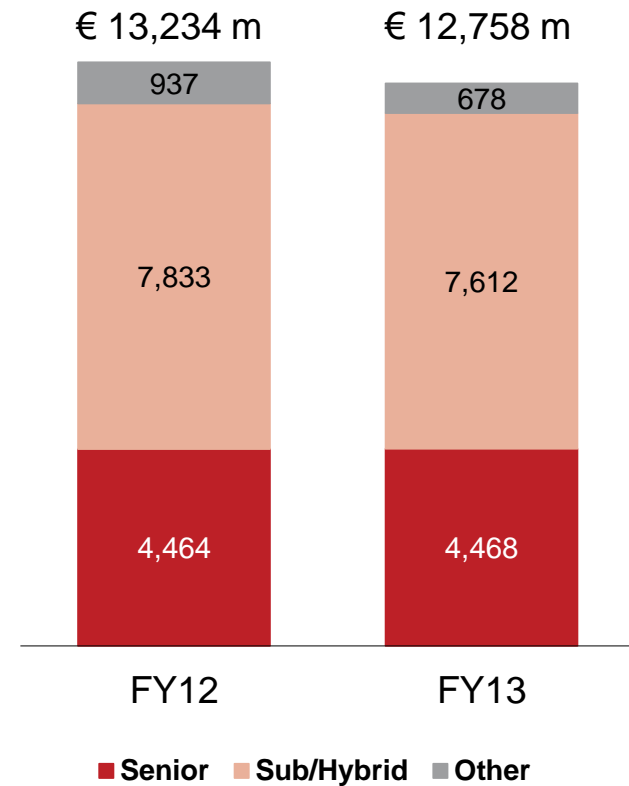
- Investments **Page 42**
- **Financial debt** **Page 47**
- Life EV **Page 50**
- Capital **Page 55**
- Definitions **Page 58**

# Focus on financial debt

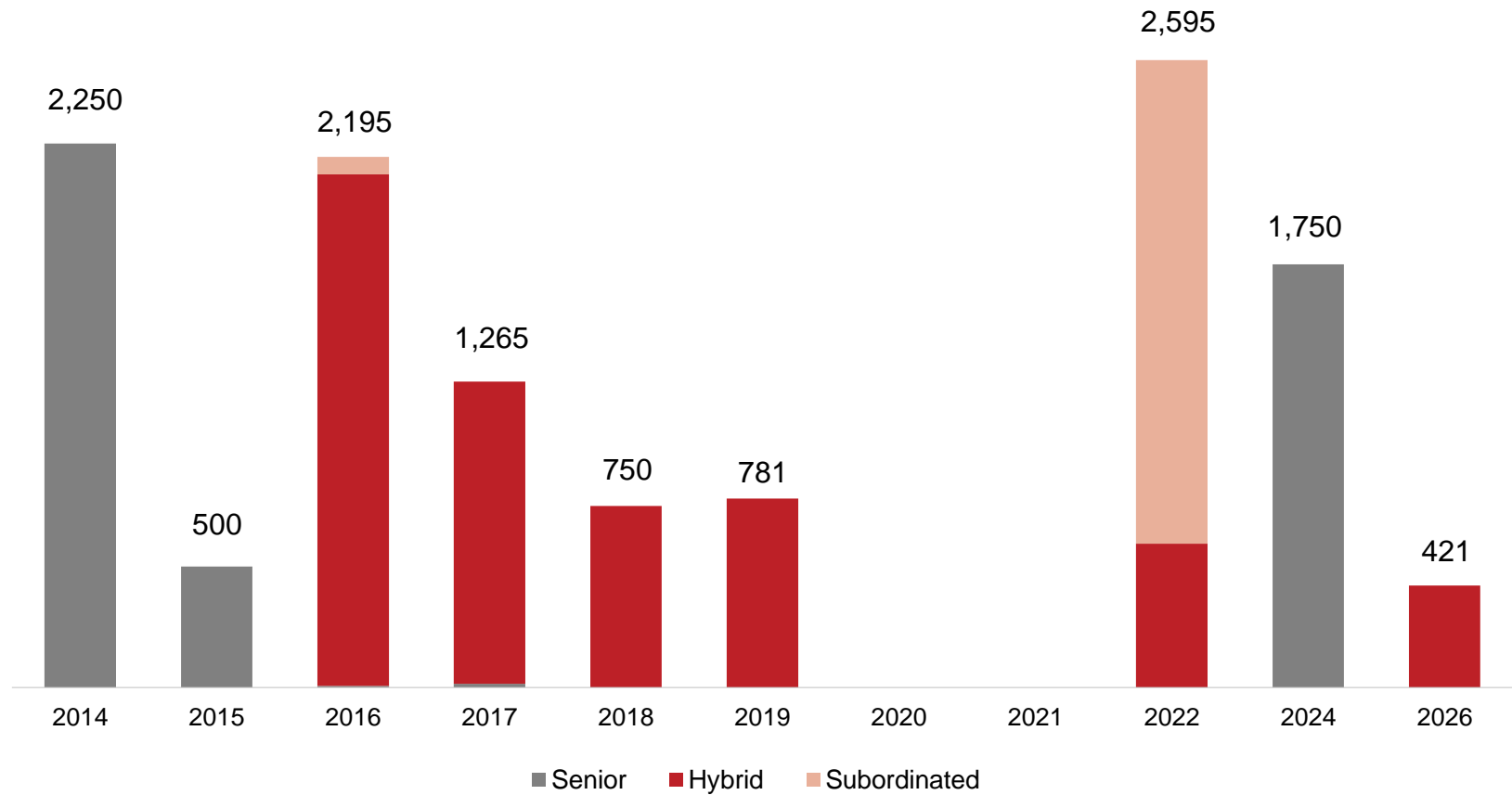
## Average cost & maturity of financial debt (%)

	FY12	FY13
Average cost (%)	5.86%	5.93%
<i>Subordinated/Hybrid</i>	6.57%	6.54%
<i>Senior</i>	4.81%	4.81%
Average maturity (years)	6.01	5.27

## Total financial debt (€ m)



# Financial debt breakdown by expiry date/call date (€ m)

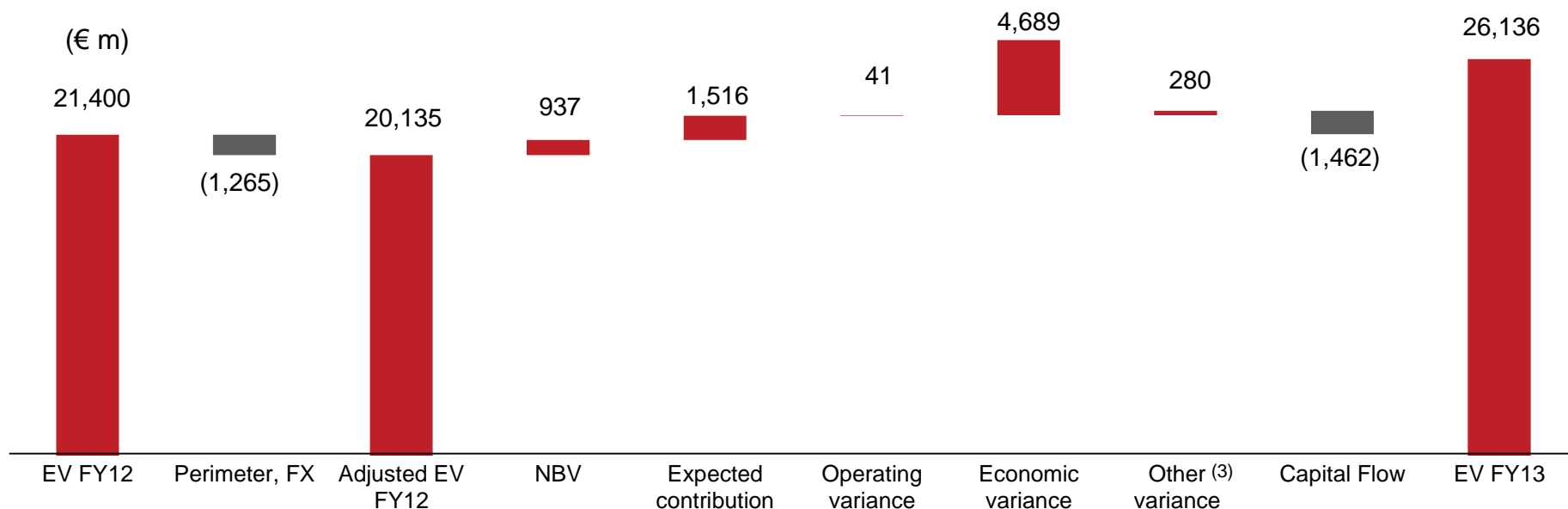


## Agenda

# III. Backup

- Investments **Page 42**
- Financial debt **Page 47**
- **Life EV** **Page 50**
- Capital **Page 55**
- Definitions **Page 58**

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



## Life Embedded value earnings (Euro m)

Adjusted embedded value FY12	20,135
Embedded value earnings	7,463
Normalised EV earnings <sup>(2)</sup>	2,494

## Return on Life Embedded value

<b>37.1%</b>	<b>RoEV</b>
<b>12.4%</b>	<b>Normalised RoEV</b>

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

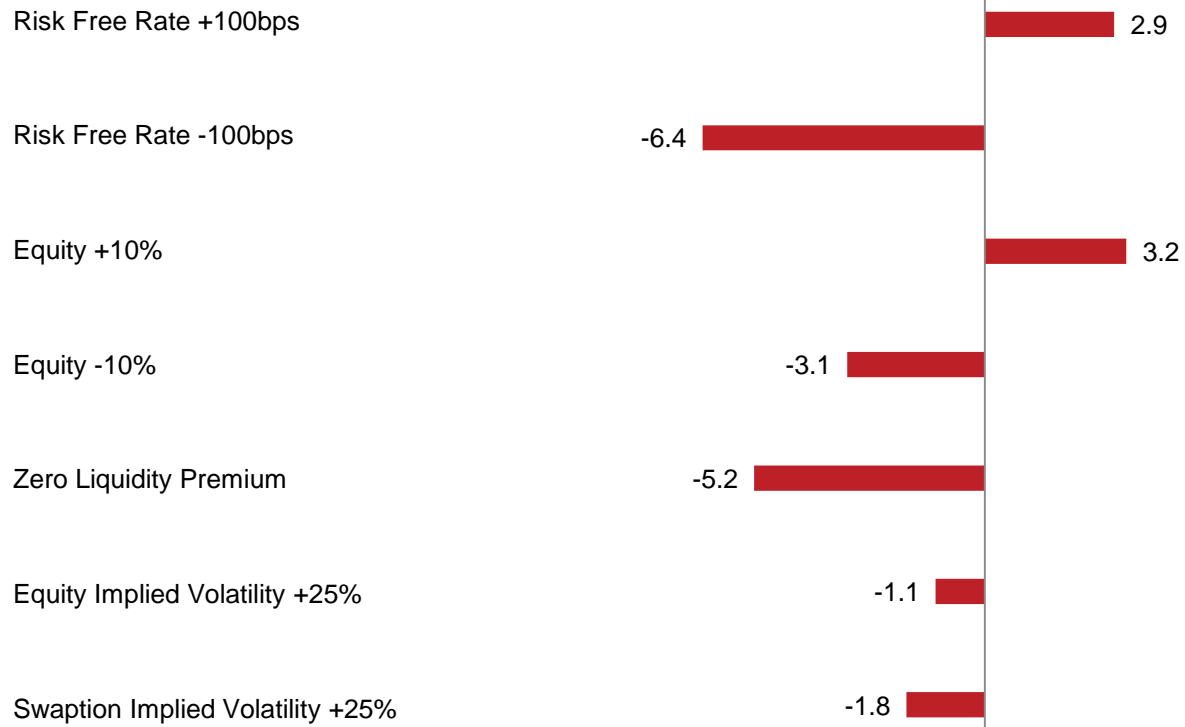
(2) "Normalised EV earnings" defined as NBV + Expected contribution + Operating variance

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

# FY13 Life Embedded value sensitivity

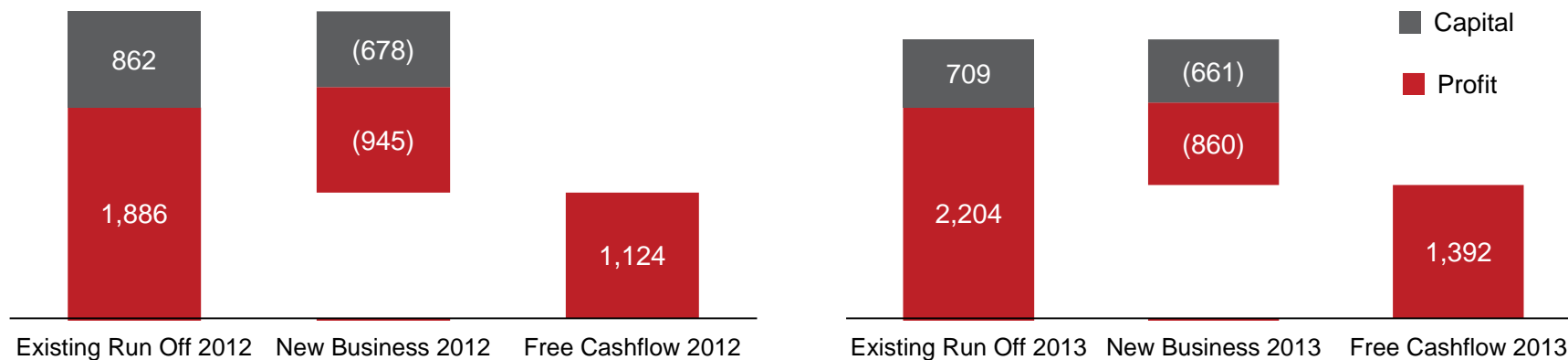
## Life Embedded value

€ m 26,136  
(%)

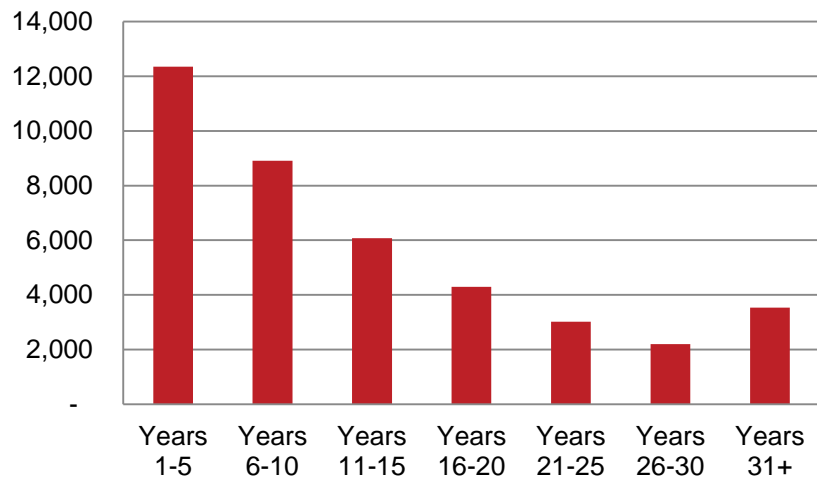


# Expected Life cash flow generation

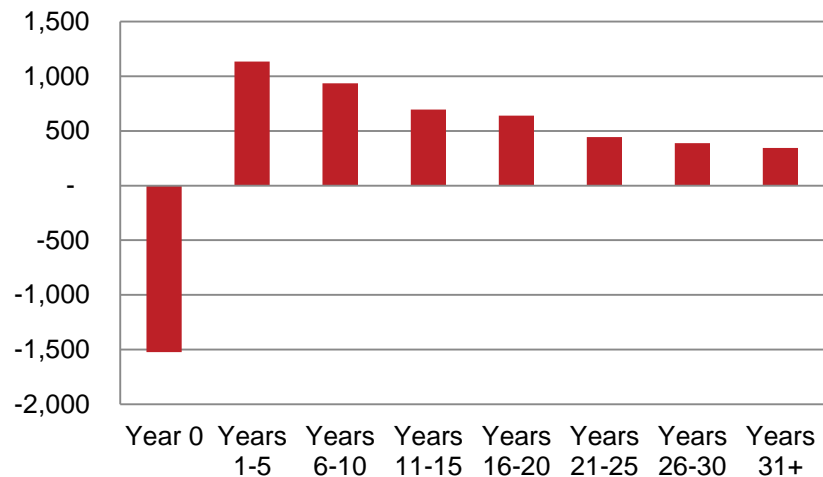
### Life expected free cash flows (€ m)



### 2013 In-force – Expected undiscounted cash flows

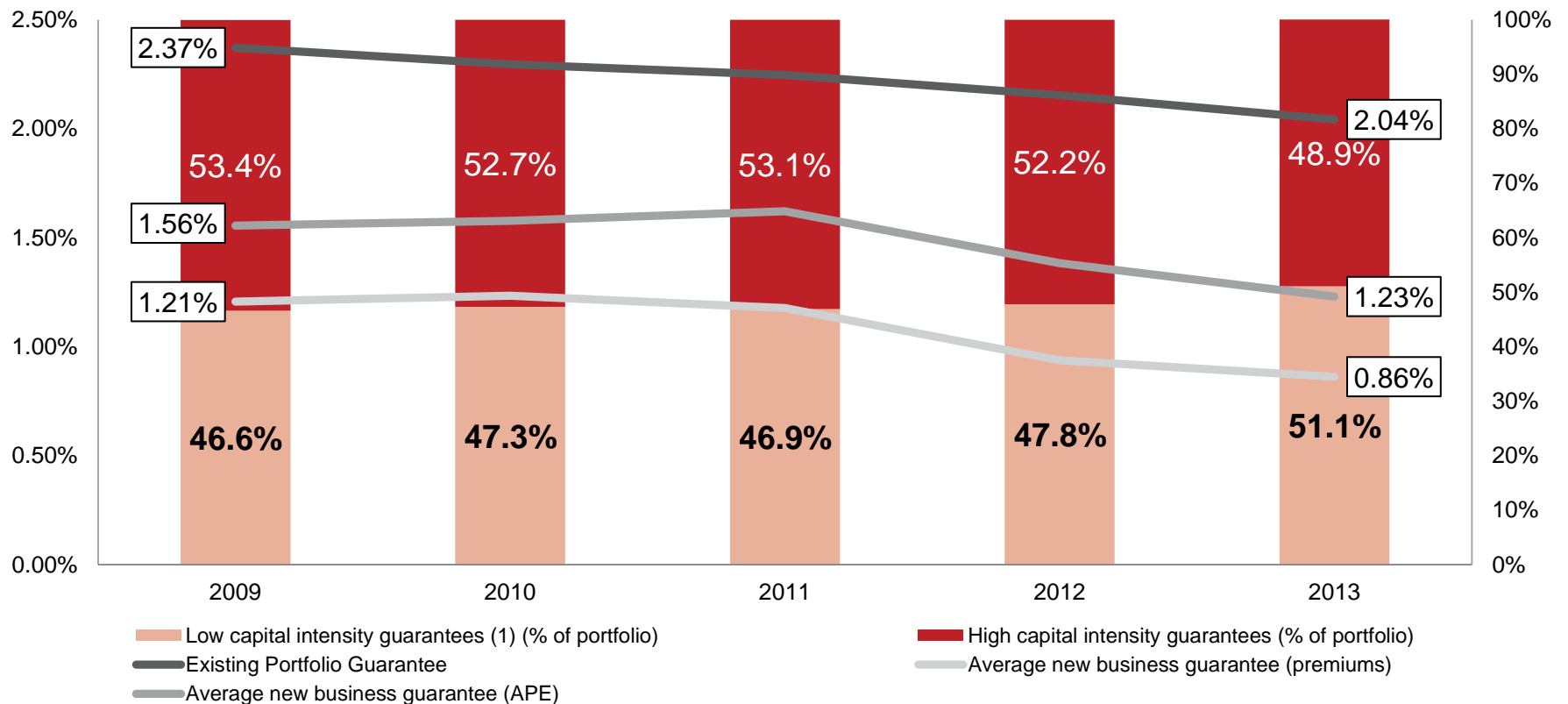


### 2013 New Business – Expected undiscounted cash flows



# Update on Guarantees

- Portfolio guarantee profile continues to improve in terms of type (51.1% of reserves is made of low capital intensity guarantees) and average guarantee (currently 2.04%)
- Improvements driven by new business: in 2013, 70.2% of total new business premiums is made of low capital intensity guarantees and the average guarantee is 0.86% (1.23% on APE)



(1) Low capital intensive guarantees = no guarantees, matched, at maturity guarantees and yearly 0% guarantees

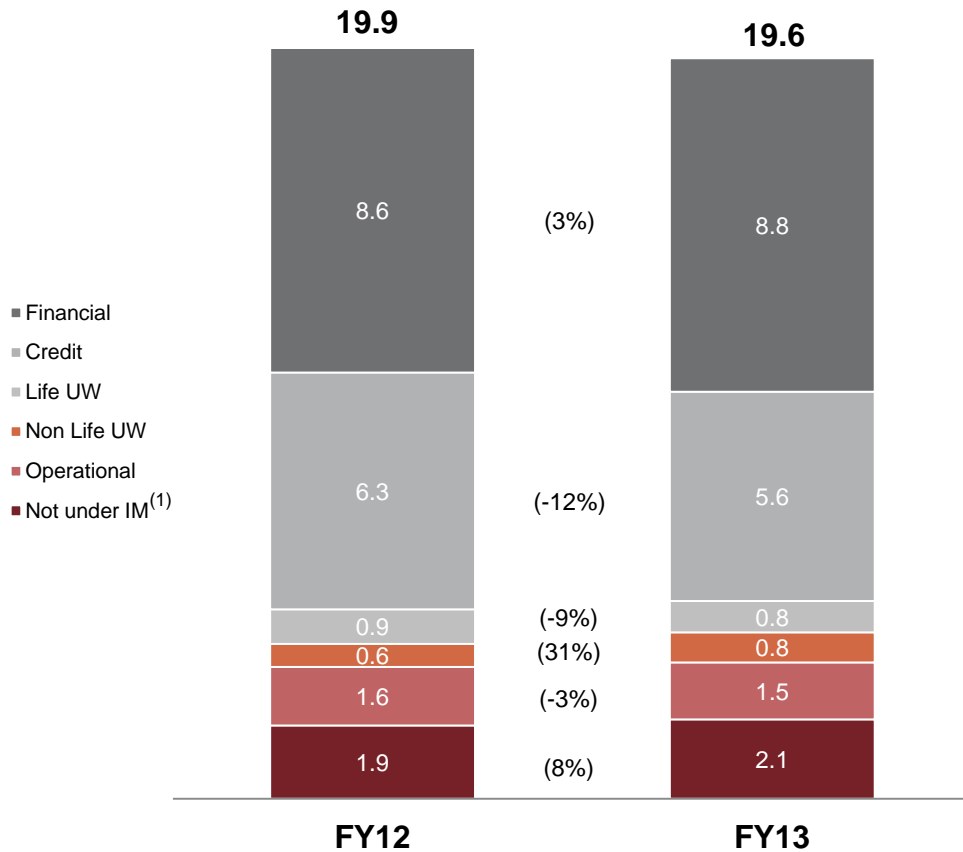
## Agenda

# III. Backup

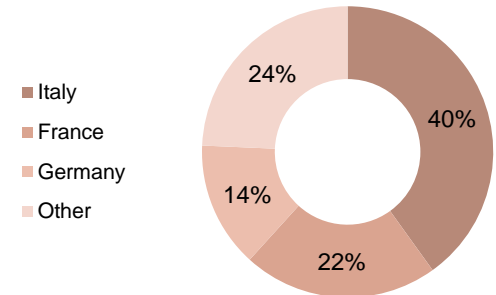
- Investments **Page 42**
- Financial debt **Page 47**
- Life EV **Page 50**
- **Capital** **Page 55**
- Definitions **Page 58**

# Group Risk Capital (RAC)

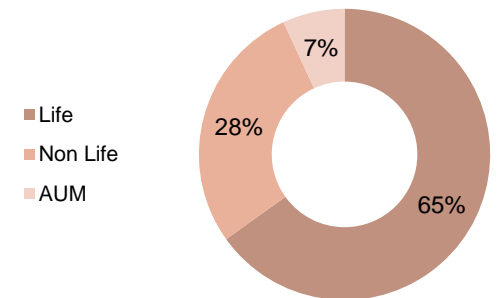
## Group RAC at 99.5% after diversification (€ m)



## FY13 Group RAC geographical breakdown



## FY13 Group RAC breakdown by segment



(1) Not under IM refers to top down approach for minor insurance entities and to regulatory capital requirements for financial segment

## Reconciliation of IFRS equity to Group Embedded Value

euro m	Life MCEV	Other operations	Financial Debt <sup>(1)</sup>	Group
IFRS Equity	15,254	16,604	(12,080)	19,778
Goodwill, DAC, VoBA and other intangibles	(5,452)	(4,828)		(10,280)
Mark to market of assets non backing	1,969	1,719		3,688
Double counting on life AFS reserves and on other investments	(175)	0		(175)
Adjustment on debt		(1)	(459)	(460)
Fair value adjustment on P&C liabilities		706		706
Other adjustments	79	71		150
<b>Adjusted Net Asset Value</b>	<b>11,676</b>	<b>14,271</b>	<b>(12,540)</b>	<b>13,407</b>
In-force value (Life & AuM)	14,460	963		15,423
<b>Embedded value</b>	<b>26,136</b>	<b>15,234</b>	<b>(12,540)</b>	<b>28,830</b>
Adjustments <sup>(2)</sup>				(124)
Subordinated debt				8,160
<b>Available Capital</b>				<b>36,866</b>

(1) Includes subordinated and senior bonds issued

(2) Mainly VIF AuM, CoC and DTL on subordinated debt

## Agenda

# III. Backup

- Investments **Page 42**
- Financial debt **Page 47**
- Life EV **Page 50**
- Capital **Page 55**
- **Definitions** **Page 58**

# Definitions

<b>Total Operating Result</b>	Total operating result represents earnings before taxes, gross of interest expense on liabilities linked to financing activities, specific net income from investments and non-recurring income and expenses
<b>Adjusted Shareholders' Equity</b>	Shareholders' Equity gross of minorities excluding gains and losses included in Other Comprehensive Income (OCI)
<b>Operating RoE</b>	<p>Operating Return on Equity indicates the return in terms of Operating Result on Group Shareholders' Equity. It is calculated according to the following ratio:</p> <p><b>Total Operating Result</b> adjusted to include:</p> <ul style="list-style-type: none"> <li>- interest expenses on financial debt</li> <li>- income taxes based on a mid-term expected tax rate as assumed in 2015 Target</li> <li>- minorities interests</li> </ul> <p><b>Adjusted Shareholders' Equity</b></p>
<b>Financial Leverage</b>	Financial Debt / Financial Debt + Adjusted Shareholders' Equity
<b>Fixed Charge Coverage</b>	EBIT/interest expenses on financial debt
<b>Gross/Net Expected Surplus</b>	<p>For Life segment it is calculated <b>as the sum of Earnings and capital release from existing business and New Business Strain</b></p> <p>For Non Life and Financial segments it is calculated <b>as operating result net of taxes, minorities and change in capital requirements (S1)</b></p> <p><b>Net Free Surplus</b> is calculated <b>as Gross Expected Surplus minus holding expenses net of taxes and minorities</b></p>
<b>Gross Remitted Cash</b>	The percentage of Gross Free Surplus actually remitted or passed up to the parent company

## Disclaimer

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

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

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

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

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

## Next events

30.04.2014

**Annual general Meeting**

15.05.2014

**1Q 2014 results reporting**

31.07.2014

**1H 2014 results reporting**

06.11.2014

**9M 2014 results reporting**

19.11.2014

**2014 Investor Day**

# Team

## **Spencer HORGAN**

**Head of Investor Relations**

Spencer.Horgan@Generali.com  
+44 20 7265 6480

## **Stefano BURRINO**

Stefano.Burrino@Generali.com  
+39 040 671202

## **Emanuele MARCIANTE**

Emanuele.Marciante@Generali.com  
+39 040 671347

## **Veronica CHERINI**

Veronica.Cherini@Generali.com  
+39 040 671488

## **Rodolfo SVARA**

Rodolfo.Svara@Generali.com  
+39 040 671823

## **Marta PORCZYNSKA**

Team assistant & event coordination

Marta.Porczyńska@Generali.com  
+39 040 671402

## **Martina VONO**

Team assistant & event coordination

Martina.Vono@Generali.com  
+39 040 671548

## **Assicurazioni Generali**

P.za Duca degli Abruzzi 2  
34132 Trieste, Italy

Fax: +39 040 671338  
e-mail: [ir@generali.com](mailto:ir@generali.com)

**[www.generali.com](http://www.generali.com)**



# Thank you



# GENERALI GROUP 2013 Results