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Testo del comunicato

Vedi allegato.

GENERALI

30/07/2015

INTERIM MANAGEMENT REPORT AS OF 30 JUNE 2015 – PRESS RELEASE[1]

Generali: record-breaking half-year closed with excellent results. Strong growth in total premiums

Operating result up 11.3% to € 2.8 bln, best result in the last 8 years

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Net profit grew significantly to € 1.3 billion (+21.6%)

Gross written premiums over € 38 bln (+7.3%) thanks to the strong growth of Life premiums (+10.6%), improving in all main markets. P&C segment also positive

New business APE to € 2.7 billion (+5.4%), driven by unit linked (+35.1%) and protection (+20.8%)

Combined ratio improving to 92.6% (-0.2 p.p.)

Pro-forma internal model Economic Solvency ratio to 200% (+14 p.p.)

The **Generali Group CEO, Mario Greco,** commented: *"In just three years we have accomplished one of the most complex turnaround programs that has ever been pursued in the insurance industry. The excellent half-year results demonstrate how Generali has transformed – in spite of an extremely challenging environment – into a global Group that is very profitable and solid from a capital perspective, with a renewed and innovative product offering allowing us to maintain attractive rates of revenue growth in most of the markets where we operate. These results constitute the best starting point for the execution of the new 2015-2018 strategic plan we presented in May, based on a 50% growth of the annual average cash generation, the distribution of more than €5 billion of dividends in the next 4 years and a further cost reduction of €500 million from 2016 to 2018, maintaining an operating return on equity above 13%. We expect to improve significantly the net result at year-end compared with 2014, preserving the high profitability growth achieved in the first half of this year."*

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[1] Changes in premiums, net premium income and Annual Premium Equivalent (APE) are presented in equivalent terms (at constant exchange rates and scope of consolidation). Changes in operating results, own investments and third-party assets under management are presented excluding from the comparative period the BSI Group, classified as a discontinued operation, and the sold Argentinian companies. The comparative financial data and results of operations have been re-determined on a consistent basis. For further information please see Annex 6) Changes in the presentation of the performance indicators of the Group.

Milan. At a meeting chaired by Gabriele Galateri di Genola, the Assicurazioni Generali Board of Directors approved the consolidated results as of 30 June 2015.

Executive Summary

Within the first half of 2015, Generali had continued to pursue its strategy of improving business profitability and develop total premiums, while benefitting from the positive effects of the turnaround achieved one year ahead of plan.

The **Group closed a record semester**, with excellent operating results and net profit as well as a strong premium income. Despite the difficult macroeconomic scenario, with record low interest rates and the impact of the Greek crisis, the **operating result** at **€ 2,779 million** (+11.3%; € 2,498 mln 1H14) achieved its **best performance in the last eight years**.
The **net profit** grew by more than 21% to € 1,307 million (€ 1,075 mln 1H14) thanks to the positive operating and non-operating performance, while **gross written premiums** increased by 7.3% to € 38.2 billion (€ 35.3 bln 1H14) showing an upward trend in both segments.

In the **Life** segment the operating result rose to € 1,713 million (+13.2%; € 1,514 mln 1H14) thanks to the strong technical profitability and successful investment management policy. The premium income increased significantly by 10.6% to € 26,906 million (€ 24,119 mln 1H14), with a strong development in all main markets thanks to the excellent performance of the unit linked policies (+25.7%). New business in terms of APE grew to € 2,707 million (+5.4%; € 2,520 mln 1H14), driven by the excellent performance of unit linked (+35.1%) and protection policies (+20.8%). Furthermore single premiums experienced a significant growth (+19.7%), in particular in Italy, France and Germany. The new business value (NBV) is at € 474 million (€ 651 mln 1H14), with new business margins (NBM) at 17.5% (25.8% 1H14) witnessing a good level despite the decline in interest rates and strongly increased market volatility in the second quarter of 2015.

The **P&C** segment trend was also positive, with an increase of the operating result to € 1,103 million (+2.3%; € 1,079 mln 1H14), thanks to the solid technical margin and the improved investment result. Total premiums amounts to € 11,266 million (+0.1%; € 11,169 mln 1H14), with a positive performance of the non-motor segment (+0.9%).
The technical profitability improved as shown by the combined ratio at 92.6% (-0.2 p.p.). Particularly notable the improvement in France with a CoR at 99.2% (-5.9 p.p) and CEE countries confirmed as the best Group's region in terms of technical profitability (85.4%).

A solid **Group shareholders' equity** is confirmed at € 23.3 billion (+0.3%; € 23.2 bln FY14). The pro-forma internal model Economic Solvency ratio stands at 200%, with an increase of 14 p.p. as against 31.12.2014. The increase is driven both by the contribution of the normalized operating return and by the positive effect on available capital and on risk capital of the financial environment at 30 June 2015, influenced by rising interest rates and the favorable trend of the equity market.
The Group Solvency I stands at 164% on a pro-forma basis, including the impact of the BSI disposal (unchanged as against FY14).

Life segment: excellent operating performance and strong premium income

- Operating result progressing to € 1.7 billion (+13.2%), thanks to successful investment management policy
- Strong gross written premium growth to € 26.9 bln (+10.6%); positive contribution from Italy (+22.6%), Germany (+6.7%), France (+9.5%) and CEE (+9.9%)
- Life net inflows significantly increased to € 8.2 billion (+38.5%)
- APE progressing to € 2,707 million (+5.4%)

The **operating result** grew by 13.2% to € 1,713 million (€ 1,514 mln 1H14). The trend benefitted from the investment management policy leading – within the current market conditions – to an improvement of both current returns and net realized gains on bond investments, both for corporate and government bonds. The contribution of the technical margin was also positive - supported by the net inflows trend and offset by the increase in acquisition and administration costs, in line with the premium trend. However, the expense ratio - the abovementioned costs divided by premiums - showed an improvement at 9.4% (9.6% 1H14).

(Euro million)	30/06/2015	30/06/2014	2Q 2015	2Q 2014
Operating result	**1,713**	**1,514**	**890**	**753**
Technical margin	2,868	2,702	1,483	1,339
Net investment result	1,374	1,091	696	553
Insurance management expense and other operating items	-2,529	-2,279	-1,289	-1,138

Life gross written premiums continued to grow significantly in line with the first quarter 2015 to € 26,906 million[2] (€ 24,119 mln 1H14) with an increase of 10.6%. The growth was driven by all business lines, among which unit linked contracts in particular, with an increase of 25.7%, in line with the strategy focusing on products with low capital absorption. Savings and pension performance is also positive (+5.5%) as well as protection (+8.1%).
With regard to the main operating countries, the excellent trend in Italy is confirmed, with premiums at € 9,697million (+22.6%) driven by improved linked products, where production more than doubled compared to the same period in 2014, and by the strong growth in savings and pension (+10.7%) policies. The trend was positive also in the other main countries of the Group driven by the double digit uplift of unit linked policies and by growth in protection lines. CEE Countries and Germany – where the Group has recently launched a business repositioning - showed total improvements of respectively 9.9% and 6.7%. In France, total premium income grew by 9.5%; beside the strong increase in linked policies (+46.3%) also thanks to the contribution of savings and pension policies (+2.1%).
Premiums in EMEA countries decreased by 8.8%, principally due to the reduction in Ireland, that experienced a strong growth in single premium products in the first half of last year. Positive performance was seen in Switzerland (+9.8%) and Austria (+2.7%).

The strong improvement in **life net inflows** - collected premiums minus outflows for maturities and surrenders - is also confirmed at € 8,200 million (+38.5%). This is driven by the performance in Italy, France and Germany, offsetting the reduction in the EMEA countries. This reduction is due to the already

[2] Including investment policies premiums of € 1,983 million

mentioned decrease of single premium income in Ireland, and the performance in Austria, with net inflows impacted by the strong increase in payments linked to maturity dates. A positive contribution was also witnessed from Asia (€ 220 million), with its net inflows more than doubled.

The **new business in terms of APE** increased by 5.4%, to € 2,707 mln (€ 2,520 mln 1H14), thanks to the excellent performance of unit linked (+35.1%) and protection (+20.8%) policies. Single premiums showed a remarkable growth (+19.7%), in particular in Italy, France and Germany, while annual premiums decreased (-5.1%) mainly driven by the decline in Italy (-26.4%), benefitting by some significant renewals in the first months of 2014, only partially offset by the growth in France (+45%) and Asia (+52.8%).
Despite the difficult macroeconomic scenario, with low interest rates and the increased market volatility in the second quarter of 2015, new business margin (NBM) was at 17.5% (25.8% 1H14) witnessing a good level also thanks to the guarantees' recalibration and their impact on APE (from 72.7% to 64.1%). The new business value (NBV) amounted to € 474 million (-29.2%).

P&C segment: technical results and operating performance further improved

- Operating result up to € 1.1 billion (+2.3%) thanks to decreased loss ratio and to the investment result
- Premiums at € 11,266 mln (+0.1%)
- Combined ratio at 92.6% (-0.2 p.p.)

The **operating result** grew to € 1,103 million (+2.3%; € 1,079 mln 1H14), benefitting from the improved investment result, despite the current low interest rate environment. Thanks to the decreased loss ratio, the good technical performance is confirmed, including the impact from catastrophe events of approx. € 140 million, as in particular storms in March and April across Italy and central Europe. In the first semester of last year similar events amounted to approx. € 128 million. Other technical items have slightly deteriorated.

(Euro million)	30/06/2015	30/06/2014	2Q 2015	2Q 2014
Operating result	**1,103**	**1,079**	**598**	**549**
Technical result	644	649	356	304
Net investment result	529	508	295	278
Other operating items	-70	-77	-53	-32

The positive development of the P&C **gross written premiums** amounts to € 11,266 million (+0.1%; € 11,169 mln 1H14), despite the still tough market environment in many Group operating countries. Looking at the trend of the Group countries in detail, thanks to the development of the total portfolio the following countries show a premiums increase: CEE (+2.8%), EMEA (+1.9%) and Germany (+0.6%), the latter recovering after the reduction in the first quarter thanks to the recovery of the motor segment. Italy (-3.5%) and France (-2.5%) however declined as a result of the motor segment facing strong competition within the sector (respectively -9% and -5.5%). Overall, total premiums in the motor segment decreased by 1.7%, while non-motor increased (+0.9%) with diverse trends in the main Group operating markets.

The **combined ratio** amounts to 92.6% (-0.2 p.p.), thanks to the improved loss ratio that decreased by 0.7 p.p. to 65%, despite the higher impact of catastrophe-related claims in the first half of approx. € 11 million, 1.4 p.p. in total (1.3 p.p. 1H14). The expense ratio increased to 27.6% (+0.5 p.p.), principally due to the reduction in premiums in France and Italy.
Both current year loss ratio excluding nat-cat claims (-0.3 p.p.) and the prior years' contribution (-0.5 p.p.)

improved.

As to the main operating countries, the combined ratio significantly improved in France to 99.2% (-5.9 p.p.; 105.1% 1H14) and in Germany to 92.5% (-1.2 p.p.). The improvement in France in particular benefitted from both the minor impact of natural catastrophes and the success of portfolio restructuring measures. This trend is also confirmed even excluding the impact of nat-cat in both periods. The CoR increased in Italy to 88.7% (88.1% 1H14) due to the higher impact of catastrophe events (in particular storms in early March), and in the CEE countries to 85.4% (+1.2 p.p.), the latter proving themselves as best CoR in the Group despite the higher impact of storms.

Holding and other businesses[3]

The **operating result of the "holding and other businesses" segment** is stable at € 71 million (€ 66 mln 1H14). The operating result of the **financial segment** in particular showed a significant increase to € 245 million (€ 201 mln 1H14) thanks to the contribution of Banca Generali mainly driven by the net operating result from financial activities.
The overall performance was impacted by the increase in the holding operating costs, from € -197 million to € -251 million. This reflects the reinforcement of the Group Head Office structures started in 2013 and further developed in 2014, including the transition to the new Solvency II regime, as well as the development of Regional Offices aimed at leading, coordinating and controlling the key business areas for growth prospects, as in the case of Asia.

From operating result to Net profit

The **non-operating result** improved to € -484 million (€ -658 mln 1H14). The performance reflects in particular the significant growth in the net investment result to € 351 million (€ -79 mln 1H14) due to less impairments and higher net realized gains on equity, also thanks to active investment management in the current financial market scenario.
The non-operating holding costs decreased to € -367 million (€ -409 mln 1H14) thanks to the reduction in interest expenses on financial debts from € -383 million to € -342 million in the first half of 2015. The reduction is a consequence of the debt-optimization measures performed by the Group in 2014.
Finally, the other non-operating costs amount to € -468 million (€ -170 mln 1H14). This item is primarily made up of € -66 million for the amortization of the acquisitions portfolio (€ -70 mln 1H14), of € -221 million for non-recurring provisions (€ -54 mln 1H14), that mainly include the other provisions strengthening, and of € -181 million for the restructuring costs (€ -47 mln 1H14), including expenses of approx. €100 million for the strategic repositioning on the German market launched by the Group in 2015.

Consequently, **earnings before tax** amount to € 2,295 million (+24.7%).

The tax rate stands at 31.8%, substantially in line with the previous year (32.2% 1H14).

The **result of discontinued operations** amounts to € -82 million (€ -12 mln 1H14) as a consequence of the price adjustment, the ex IFRS 5 measurement update for the BSI[4] share and the legal expenses linked to the disposal. The result of the period attributable to minority interests, i.e. a minority rate of 10.2% (10.4% 1H14), demonstrate the excellent performance of Banca Generali and Asia.

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[3] The "Holding and other businesses" segment includes the activities carried out by Group companies in the financial advisory and asset management sector (financial segment), the costs incurred for the management, coordination and financing of the business, and other activities that the Group considers subsidiary to its core insurance business.
[4] For further information on the accounting criteria applied please see Non-current assets or disposal group classified as held for sale in the chapter "Basis of presentation and accounting principles" of the 2015 Interim Condensed Consolidated Financial Statements.

The **Group result of the period** thus achieved € 1,307 million, with an improvement of 21.6% as against € 1,075 million in 1H 2014.

Shareholders' equity and Group Solvency I

The **capital and the reserves attributable to the Group** increased to € 23,284 million at 30 June 2015 as against € 23,204 million at 31 December 2014.
The slight increase of 0.3% is mainly due to the Group result of the period at € 1,307 million and to the actuarial gains on pension liabilities of € 335 million, partially offset by value losses on available for sale financial assets reduced by € -1,226 million due to the interest rate trend during the first half of the year.

The **Group Solvency I ratio** stands at 156% as of 30 June 2015 (unchanged as against 31 December 2014). Including the effects of the BSI disposal, the pro-forma ratio is 164%.
The required margin amounts to € 19.3 billion (€ 18.6 bln at 31 December 2014) mainly as a consequence of the exchange-rate effect subsequent to the mentioned Swiss Franc appreciation and, on a minor note, of the Life business development. The available solvency capital is € 30.2 billion (€ 29 bln at 31 December 2014), mainly thanks to the result of the period. The surplus is equal to € 10.9 billion (€ 10.4 bln at 31 December 2014).

Group investments

(Euro million)	30/06/2015	(%) total of	31/12/2014	(%) total of
Equity instruments	18,578	5.1%	17,610	4.8%
Fixed-income instruments	319,029	87.1%	318,884	87.3%
Investment properties	14,848	4.1%	14,872	4.1%
Other investments	3,453	0.9%	3,662	1.0%
Cash and cash equivalents	10,167	2.8%	10,223	2.8%
General account investments	**366,075**	**100.0%**	**365,250**	**100.0%**
Financial assets relating to unit and index linked contracts	76,435		67,707	
Total investments	**442,510**		**432,957**	

Group total Assets Under Management at 30 June 2015 increased by 3% to € 493.5 billion. In particular, total investments amounted to € 442.5 billion while third party assets under management amounted to € 50.9 billion.
General account investments of € 366.1 billion, increased by 0.3% primarily due to the bond portfolio benefitting from the reinvestment of the premium income of the period in particular in corporate bonds. The equity portfolio also increased mainly thanks to the price effect. Investment properties are broadly stable.
Cash and cash equivalents decreased, in line with the Group investment policy. As in the previous period, the future asset allocation strategy of the policy will aim at consolidating current margins and minimizing liquidity.

The investment strategy for fixed-income investments aims at portfolio diversification, in both government bonds, where the European core rates are at record lows, and corporate bonds, including private placements and guaranteed loans.
The objective is to ensure adequate returns for policyholders and a satisfactory return on capital, while maintaining a controlled risk profile.
Equity exposure will be kept substantially stable, through geographical and sector rotation targeting regions and sectors with growth higher than in Europe.

New real estate investments will selectively focus on new geographical areas such as Asia, UK and Eastern Europe, to improve the overall portfolio diversification. The Group will also implement a more active portfolio management approach to improve the overall profitability.

Significant events within the period and after 30 June 2015

Generali finalizes the acquisition of Generali PPF Holding

In January, the Generali Group reached 100% ownership of Generali PPF Holding B.V. (GPH) by acquiring the remaining 24% minority shareholding held by PPF Group, in line with the agreements signed in January 2013. With the acquisition of the full ownership of GPH, the holding company operating in Central Eastern Europe and one of the largest insurers on that market, the company changed its name to Generali CEE Holding B.V.

The acquisition of the remaining shares of GPH was completed under the terms previously announced to the market, for a final price of € 1,245.5 million.

S&P withdraws rating at Generali's request

On 13 February 2015, at Generali's request, Standard & Poor's withdrew its ratings on the Group. Consequently, Generali will no longer have an S&P rating. The decision, taken after a thorough review including consultation with investors and other stakeholders, is based on the inflexibility of S&P's criteria to take into account the significant improvement of the Group's financial solidity achieved in the last two years. Furthermore, the mechanical link to the sovereign rating applied by S&P does not give merit to the Group's high level of diversification nor the benefits of its broad geographical presence. In line with industry norms, Generali will remain rated by three major rating agencies: Moody's (Baa1), Fitch (A-) and A.M. Best (A).

Generali, BSI reaches agreement with US Department of Justice

Generali announced that BSI, the Swiss private bank, had reached a Non-Prosecution Agreement (NPA) with the U.S. Department of Justice (DOJ), under which it resolved liability arising from its legacy US private banking business. BSI, which paid an amount of USD 211 million, is the first "Category 2" bank to reach an NPA agreement with the DOJ. The U.S. settlement is in line with the amount already provisioned in Generali Group FY14 financial statements, therefore no further material impact is expected on Generali Group 2015 accounts.

The agreement with the American Department of Justice is a further major step towards the finalisation of the BSI sale process, which will occur after receiving the required regulatory approvals.

Generali strengthens its international management team

In April, Generali strengthened its governance with the arrival of two new managers joining the Group to lead the Asia and the Americas areas respectively. Jack Howell is the new Asia Regional Officer responsible for Generali's activities in China, Hong Kong, India, Indonesia, Japan, Philippines, Thailand, Vietnam, Malaysia and Singapore. In China, Generali is one of the leading foreign Life insurers. Jack Howell assumes the role held by Sergio Di Caro, who as from 1st January 2015 took over as Head of Generali Employee Benefits, the global market leader in this segment.

Antonio Cassio dos Santos joined the Group as Americas Regional Officer. Generali is amongst the leading foreign insurers in Latin America, operating in Brazil, Argentina, Colombia, Guatemala, Ecuador and Panama. The Group is also active in Northern America with the Generali U.S. Branch

Generali: renewed the revolving credit facilities

In May, Assicurazioni Generali has renewed the revolving credit facilities, initially signed in May 2013 for a total value of € 2 billion, which may be used by the Company within a period of 3 to 5 years depending on the credit facility. This transaction will have an impact on the Group's financial debt only if the facility is drawn upon and allows Generali to improve its financial flexibility to manage future liquidity needs in a volatile environment. The new credit facilities substitute the previous ones – both those with a 2-year duration that have expired and those with a 3-year duration that have been closed in advance.

A group of 21 primary Italian and international lenders participated with strong commitment to the transaction. The total commitments received amount to € 13 billion, more than 6 times the company's offer. The competitive offer process adopted by Generali allowed the Group to select 7 lenders and obtain very favorable conditions, strongly improved with respect to May 2013, both in terms of offered size and pricing.

Generali launches strategic repositioning in the German market
In May, Generali announced a strategic business repositioning in Germany. Its aim is to enhance the competitive position of the Group in the German market by the end of 2018 through a simpler and business-focused governance, a new business model in Life insurance to ensure long-term profitability, a stronger focus on distribution strengths and a modern and leaner operating platform.
The repositioning will further leverage on following key business strengths:

- simpler and closer-to-business governance through the integration of Generali Deutschland Holding, Generali Versicherung and Generali Leben into the new Generali Deutschland AG;
- multi-channel and tailor-made offer through Generali, AachenMünchener and CosmosDirekt. Back office operations to be consolidated;
- Life insurance long term sustainability through focus on low capital intensive and high performance new products, transitioning the business into a "New Normal" model;
- building a smarter and simpler operating platform with improved IT architecture;
- new country management team completed.

Investor Day
At the Investor Day at May end Generali presented the new strategic plan with a commitment to set out a new business model and to achieve new, challenging financial targets focused on generating more cash and increased dividends. The goal of the Group is becoming the retail insurance leader, based on simple and smart products and services.
Strong attention will be paid on customer experience throughout the whole journey from information search to contract renewal.
With the new strategy the Group aims for a cumulative Net Free Cash Flow generation of more than €7 billion by 2018. Cumulative dividend by 2018 will amount to over €5 billion. Generali has identified several levers of value generation to reach its financial targets. They include new value-added services embedded in the offering, new business opportunities through partnerships and data analytics to improve pricing.
The current cost efficiency programme will continue with annual cost savings of €250 million extended through to 2018, resulting in total savings of €1.5 billion from the beginning of 2012.
A total of €1.25 billion will be reinvested in technology, data analytics and more flexible operating platforms.

Telco demerger closed
Following the finalisation of the Telco demerger in June, Telecom Italia ordinary shares owned by Telco – 22.3% of the shareholders' equity – were distributed to its shareholders (of which 4.31% to the Generali Group). With the demerger becoming effective, the shareholders' agreement among Telco's shareholders has terminated.

Generali acquired My Drive Solutions
In July, Generali acquired full control of MyDrive Solutions, an English start-up founded in 2010, among the leading companies in the use of data analytics tools to profile driving styles with the aim of identifying innovative and tailor-made products for the customers and favourable tariffs for low risk drivers.
In line with the new strategy announced during the most recent Investor Day, the acquisition of MyDrive enables the Group to obtain a centre of excellence in data analysis, whose competencies will be further enriched and around which a Hub specialised in telematics solutions and know-how will be launched to serve all segments and business units. This will allow expanding data analysis activities to a vast series of sectors, from fraud prevention to sophisticated customer segmentation, thereby facilitating the creation of intercompany synergies and the optimisation of the product offering.

Outlook

In the macroeconomic scenario, a recovery in the GDP growth in the advanced economies - at record low interest rates - is expected, due to the positive outlook for the American economy and the ECB expansionary policy. The Greek crisis should not lead to a significantly negative impact on GDP and on market volatility thanks to the agreement with the creditor countries and institutions.

Within this scenario Group Life premiums will continue to reflect a prudent underwriting policy and a stronger focus on low capital absorption and higher value products. Initiatives will continue to enhance the in-force portfolio and to drive selective growth of some business lines, such as protection policy products and unit linked products.

In the P&C segment, the Group will continue in 2015 to implement in force measures relating to underwriting policy and claims management.

Given the presence of an uncertain macroeconomic scenario and in line with its strategic objectives, **in 2015 the Group will continue to undertake all actions aimed at improving the overall operating result**.

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The Manager in charge of preparing the company's financial reports, Alberto Minali, declares, pursuant to paragraph 2 article 154 bis of the Consolidated Law on Finance, that the accounting information in this press release corresponds to the document results, books and accounting entries.

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DEFINITIONS AND GLOSSARY

Annual Premium Equivalent (APE) = the sum of new annual premium policies, plus one-tenth of premiums on new single-premium policies. This is the premium basis used to compute Life new business value.

New Business Value (NBV) = expected present value, on issue, of future profits arising from new Life business in the period, net of the cost of capital.

New Business Margin (NBM) = new production divided by APE.

Net inflows = collected premiums minus outflows for maturities and surrenders.

Combined ratio (CoR) = loss ratio plus expense ratio (acquisition expenses+general expenses) divided by earned premiums net of reinsurance.

Current year loss ratio = the ratio between:

- current year incurred claims (excluding nat cat claims) + related claims management costs net of recoveries and reinsurance to
- earned premiums net of reinsurance.

Prior- years loss ratio = the ratio between:

- prior years incurred claims + related claims management costs net of recoveries and reinsurance to
- earned premiums net of reinsurance

Solvency I ratio = the ratio between available margin and required margin.

Equivalent consolidation area = refers to equivalent consolidation scope.

Equivalent terms = refer to equivalent exchange rates and equivalent consolidation scope.

Operating result was obtained by reclassifying the components making up earnings before tax in each line of business on the basis of the specific characteristics of each segment, and taking account of recurring expense of the holding.
All profit and loss items were considered, with the exception of net non-operating costs, i.e., results of discontinued operations, corporate restructuring costs, amortisation of portfolios acquired directly or through acquisition of control of insurance companies or companies in the holding and other activities segment (value of business acquired or VOBA) and other net non-recurring costs. In the Life segment, the following are also considered as non-operating items: realised gains and losses on investments not considered in determining profits attributed to policyholders and net measurement losses that do not contribute to the formation of local technical reserves but exclusively in determining the deferred liability to policyholders for amounts not relating to policyholders and those on free assets. In the P&C segment, the following are considered as non-operating items: all realized and measurement gains and losses, including exchange-rate gains and losses. In the holding and other activities segment, the following are considered as non-operating items: realized gains and losses and non-recurring net measurement losses. The total operating result does not include non-operating holding costs such as interest expense on borrowings and costs arising from parent stock option plans and stock grants.

Operating return on equity = ratio of the adjusted operating result return to the Group shareholders' equity adjusted for the other items of the Statement of comprehensive income.

Economic Solvency ratio = the Economic Solvency ratio is based on the internal model to the insurance scope of Generali Group, assuming the BSI Group disposal and the application of the current IORP regime to the overall French pension portfolio. The Group internal model is currently subject to the approval process conducted by the Group Supervisor as part of the Solvency II implementation process which is scheduled to take effect January 1, 2016.

For a description of the alternative performance measures, refer to the Methodology Note of the Group Annual Integrated Report.

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The Group has availed itself of the option provided for by art. 70, paragraph 8, and art. 71, paragraph 1-bis of the Issuers' Regulations to waive the requirement to publish informative documents prescribed in relation to significant mergers, demergers, capital increase by contribution of assets, acquisitions or divestitures.

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ADDITIONAL INFORMATION
For further information please refer to the Interim Condensed Consolidated Financial Statements of the Generali Group.

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THE GENERALI GROUP

The Generali Group is one of the largest global insurance providers with 2014 total premium income of more than € 70 billion. With 78,000 employees worldwide serving 72 million insured persons in more than 60 countries, the Group occupies a leadership position on West European markets and an increasingly important place on markets in Central Eastern Europe and Asia.

List of annexes:

1) Group highlights
2) Debt
3) Operating result and Group result
4) Additional key data by segment
5) Information on significant transactions with related parties
6) Changes in the presentation of the performance indicators of the Group

1) GROUP HIGHLIGHTS 5

Economic highlights

(€ million)	30/06/2015	30/06/2014	SECOND QUARTER 2015	SECOND QUARTER 2014
Gross written premiums	38,172	35,288	18,023	16,847
of which life segment	26,906	24,119	13,240	12,094
of which property&casualty segment	11,266	11,169	4,783	4,753
Consolidated operating result	2,779	2,498	1,453	1,248
of which life segment	1,713	1,514	890	753
of which property&casualty segment	1,103	1,079	598	549
Result of the period	1,307	1,075	626	415

Balance sheet

(€ million)	30/06/2015	31/12/2014
Total investments	442,510	432,957
Third parties asset under management	50,939	46,716
Shareholders' equity attributable to the Group	23,284	23,204
Solvency I ratio	156%	156%
Pro-forma internal model Economic Solvency ratio	200%	186%

2) DEBT

(€ million)	30/06/2015	31/12/2014
Liabilities linked to financing activities	**37,775**	**36,541**
Liabilities linked to financing activities	**11,779**	**12,253**
Subordinated liabilities	8,440	8,315
Senior bonds	2,996	3,477
Other non-subordinated liabilities linked to financing activities	344	461
Total	**49,555**	**48,794**

[5] As mentioned above, the comparative data regarding operating results, own investments and assets under management on behalf of third parties (and related changes) have been restated excluding the BSI Group due to the fact that was classified as discontinued operations and the sold Argentinian companies.

3) FROM OPERATING RESULT TO NET PROFIT

(€ million)	30/06/2015	30/06/2014	SECOND QUARTER 2015	SECOND QUARTER 2014
Consolidated operating result	**2,779**	**2,498**	**1,453**	**1,248**
Net earned premiums	34,467	31,194	16,896	15,697
Net insurance benefits and claims	-37,907	-33,279	-15,086	-17,190
Acquisition and administration costs	-5,344	-5,068	-2,639	-2,521
Net fee and commission income and net income from financial service activities	273	227	100	120
Operating investment result	11,837	9,789	2,511	5,319
Net operating income from financial instruments at fair value through profit or loss	4,518	2,926	-1,054	1,969
Net operating income from other financial instruments	7,319	6,863	3,565	3,351
Interest income and other income	6,191	6,021	3,278	3,163
Net operating realized gains on other financial instruments and land and buildings (investment properties)	1,777	1,478	519	569
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-178	-102	-20	-89
Interest expense on liabilities linked to operating activities	-211	-228	-97	-124
Other expenses from other financial instruments and land and buildings (investment properties)	-259	-306	-114	-168
Operating holding expenses	-251	-197	-135	-101
Net other operating expenses(*)	-296	-168	-193	-77
Consolidated non-operating result	**-484**	**-658**	**-278**	**-434**
Non operating investment result	351	-79	211	-205
Net non-operating income from financial instruments at fair value through profit or loss	-42	-92	2	-25
Net non-operating income from other financial instruments(**)	393	13	209	-180
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	498	381	240	129
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-105	-368	-31	-309
Non-operating holding expenses	-367	-409	-180	-200
Interest expenses on financial debt	-342	-383	-170	-187
Other non-operating holding expenses	-24	-26	-9	-13
Net other non-operating expenses(***)	-468	-170	-309	-29
Earning before taxes	**2,295**	**1,840**	**1,176**	**813**
Income taxes(*)	-757	-629	-419	-311
Earnings after taxes	**1,538**	**1,211**	**757**	**502**
Profit or loss from discontinued operations	-82	-12	-62	-34
Consolidated result of the period	1,456	1,199	695	468
Result of the period attributable to the Group	**1,307**	**1,075**	**626**	**415**
Result of the period attributable to minority interests	149	124	69	53

(*) At 30 June 2015 the amount is net of operating taxes for € 32 million and of non-recurring taxes shared with the policyholders in Germany for € 9 million (at 30 June 2014 respectively for € 32 million and € 22 million),

(**) The amount is gross of interest expense on liabilities linked to financing activities,

(***) The amount is net of the share attributable to the policyholders in Germany and Austria,

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4) ADDITIONAL KEY DATA PER SEGMENT

LIFE

Operating result by contry

(€ million)	30/06/2015	30/06/2014	SECOND QUARTER 2015	SECOND QUARTER 2014
Technical margin	**2,868**	**2,702**	**1,483**	**1,339**
Net earned premiums	24,540	21,326	11,981	10,797
Fee and commission from financial service activities	115	107	68	54
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	-21,843	-18,767	-10,603	-9,546
Other insurance items	56	36	37	33

(€ million)	30/06/2015	30/06/2014	SECOND QUARTER 2015	SECOND QUARTER 2014
Net investment result	**1,374**	**1,091**	**696**	**553**
Operating income from investments	11,045	9,114	2,061	4,968
Net income from investments	6,727	6,390	3,213	3,085
Current income from investments	5,566	5,409	2,933	2,817
Net operating realized gains on investments	1,740	1,436	502	545
Net operating impairment losses on investments	-176	-100	-20	-88
Other operating net financial expenses	-404	-355	-202	-190
Net income from financial instruments at fair value through profit or loss	4,318	2,724	-1,152	1,883
Net income from financial instruments related to unit and index-linked policies	3,878	2,207	-455	1,739
Net other income from financial instrumensts at fair value through profit or loss	441	516	-697	144
Policyholders' interests on operating income from own investments	-9,671	-8,023	-1,365	-4,415

(€ million)	30/06/2015	30/06/2014	SECOND QUARTER 2015	SECOND QUARTER 2014
Total operating expenses	**-2,529**	**-2,279**	**-1,289**	**-1,138**
Acquisition and administration costs related to insurance business	-2,482	-2,255	-1,255	-1,115
Net other operating expenses	-47	-24	-34	-23

Life segment indicators by country

(€ million)	Gross written premiums		Net inflows		APE	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Italy	9,697	7,912	3,919	2,203	1,159	1,177
France	4,596	4,199	721	41	535	425
Germany	7,174	6,724	2,031	1,649	448	418
Central and Eastern Europe	813	741	240	219	87	64
EMEA	3,371	3,603	947	1,575	348	363
Spain	474	500	-32	-105	58	59
Austria	659	642	6	131	60	51
Switzerland	628	495	297	236	37	26
Other EMEA	1,610	1,966	677	1,313	193	227
Americas	158	116	75	58	11	7
Asia	807	565	220	82	120	66
International Operations	288	259	47	36		
Total	**26,906**	**24,119**	**8,200**	**5,864**	**2,707**	**2,520**

Direct written premiums by line of business

(€ million)	Savings and Pension		Protection		Unit/index linked		Total	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Italy	7,540	6,811	123	124	2,034	977	9,697	7,912
France	2,562	2,510	821	793	1,001	684	4,384	3,987
Germany	2,765	2,879	2,346	2,144	2,063	1,701	7,174	6,724
Central and Eastern Europe	378	389	142	123	293	228	813	741
EMEA	1,129	1,057	522	509	1,716	2,027	3,366	3,592
Spain	338	373	126	118	10	9	474	499
Austria	382	365	153	146	121	123	656	634
Switzerland	179	89	75	66	374	341	628	495
Other EMEA	230	231	168	179	1,210	1,553	1,608	1,963
Americas	15	13	142	103	0	0	157	116
Asia	531	385	210	138	66	42	807	565
International Operations	61	52	25	19	0	0	86	71
Total direct written premiums	**14,983**	**14,095**	**4,329**	**3,953**	**7,172**	**5,659**	**26,484**	**23,707**

(€ million)	NBV		Operating Result	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Italy	258	319	674	696
France	18	56	286	275
Germany	73	134	200	166
Central and Eastern Europe	21	22	117	103
EMEA	83	110	339	240
Spain	37	38	61	60
Austria	0	12	44	41
Switzerland	3	18	97	78
Other EMEA	43	42	137	61
Americas	-	0	22	1
Asia	21	11	115	23
International Operations			-39	9
Total	**474**	**651**	**1,713**	**1,514**

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Property&Casualty

Operating result by driver

(€ million)	30/06/2015	30/06/2014	SECOND QUARTER 2015	SECOND QUARTER2014
Technical result	**644**	**649**	**356**	**304**
Net earned premiums	9,928	9,868	4,914	4,900
Net insurance benefits and claims	-6,456	-6,471	-3,184	-3,219
Net acquistion and administration costs	-2,739	-2,675	-1,336	-1,332
Other net technical income	-89	-72	-39	-46

(€ million)	30/06/2015	30/06/2014	SECOND QUARTER2015	SECOND QUARTER2014
Investment result	**529**	**508**	**295**	**278**
Current income from investments	687	708	374	390
Other operating net financial expenses	-158	-200	-79	-112

Property and Casualty indicators by country

(€ million)	Gross written premiums		Operating result	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Italy	2,927	3,032	381	431
France	1,380	1,416	82	11
Germany	2,144	2,130	198	179
Central and Eastern Europe	1,015	989	138	138
EMEA	2,585	2,465	221	223
Spain	737	697	89	95
Austria	827	822	94	90
Switzerland	544	476	35	31
Other EMEA	477	471	3	7
Americas	597	524	2	14
Asia	59	49	3	-1
International Operations	559	563	78	83
Total	**11,266**	**11,169**	**1,103**	**1,079**

Direct written premiums by line of business

(€ million)	Motor		Non motor		Total	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Italy	1,220	1,340	1,644	1,640	2,864	2,980
France	473	500	875	888	1,347	1,388
Germany	901	895	1,240	1,233	2,141	2,128
Central and Eastern Europe	501	476	496	494	997	971
EMEA	961	914	1,568	1,500	2,529	2,414
Spain	188	167	521	512	709	679
Austria	319	317	499	493	818	810
Switzerland	248	224	295	251	543	475
Other EMEA	206	207	254	243	460	450
Americas	436	385	158	137	594	522
Asia	6	5	40	36	45	41
International Operations	1	0	370	380	371	380
Total direct written premiums	**4,498**	**4,516**	**6,391**	**6,306**	**10,889**	**10,823**

(€ million)	Combined ratio*		Loss ratio		Expense ratio	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Italy	88,7%	88,1%	66,6%	66,2%	22,1%	21,9%
France	99,2%	105,1%	71,6%	78,0%	27,6%	27,2%
Germany	92,5%	93,7%	64,2%	65,2%	28,3%	28,4%
Central and Eastern Europe	85,4%	84,2%	53,2%	51,9%	32,2%	32,3%
EMEA	94,1%	94,6%	66,4%	66,7%	27,8%	27,9%
Spain	91,9%	91,9%	63,4%	63,3%	28,4%	28,6%
Austria	93,2%	94,3%	67,3%	67,9%	26,0%	26,4%
Switzerland	93,2%	94,8%	69,0%	71,5%	24,1%	23,3%
Other EMEA	101,7%	100,4%	67,2%	65,6%	34,5%	34,8%
Americas	104,7%	105,3%	64,0%	68,5%	40,7%	36,8%
Asia	92,7%	104,4%	44,1%	61,6%	48,6%	42,8%
International Operations	88,6%	83,2%	65,2%	59,0%	23,4%	24,2%
Total	**92,6%**	**92,8%**	**65,0%**	**65,7%**	**27,6%**	**27,1%**

(*) CAT calims impacted on the Group combined ratio for 1,4 pps of which 2,6 pps in Italy, 2,4 pps and 3 pps in Germany (At 30 June 2014 CAT claims impacted on the Group combined ratio for 1,3 pps, of which 1 pps in Italy, 3,6 pps in France, and 2,3 pps in Germany,)

5) INFORMATION ON SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

With reference to transactions with related parties, in accordance with the provisions of paragraph 18 Procedures relating to transactions with related parties approved by the Board of Directors in 2010 and subsequent updates, it should be noted that:
(i) no significant transactions were concluded during the reporting period and
(ii) no transactions with related parties having a material effect on the financial position or results of the Group were concluded.

Further details on related party transactions can be found in the related section of the Consolidated half yearly financial statements.

6) CHANGES IN THE PRESENTATION OF THE PERFORMANCE INDICATORS OF THE GROUP

All the economic indicators and comparative performance included in this management report have been restated in line with the current scope of consolidation and with the review of segment reporting,
It should be noted, therefore, that the changes indicated in the management report are on a comparable basis, excluding from the comparison period, discontinued operations with reference to 30.06.2015.
As mentioned above, the comparative KPIs contained in this report have been restated as follows:

	30/06/2014 as previously published	change in scope and segment reporting	30/06/2014 As published
Gross written premiums	35,361	-73	35,288
Life Gross written premium	24,192	-73	24,119
Property & Casualty Gross written premiums	11,169	0	11,169
Net cash inflows	5,926	-62	5,864
Operating result	2,512	-14	2,498
Life	1,551	-37	1,514
Property & Casualty	1,033	46	1,079
Holding and other businesses	29	37	66
Consolidation adj,	-101	-60	-161
Non-operating resut	-653	-5	-658

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