



21/02/2018

IMPACT OF THE NEW REGULATION ON REPORTING AND OTHER INFORMATION

Considering the changes to the regulatory framework and new managerial responsibilities previously announced, Generali Group announces the key changes in the area of public disclosure in advance, to be presented upon the publication of annual data scheduled for 15 March.

Disclosure of non-financial information pursuant to Legislative Decree 254/2016

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Following the enactment of Legislative Decree no. 254 of 31 December 2016 implementing Directive 95/2014/EU on the “disclosure of non-financial and diversity information by certain large undertakings and groups”, Generali Group will evolve the consolidated disclosure starting from the reporting as at 31 December 2017.

In particular, the new regulation imposes the obligation for large companies qualifying as “public interest entities” to prepare and publish a Non-Financial Statement (NFS) that must contain a description of the company's business management and organisation model, information regarding the main risks deriving from the company's activities and its products and services, as well as the policies implemented and the results achieved in relation to environmental, social and employee matters, respect for human rights, as well as anti-corruption and bribery matters “to the extent necessary for an understanding the company's activities, its performance, results, and impacts”.

Therefore, Generali will present a **Consolidated Non-Financial Statement within the 2017 Annual Integrated Report and Consolidated Financial Statements** in a specifically designated section. This Statement will include certain non-financial information, previously contained in the Sustainability Report, and identified through a specific materiality process. Additional non-financial information previously contained in the Sustainability Report will be made available on the Group website in the “Our Responsibilities” section. As a result, the Sustainability Report will no longer be published and non-financial information previously included in this Report will be presented in a manner that is more consistent with the new regulatory framework and in line with the best international practices¹.

New geographic representation for Group reporting

Generali presents its results according to a geographic representation, based on the Group's managerial structure. In accordance with communications to the market in recent months regarding new organisational structures, starting from the reporting as at 31 December 2017, the following new geographic representation will become effective, consisting of the three main markets - **Italy, France and Germany** - and four regional structures:

- **Central and Eastern Europe countries:** Czech Republic, Poland, Hungary, Slovakia, Serbia/Montenegro, Romania, Slovenia, Bulgaria and Croatia;
- **International:** consisting of EMEA, Americas, Asia, Europ Assistance and Other companies;
- **Investments, Asset & Wealth Management,** which includes the main Group entities operating in investment advisory, asset management and financial planning;

¹ Core & More i.e. the new reporting approach developed by Accountancy Europe envisages a “core” report, containing a summary of all the main information for evaluating and understanding a company, and “more” reports that provide detailed information. For further information www.accountancyeurope.eu



- **Group holdings and other companies**, which includes the Parent Company's management and coordination activities, including Group reinsurance, other financial holding companies and suppliers of international services not included in the previous geographic areas.

The 2016 operating result² broken down according to this new geographic representation is presented below.

Operating Result by Country

(€ million)	31/12/2016		
	Total	of which Life	of which P&C
Italy	1,948	1,305	714
France	701	593	137
Germany	847	457	428
Central and Eastern Europe	461	249	204
International	1,120	645	597
Investments, Asset & Wealth Management	321	0	0
Group holdings, other companies and country adjustments	-615	-163	-6
Total	4,783	3,084	2,073

Note that effective 1 January 2018, Austria will be integrated into the Central and Eastern Europe area: the geographic reporting will therefore be adapted to reflect this new organisational structure.

Recalculation of the main 2016 KPIs pursuant to IFRS 5

With reference to the disposal of the Dutch and Irish businesses, in application of IFRS 5 the Dutch and Irish companies being sold are classified as **assets held for sale**. Therefore, these investments are not excluded from consolidation in the financial statements disclosure as at 31 December 2017, but both the total of the related assets, liabilities, and profit and loss, net of tax effects, are shown separately in specific line items of the financial statements. The 2016 comparative data has also been reclassified: the table below shows the new value for the Group's main KPIs, recalculated based on the current scope of consolidation.

² Compared to the data published as at 31 December 2016, the operating result was recalculated as detailed below.



(€ million)	31/12/2016 as previously published	change	31/12/2016 restated
Gross written premiums	70,513	-1,606	68,907
Life gross written premiums	49,730	-1,330	48,400
P&C gross written premiums	20,783	-276	20,507
Life Net cash inflows	12,049	-256	11,793
Operating result	4,830	-46	4,783
Life	3,127	-43	3,084
P&C	2,044	29	2,073
Holding and other businesses	-91	17	-74
Consolidation adjustments	-251	-49	-300
Non-operating result	-1,529	4	-1,526
Assets Under Management	530,401	-14,082	516,319
Group debt	51,416	-10,302 ³	41,114

GENERALI GROUP

Generali is an independent Italian insurance group, with a strong international presence. Established in 1831, it is one of the largest global insurance providers, present in more than 60 countries and with total premium income of more than € 68.9 billion in 2016. With nearly 74,000 employees serving 55 million customers, the Group has a leading position in Western Europe and an increasingly significant presence in Central and Eastern European and Asian markets. In 2017, the Corporate Knights ranked Generali Group among the most sustainable companies in the world.

³ The change in value refers to liabilities relating to investment contracts.