

PROGETTO COMUNE DI FUSIONE TRANSFRONTALIERA PREDISPOSTO DAI CONSIGLI DI AMMINISTRAZIONE DI:

- **ASSICURAZIONI GENERALI - Società per Azioni**, una società per azioni disciplinata dal diritto italiano, con sede legale in Piazza Duca degli Abruzzi n. 2, Trieste, Italia, capitale sociale Euro 1.561.808.262,00 interamente versato, codice fiscale, partita IVA e numero di iscrizione al Registro delle Imprese della Venezia Giulia: 00079760328, numero di iscrizione all'Albo delle Imprese di Assicurazione e Riassicurazione Italiane: 1.00003, Capogruppo del Gruppo Generali, iscritto al numero 026 dell'Albo dei Gruppi Assicurativi ("AG" o la "Società Incorporante"),

E DI:

- **Generali Finance B.V.**, una società a responsabilità limitata (*besloten vennootschap met beperkte aansprakelijkheid*) costituita ai sensi del diritto olandese, con sede legale in Amsterdam e sede centrale in 1112XN, Diemen, Diemerhof 42, Paesi Bassi, capitale sociale deliberato Euro 500,000,000.00, di cui sottoscritto e versato Euro 100.000.000,00, numero di iscrizione al Registro di Commercio presso la Camera di Commercio Olandese: 33219814 ("GF" o la "Società Incorporata"), (AG e GF sono di seguito congiuntamente definite come: le "Società Partecipanti alla Fusione").

Considerato che:

- AG possiede attualmente una partecipazione pari al 26% del capitale sociale di GF e possiederà, prima della stipula dell'atto notarile di fusione, tutte le azioni sottoscritte (e versate) del capitale della Società Incorporata del valore nominale di Euro 100,00 ciascuna;
- i consigli di amministrazione delle Società Partecipanti alla Fusione intendono proporre una fusione giuridica transfrontaliera ai sensi delle disposizioni della Direttiva Europea 2005/56/CE del Parlamento Europeo e del Consiglio del 26 ottobre 2005 sulle fusioni transfrontaliere delle società di capitali (la "Direttiva CE"), recepita ai fini del diritto olandese ai sensi del Titolo 7, paragrafo da 1 a 3A incluso, del Libro 2 del Codice Civile Olandese (il "Codice Olandese") e ai fini del diritto italiano con il Decreto Legislativo n. 108 del 30 maggio 2008 (il "Decreto Legislativo 108");
- anche le norme italiane per le fusioni nazionali di cui agli articoli 2501 e seguenti del Codice Civile Italiano (il "Codice Civile") si applicano *mutatis mutandis* alla presente fusione transfrontaliera; la Società Incorporante, prima della stipula dell'atto notarile di fusione, sarà l'unica socia della Società Incorporata; per tale motivo non sono richiesti i dati e i documenti di cui alle disposizioni dell'art. 2501-ter, primo comma, nn. 3), 4) e 5) e dell'art. 2501-sexies del Codice Civile e di cui all'art. 6, primo comma lett. b) del Decreto Legislativo 108 e la fusione transfrontaliera sarà effettuata sulla base della procedura semplificata di fusione per cui non saranno emesse nuove azioni dalla Società Incorporante, in conformità con (i) l'art. 2505 del Codice Civile e l'art. 18 del Decreto Legislativo 108; e (ii) la Sezione 2:333, paragrafo 1 del Codice Olandese;
- nessuna delle Società Partecipanti alla Fusione ha un Consiglio di Sorveglianza;

- nessuna delle Società Partecipanti alla Fusione è in liquidazione (*'ontbonden'*), è stata dichiarata fallita (*'in staat van faillissement verklaard'*), o ha in corso accordi di ristrutturazione dei debiti (*'surséance van betaling'*), né i rispettivi consigli di amministrazione intendono deliberare lo scioglimento della società o è pendente una istanza di fallimento, altra procedura concorsuale o di ristrutturazione dei debiti;
- l'esercizio contabile di ciascuna delle Società Partecipanti alla Fusione corrisponde all'anno solare;
- non è stato emesso alcun certificato di deposito relativo alle azioni rappresentanti il capitale delle Società Partecipanti alla Fusione e non vi sono titolari di un diritto di pegno e/o di un diritto di usufrutto sulle azioni costituenti il capitale sociale della Società Incorporata;
- alla data odierna non risulta l'esistenza di patti parasociali aventi ad oggetto azioni della Società Incorporante rilevanti ai sensi dell'articolo 122 del D. Lgs 58/1998;
- nessuna delle Società Partecipanti alla Fusione è organizzata secondo un sistema di partecipazione dei lavoratori ai sensi del Decreto Legislativo n. 188 del 19 agosto 2005 e della normativa olandese;
- la Società Incorporata non ha dipendenti;
- in esecuzione della fusione transfrontaliera qui descritta, GF sarà fusa in AG, che subentrerà in tutte le attività ed assumerà tutte le passività nonché gli altri rapporti giuridici di GF a titolo di successione universale (la **"Fusione"**);
- come descritto in maggior dettaglio nelle relazioni illustrative predisposte rispettivamente dal consiglio di amministrazione di AG e dal consiglio di amministrazione di GF, in relazione al presente progetto comune di fusione transfrontaliera, scopo principale della Fusione è la semplificazione dell'attuale catena di controllo facente capo ad AG, con riduzione dei costi e delle duplicazioni connessi al mantenimento all'interno del gruppo di una società, quale GF, che non svolgerà più in futuro alcun ruolo. GF è stata, sino ad oggi, il veicolo di Gruppo attraverso il quale sono stati emessi e collocati sul mercato titoli obbligazionari garantiti da AG e computati tra gli *eligible own funds* di Gruppo. La Fusione è coerente con il percorso di rafforzamento del ruolo svolto da AG, in qualità di capogruppo del Gruppo Generali. La concentrazione in un'unica società dell'attività di gestione del debito finanziario e del capitale regolamentare consentirà una riduzione dei costi connessi alla struttura societaria del gruppo ed evita duplicazioni di competenze societarie, aggravii di tempi e complicazioni derivanti dall'applicazione di due normative distinte; inoltre, si potrà procedere all'eventuale cessione di asset non strategici attualmente di proprietà di GF, quali Generali Pan Europe, senza che ciò abbia impatto sul fatto che gli strumenti finanziari emessi da GF ed attualmente in circolazione continuino a far parte del capitale di solvibilità consolidato a disposizione del Gruppo Generali;
- infatti, in questo contesto, anche la gestione del debito e del capitale regolamentare verrebbe ottimizzata in quanto eventuali emissioni, anche subordinate, o comunque le relazioni con il mercato del debito, verrebbero accentrate e gestite attraverso la medesima e unica entità AG;
- poiché AG, prima della stipula dell'atto notarile di fusione, deterrà direttamente l'intero capitale sociale di GF, la Fusione ha natura di "fusione semplificata" ai sensi dell'Articolo 2505 del Codice Civile,

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dell'Articolo 18 del Decreto Legislativo 108, nonché della Articolo 2:333, comma 1, del Codice Olandese. Alla luce di ciò e ai sensi dell'Articolo 32.2 lett. g) dello statuto di AG, la Fusione sarà definitivamente approvata dal consiglio di amministrazione di AG con deliberazione risultante da atto pubblico, non essendo richiesta l'approvazione dell'assemblea straordinaria degli azionisti di AG. AG informerà tempestivamente il mercato circa il deposito del presente progetto comune di fusione presso il Registro delle Imprese della Venezia Giulia e circa l'approvazione da parte del consiglio di amministrazione della relativa delibera;

- alla luce della nazionalità di AG e GF, delle rilevanti disposizioni normative applicabili, il presente progetto comune di fusione è stato predisposto in italiano, in olandese e in inglese.

Le informazioni che devono essere fornite ai sensi delle Articolo 2:312, 2:326, and 2:333d del Codice Olandese, nonché dell'articolo 2501-ter del Codice Civile e dell'articolo 6 del Decreto Legislativo 108 sono le seguenti.

FORMA GIURIDICA, LEGGE REGOLATRICE, DENOMINAZIONE E SEDE DELLE SOCIETÀ

Società Incorporante: ASSICURAZIONI GENERALI – Società per Azioni

- **società per azioni** disciplinata dal diritto italiano;
- sede legale in **Piazza Duca degli Abruzzi n. 2, Trieste, Italia;**
- capitale sociale: Euro 1.561.808.262,00 interamente sottoscritto e versato;
- numero di iscrizione al Registro delle Imprese della Venezia Giulia: 00079760328.

In virtù dell'efficacia della Fusione, AG, quale società incorporante, manterrà la propria attuale forma giuridica e la propria attuale sede legale e continuerà, pertanto, ad essere retta dal diritto italiano.

Società Incorporata: **Generali Finance B.V.**

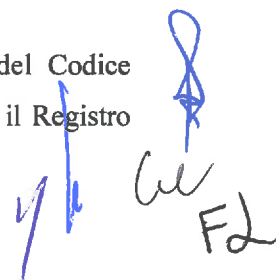
- **società a responsabilità limitata** (*besloten vennootschap met beperkte aansprakelijkheid*) di diritto olandese;
- sede legale in **Amsterdam, Paesi Bassi;**
- capitale sociale deliberato: Euro 500.000.000,00, sottoscritto e versato per Euro 100.000.000,00;
- numero di iscrizione al Registro del Commercio tenuto presso la Camera di Commercio (*Kamer van Koophandel*) Olandese: 33219814.

STATUTO SOCIALE VIGENTE (ED INVARIATO) DI AG

Una copia dello statuto sociale di AG attualmente in vigore è allegata al presente progetto comune di fusione transfrontaliera quale Allegato 1 e non verrà modificato in conseguenza della Fusione.

DATA DI EFFICACIA DELLA FUSIONE

Ai sensi dell'Articolo 15 del Decreto Legislativo 108 e dell'Articolo 2:333i, comma 1, del Codice Olandese, la Fusione sarà efficace a partire dalla data di iscrizione dell'atto di fusione presso il Registro



delle Imprese della Società Incorporante, salvo che nell'atto di fusione stesso sia prevista una data successiva (la "Data di Efficacia").

A seguito dell'efficacia della Fusione, GF cesserà di esistere come persona giuridica autonoma e le sue azioni saranno annullate; a partire dalla Data di Efficacia, AG acquisirà, a titolo di successione universale, tra l'altro, tutte le attività e passività, i beni mobili e immobili, tangibili e intangibili di pertinenza di GF.

L'efficacia della Fusione sarà comunicata dal Registro delle Imprese della Venezia Giulia al Registro di Commercio tenuto dalla Camera di Commercio Olandese e quest'ultimo procederà quindi con la relativa cancellazione di GF.

Si prevede che la Fusione diverrà efficace nel 2018.

Le attività, le passività e gli altri rapporti giuridici di GF saranno riflessi nei bilanci e nelle altre relazioni finanziarie di AG a partire dal 1° Gennaio 2018 e, pertanto, gli effetti contabili della Fusione decorreranno dalla suddetta data e la Fusione avrà efficacia dal punto di vista fiscale italiano dalla medesima data.

EVENTUALE TRATTAMENTO RISERVATO A PARTICOLARI CATEGORIE DI SOCI OD A POSSESSORI DI TITOLI DIVERSI DALLE AZIONI RAPPRESENTANTI IL CAPITALE SOCIALE, O MISURE PREVISTE NEI LORO CONFRONTI

Con riferimento alla Fusione, non sono previsti particolari trattamenti applicabili agli azionisti di AG o GF, e con riguardo a GF, non esistono terzi, diversi dagli azionisti, titolari di diritti particolari nei confronti di GF quali, a titolo esemplificativo, diritti di partecipazione alla distribuzione degli utili ovvero diritti di acquistare azioni di nuova emissione di GF.

In relazione alla Fusione non saranno attribuiti diritti particolari relativi alla distribuzione di dividendi.

PROPOSTA DI COMPENSAZIONE IN FAVORE DEGLI AZIONISTI DI MINORANZA

Stante che AG al momento dell'efficacia della Fusione sarà l'unico azionista di GF, non viene formulata nessuna proposta di compensazione ai sensi dell'articolo 2:333d lett. f in base al Codice Olandese.

VANTAGGI EVENTUALMENTE CONCESSI A FAVORE DEGLI ESPERTI CHE ESAMINANO IL PROGETTO COMUNE DI FUSIONE TRANSFRONTALIERA, DEI MEMBRI DEGLI ORGANI AMMINISTRATIVI, DI DIREZIONE, DI VIGILANZA E DI CONTROLLO DELLE SOCIETÀ PARTECIPANTI ALLA FUSIONE, IN OCCASIONE DELLA FUSIONE

Non è prevista la concessione di vantaggi particolari, in relazione alla Fusione, in favore dei membri del consiglio di amministrazione di AG e di GF o di qualsivoglia altra persona.

COMPOSIZIONE ATTUALE E INTENZIONI RIGUARDO AL CONSIGLIO DI AMMINISTRAZIONE DELLA SOCIETÀ INCORPORANTE

Alla data del presente progetto comune di fusione transfrontaliera, il consiglio di amministrazione di AG è composto dai seguenti membri:

- Gabriele Galateri di Genola (Presidente)
- Francesco Gaetano Caltagirone (Vice Presidente Vicario)
- Clemente Rebecchini (Vice Presidente)
- Philippe Donnet
- Romolo Bardin
- Ornella Barra
- Paolo Di Benedetto
- Alberta Figari
- Diva Moriani
- Lorenzo Pelliccioli
- Roberto Perotti
- Sabrina Pucci
- Paola Sapienza

Non vi è intenzione di modificare la composizione del consiglio di amministrazione della Società Incorporante per effetto della Fusione.

INFORMAZIONI SULLE PROCEDURE SECONDO CUI LE MODALITÀ DEL COINVOLGIMENTO DEI LAVORATORI NELLA DEFINIZIONE DEI LORO DIRITTI DI PARTECIPAZIONE NELLA SOCIETÀ INCORPORANTE SONO DETERMINATI

L'articolo 19 del Decreto Legislativo 108, che regola la partecipazione dei dipendenti, non trova applicazione con riferimento alla Fusione poiché né AG né GF sono amministrate in regime di partecipazione dei dipendenti ai sensi della Direttiva CE.

INTENZIONI CIRCA LA CONTINUAZIONE O LA CESSAZIONE DELLE ATTIVITÀ.

Successivamente alla Data di Efficacia della Fusione, le attività della Società Incorporata saranno continuate dalla Società Incorporante in via diretta.

PROBABILI RIPERCUSSIONI DELLA FUSIONE SULL'OCCUPAZIONE

La Società Incorporata non ha dipendenti.

Non si prevede che la Fusione abbia effetti sui dipendenti di AG. Secondo quanto previsto dall'Articolo 8 del Decreto Legislativo 108, la relazione illustrativa predisposta dal Consiglio di Amministrazione di AG sarà messa a disposizione dei rappresentanti dei dipendenti di AG almeno 30 giorni prima della decisione di fusione di AG.

VALUTAZIONE DEL PATRIMONIO ATTIVO E PASSIVO DI GF

Il valore delle attività e passività di GF che saranno acquisite da AG alla data di efficacia della Fusione sarà determinato con riferimento al loro valore di bilancio alla data di efficacia della Fusione. Tali attività e passività sono indicate nel bilancio di esercizio di GF al 31 dicembre 2016.

Le condizioni della Fusione sono state determinate sulla base dei bilanci di esercizio di GF e di AG al 31 dicembre 2016.

Poiché la Società Incorporante (AG) sarà socio unico della Società Incorporata (GF), la Fusione comporterà l'annullamento dell'intera partecipazione posseduta dalla Società Incorporante nella Società Incorporata. Di conseguenza, non è previsto alcun rapporto di cambio delle azioni e, pertanto, non è necessario procedere ad un aumento di capitale di AG attraverso l'emissione di nuove azioni. In assenza di emissione di nuove azioni, non sono previste particolari modalità di assegnazione ed alcuna data di decorrenza per la partecipazione agli utili.

EFFETTI DELLA FUSIONE SULL'AVVIAMENTO E LE RISERVE DISTRIBUIBILI DELLA SOCIETÀ INCORPORANTE

Poiché la Fusione verrà effettuata a valore di bilancio, non vi saranno impatti sull'avviamento.

Per effetto della Fusione, le riserve liberamente distribuibili di AG saranno incrementate o decrementate per un ammontare pari alla differenza tra il valore di: (A) le attività, passività e gli altri rapporti giuridici di GF (alla data di efficacia della Fusione) nelle quali AG subentrerà in conseguenza della Fusione e (B) il costo iscritto in bilancio della partecipazione totalitaria in GF detenuta da AG.

APPROVAZIONE DELLA DELIBERA DI ESECUZIONE DELLA FUSIONE

Gli Statuti delle Società Partecipanti alla Fusione non contengono alcuna disposizione circa la necessità di approvazione delle delibere di esecuzione della Fusione di cui all'articolo 2:312 paragrafo 2 lett. i del Codice Olandese.

Con riferimento ad AG, poiché la Fusione viene eseguita attraverso la procedura semplificata, e senza pregiudizio dei diritti riconosciuti agli azionisti di AG dall'Articolo 2505, comma 3, del Codice Civile, la Fusione sarà definitivamente approvata dal consiglio di amministrazione di AG con deliberazione risultante da atto pubblico.

COMUNICAZIONI E PUBBLICITA'


Della Fusione sarà data comunicazione ad IVASS, al fine di ottenere la relativa autorizzazione ai sensi dell'art. 201 del Decreto Legislativo 7 settembre 2005 n. 209 (Codice delle Assicurazioni Private) e del relativo Regolamento n. 14 del 18 febbraio 2008, ed al mercato ai sensi della vigente normativa italiana applicabile.



Il presente progetto comune di fusione transfrontaliera sarà depositato presso il Registro delle Imprese della Venezia Giulia e, anche in conformità a quanto disposto dalla legge olandese, presso il Registro di Commercio all'ufficio della *Kamer van Koophandel* (Camera di Commercio) ad Amsterdam, con le eventuali ulteriori indicazioni necessarie ai sensi della disposizioni normative olandesi rilevanti.

Sono fatte salve variazioni, integrazioni, aggiornamenti del presente progetto così come dello statuto della Società Incorporante qui allegato, eventualmente richiesti da qualsiasi Autorità pubblica, sia italiana che olandese, ovvero in sede di iscrizione nei Registri competenti.

La Fusione è subordinata alla prescritta autorizzazione da parte della competente Autorità di Vigilanza Italiana (IVASS).



Data: 13 giugno 2017

Allegato 1: Versione vigente dello statuto di AG



Generali Finance B.V.

Il Consiglio di Amministrazione / Board of Directors



Gerrit Klaas Nolles



Franciscus Wilhelmus Hendricus Maria Heus



Aart Gijsbertus Olivier



Federico Locci



Statuto





Statuto

Statuto

TESTO IN VIGORE DAL 25 LUGLIO 2017 4.2

CAPITOLO I

DENOMINAZIONE, SEDE

OGGETTO E DURATA DELLA SOCIETÀ

Articolo 1

- 1.1** La Società, costituita in Trieste con atto 26 dicembre 1831, è denominata **ASSICURAZIONI GENERALI Società per Azioni**.

Articolo 2

- 2.1** La denominazione sociale può essere espressa in lingue diverse da quella italiana mediante traduzione letterale ovvero in quelle versioni che per consuetudine sono usate nei vari Paesi, purché accompagnata dalla denominazione sociale di cui all'articolo 1.
- 2.2** Sia in Italia che all'estero la Società può adottare, per contraddistinguere i propri servizi, il marchio d'impresa registrato, costituito dalla dicitura **GENERALI** da sola o accompagnata dal tradizionale leone alato.
- 2.3** Il Consiglio di Amministrazione può adottare altri marchi d'impresa.

Articolo 3

- 3.1** La Società ha la Sede Legale in Trieste, Piazza Duca degli Abruzzi numero 2

Articolo 4

- 4.1** La Società ha per oggetto l'esercizio di ogni specie di assicurazione, riassicurazione, capitalizzazione e ogni tipo di forma pensionistica complementare anche attraverso la costituzione di fondi aperti, in Italia e all'estero, o qualsivoglia altra attività che sia dalla legge riservata o consentita a Società di assicurazioni.

Essa può esplicare in genere qualsiasi attività e compiere ogni operazione che sia inerente, connessa o utile al conseguimento dello scopo sociale, anche mediante la partecipazione in società o Enti italiani o stranieri.

- 4.3** La Società, nella sua qualità di capogruppo del gruppo Generali, adotta nei confronti delle società di cui all'articolo 210-ter, comma 2, del Codice delle Assicurazioni Private, i provvedimenti per l'attuazione delle disposizioni impartite dall'IVASS nell'interesse della stabile ed efficiente gestione del gruppo.

Articolo 5

- 5.1** La gestione sociale è ripartita in una Gestione Danni e una Gestione Vita.
- 5.2** Le operazioni non attinenti alle assicurazioni e riassicurazioni sulla vita, alle capitalizzazioni o alle forme pensionistiche complementari appartengono alla Gestione Danni.
- 5.3** Le operazioni attinenti alle assicurazioni e riassicurazioni sulla vita, alle capitalizzazioni o alle forme pensionistiche complementari appartengono alla Gestione Vita.

Articolo 6

- 6.1** La durata della Società è fissata fino al 31 dicembre 2131 e può essere prorogata con deliberazione dell'Assemblea.

Articolo 7

- 7.1** Le pubblicazioni ufficiali della Società sono effettuate nelle forme stabilite dalla legge.
- 7.2** I libri sociali possono essere formati e tenuti anche con strumenti informatici, nel rispetto dei requisiti previsti dalla legge. I libri sociali sono conservati presso la Sede Legale, anche mediante archiviazione elettronica. Il Consiglio di Amministrazione può delegare la materiale tenuta dei libri sociali a soggetti terzi a ciò abilitati.

CAPITOLO II

CAPITALE SOCIALE E AZIONI

Articolo 8

- 8.1** Il capitale sociale sottoscritto e versato è di Euro 1.561.808.262,00; esso è suddiviso in 1.561.808.262 azioni nominative, ciascuna da Euro 1,00. Nel caso di aumenti di capitale le somme eventualmente percepite dalla Società per l'emissione di azioni ad un prezzo superiore al loro valore nominale non possono essere distribuite fino a che la riserva legale non abbia raggiunto il limite di legge.
- 8.2** In caso di aumento del capitale sociale a pagamento, il diritto di opzione spettante ai soci può essere escluso, nei limiti del dieci per cento del capitale sociale preesistente, a condizione che il prezzo di emissione delle nuove azioni corrisponda al valore di mercato di quelle già in circolazione e che ciò sia confermato da apposita relazione della società incaricata della revisione contabile.
- 8.3** È consentita nei modi e nelle forme di legge, l'assegnazione di utili e/o di riserve di utili ai prestatori di lavoro dipendenti della Società o di società controllate, mediante l'emissione di azioni ai sensi dell'art. 2349, primo comma, del Codice Civile.
- 8.4** In data 30 aprile 2015, l'Assemblea Straordinaria ha deliberato di attribuire al Consiglio di Amministrazione, ai sensi degli articoli 2443 e 2349, primo comma, del codice civile, per il periodo di cinque anni dalla data dell'odierna deliberazione, la facoltà di aumentare gratuitamente il capitale sociale, in via scindibile, ai sensi dell'art. 2439, comma secondo, del codice civile, in una o più tranches, mediante utilizzo di utili e/o riserve di utili, per un ammontare nominale massimo di Euro 8.000.000, con emissione al valore nominale di Euro 1,00 cadauna di un numero massimo di 8.000.000 azioni ordinarie con godimento regolare, da assegnare gratuitamente ai beneficiari del piano di incentivazione denominato Piano LTI 2015 approvato dall'Assemblea degli Azionisti in data 30 aprile 2015, che siano dipendenti della Società o di società controllate e abbiano maturato tale diritto.
- 8.5** In data 28 aprile 2016, l'Assemblea Straordinaria ha deliberato di attribuire al Consiglio di Amministrazione, ai sensi degli articoli 2443 e 2349, primo comma, del codice civile, per il periodo di cinque anni dalla data dell'odierna deliberazione, la facoltà di aumentare gratuitamente il capitale sociale, in via scindibile, ai sensi dell'art. 2439, comma secondo, del codice civile, in una o più tranches, mediante utilizzo di utili e/o riserve di utili, per un ammontare nominale massimo di Euro 10.000.000, con emissione al valore nominale di Euro 1,00 cadauna di un numero massimo di 10.000.000 azioni ordinarie con godimento regolare, da assegnare gratuitamente ai beneficiari del piano di incentivazione denominato Piano LTI 2016 approvato dall'Assemblea degli Azionisti in data 28 aprile 2016, che siano dipendenti della Società o di società controllate e abbiano maturato tale diritto.
- 8.6** In data 27 aprile 2017, l'Assemblea Straordinaria ha deliberato di attribuire al Consiglio di Amministrazione, ai sensi degli articoli 2443 e 2349, primo comma, del codice civile, per il periodo di cinque anni dalla data dell'odierna deliberazione, la facoltà di aumentare gratuitamente il capitale sociale, in via scindibile, ai sensi dell'art. 2439, comma secondo, del codice civile, in una o più tranches, mediante utilizzo di utili e/o riserve di utili, per un ammontare nominale massimo di Euro 12.500.000, con emissione al valore nominale di Euro 1,00 cadauna di un numero massimo di 12.500.000 azioni ordinarie con godimento regolare, da assegnare gratuitamente ai beneficiari del piano di incentivazione denominato Piano LTI 2017 approvato dall'Assemblea degli Azionisti in data 27 aprile 2017, che siano dipendenti della Società o di società controllate e abbiano maturato tale diritto.
- 8.7** In data 27 aprile 2017, l'Assemblea Straordinaria ha deliberato di attribuire al Consiglio di Amministrazione, ai sensi degli articoli 2443 e 2349, primo comma, del codice civile, per il periodo di cinque anni dalla data dell'odierna deliberazione, la facoltà di aumentare gratuitamente il capitale sociale, in via scindibile, ai sensi dell'art. 2439, comma secondo, del codice civile, in una o

più tranches, mediante utilizzo di utili e/o riserve di utili, per un ammontare nominale massimo di euro 250.000, con emissione al valore nominale di euro 1,00 cadauna di un numero massimo di 250.000 azioni ordinarie con godimento regolare, da assegnare gratuitamente al beneficiario del piano azionario per l'Amministratore Delegato/Group CEO approvato dall'Assemblea degli Azionisti in data 27 aprile 2017, che è dipendente della Società e a condizione che abbia maturato tale diritto.

Articolo 9

9.1 L'importo degli elementi del patrimonio netto è quello di seguito indicato:

- a) il capitale sociale è attribuito per Euro 1.093.265.783,40 alla Gestione Vita e per Euro 468.542.478,60 alla Gestione Danni;
- b) la riserva da soprapprezzo di emissione è attribuita per Euro 2.497.775.151,00 alla Gestione Vita e per Euro 1.070.475.064,72 alla Gestione Danni;
- c) le riserve di rivalutazione sono attribuite per Euro 926.828.357,24 alla Gestione Vita e per Euro 1.084.006.294,75 alla Gestione Danni;
- d) la riserva legale è attribuita per Euro 218.383.695,58 alla Gestione Vita e per Euro 93.593.012,02 alla Gestione Danni;
- e) le riserve per azione della controllante sono pari a 0;
- f) le altre riserve sono attribuite per Euro 2.525.318.482,24 alla Gestione Vita e per Euro 3.600.901.196,61 alla Gestione Danni;
- g) la riserva negativa per azioni proprie in portafoglio è attribuita alla sola Gestione Danni per euro 3.040.354,88.

9.2 Fra gli elementi del patrimonio netto non sussistono né riserve statutarie né utili e/o perdite portati a nuovo.

Articolo 10

- 10.1** Le azioni sono nominative e indivisibili.
- 10.2** Esse possono essere trasferite e assoggettate a vincoli reali nelle forme di legge.

Articolo 11

- 11.1** Le azioni sono comunque intestate, in ogni momento, a nome di persona determinata.

Articolo 12

- 12.1** La qualità di azionista comporta l'osservanza delle norme tutte del presente Statuto e delle deliberazioni prese in sua conformità dai competenti organi sociali.

CAPITOLO III

ORGANI DELLA SOCIETÀ

A.

Assemblea

Articolo 13

- 13.1** L'Assemblea dei soci, regolarmente costituita, è l'organo che esprime con le sue deliberazioni la volontà sociale.
- 13.2** Le deliberazioni da essa prese in conformità della legge e del presente Statuto vincolano tutti i soci, compresi quelli assenti o dissenzienti.
- 13.3** L'Assemblea è ordinaria o straordinaria. Essa è tenuta di norma presso la Sede Legale; può essere tenuta in altra località dello Stato Italiano.
- 13.4** Le modalità di funzionamento dell'Assemblea sono stabilite da apposito Regolamento. Fatto salvo quanto previsto dalla lettera g) dell'art. 32.2, le deliberazioni di approvazione e di eventuale modifica del Regolamento sono assunte dall'Assemblea ordinaria regolarmente convocata su tale punto all'ordine del giorno.

Articolo 14

- 14.1** L'Assemblea è convocata dal Consiglio di Amministrazione.
- 14.2** L'Assemblea ordinaria per l'approvazione del bilancio è convocata entro 120 giorni dalla chiusura dell'esercizio; quando ricorrano le condizioni di legge, tale termine può essere prorogato a 180 giorni.

Articolo 15

- 15.1** La convocazione dell'Assemblea deve farsi mediante avviso pubblicato con le modalità e nei termini di legge.
- 15.2** Nei casi, nelle forme e nei termini previsti dalla normativa vigente, gli azionisti che, da soli o congiuntamente ad altri, dispongano dei quorum stabiliti dalla legge hanno diritto di chiedere la convocazione dell'Assemblea e l'integrazione dell'elenco delle materie da trattare in sede assembleare.
- 15.3** L'Assemblea non può deliberare sopra materie che non siano state indicate nell'ordine del giorno.

Articolo 16

- 16.1** Potranno intervenire in Assemblea gli aventi diritto al voto, sempre che:
- gli stessi provino la loro legittimazione nelle forme di legge;
 - la comunicazione dell'intermediario che tiene i conti relativi alle azioni e che sostituisce il deposito legittimante la partecipazione all'Assemblea sia stata ricevuta dalla Società, presso la Sede Legale, nei termini e con le modalità stabiliti dalla legge.
- 16.2** Le persone soggette alla potestà dei genitori, a tutela o a curatela, partecipano all'Assemblea ed esercitano il diritto di voto mediante i loro rappresentanti legali o con l'assistenza del curatore.
- 16.3** Coloro ai quali spetta il diritto di voto possono farsi rappresentare nell'assemblea, in conformità alle vigenti disposizioni di legge.

Articolo 17

- 17.1** Ogni azione dà diritto ad un voto.
- 17.2** Coloro ai quali spetta il diritto di voto possono farsi rappresentare in Assemblea conferendo delega scritta ovvero in via elettronica, in conformità alle vigenti disposizioni di legge e secondo le modalità previste da apposite norme regolamentari. La delega potrà essere notificata alla Società mediante l'utilizzo di apposita sezione del sito Internet della stessa ovvero tramite posta elettronica certificata, con le modalità di volta in volta indicate nell'avviso di convocazione.

- 17.3** Se previsto nell'avviso di convocazione e con le modalità ivi indicate, coloro ai quali spetta il diritto di voto potranno intervenire all'assemblea mediante mezzi di telecomunicazione ed esercitare il diritto di voto in via elettronica in conformità alle leggi, alle disposizioni regolamentari in materia e al Regolamento assembleare.

Articolo 18

- 18.1** L'Assemblea è presieduta dal Presidente del Consiglio di Amministrazione.
- 18.2** In caso di assenza o di impedimento del Presidente si applica la norma del successivo articolo 30.
- 18.3** Qualora anche i Vicepresidenti siano assenti o impediti, l'Assemblea è presieduta da un membro del Consiglio d'Amministrazione a ciò designato dal Consiglio stesso, in difetto di che l'Assemblea elegge il proprio Presidente.

Articolo 19

- 19.1** Sono di competenza dell'Assemblea ordinaria:
- le deliberazioni sul bilancio d'esercizio;
 - le deliberazioni sulla destinazione degli utili;
 - la nomina dei membri del Consiglio di Amministrazione e dei Sindaci effettivi e supplenti e del Presidente del Collegio Sindacale;
 - l'approvazione delle politiche di remunerazione a favore dei componenti degli organi sociali nominati dall'Assemblea e del personale della Società, che ha a tal fine rilevanza per la normativa applicabile alle imprese di assicurazione, inclusi i piani di remunerazione basati su strumenti finanziari;
 - la determinazione del compenso dei Sindaci;
 - la determinazione del compenso spettante ai membri del Consiglio di Amministrazione; a tale fine, possono applicarsi sistemi di remunerazione variabile, legati ai risultati economici e/o ad altri indicatori dell'andamento della gestione sociale e/o del Gruppo;
 - il conferimento degli incarichi di revisione contabile in corso di esercizio, di revisione contabile del bilancio d'esercizio e del bilancio consolidato nonché

la determinazione dei relativi compensi;

h) ogni altra deliberazione prevista dalla legge o sottoposta all'Assemblea dal Consiglio di Amministrazione.

Articolo 20

20.1 L'Assemblea straordinaria delibera sugli oggetti che comportano modificazioni dell'atto costitutivo.

20.2 Delibera altresì sulla nomina e sui poteri dei liquidatori in caso di scioglimento della Società e negli altri casi stabiliti dalla legge.

Articolo 21

21.1 In prima convocazione l'Assemblea ordinaria è regolarmente costituita quando è rappresentata almeno la metà del capitale sociale.

21.2 Nell'avviso di convocazione dell'Assemblea può essere fissato il giorno per la seconda convocazione. Questa non può avere luogo nello stesso giorno fissato per la prima. In seconda convocazione l'Assemblea ordinaria è regolarmente costituita qualunque sia la parte di capitale rappresentata dai soci intervenuti.

21.3 L'Assemblea ordinaria delibera in prima e in seconda convocazione con il voto favorevole della maggioranza assoluta del capitale rappresentato.

Articolo 22

22.1 In prima convocazione l'Assemblea straordinaria è regolarmente costituita quando è rappresentata più della metà del capitale sociale.

22.2 Nell'avviso di convocazione dell'Assemblea può essere fissato il giorno per la seconda convocazione. Questa non può avere luogo nello stesso giorno fissato per la prima. In seconda convocazione l'Assemblea straordinaria è regolarmente costituita quando è rappresentato più di un terzo del capitale sociale.

22.3 Nell'avviso di convocazione dell'Assemblea può essere fissato il giorno per la terza convocazione. In terza convocazione l'Assemblea straordinaria è regolarmente costituita quando è rappresentato più di un quinto del capitale sociale.

22.4 L'Assemblea straordinaria delibera in prima, seconda e terza convocazione con le maggioranze previste dalla legge.

Articolo 23

23.1 L'Assemblea ordinaria e straordinaria può tenersi anche in unica convocazione, in deroga a quanto stabilito dagli articoli 21 e 22.

23.2 L'Assemblea ordinaria in unica convocazione è regolarmente costituita qualunque sia la parte di capitale rappresentata dai soci intervenuti e delibera con il voto favorevole della maggioranza assoluta del capitale rappresentato.

23.3 L'Assemblea straordinaria in unica convocazione è regolarmente costituita quando è rappresentato almeno un quinto del capitale sociale e delibera con il voto favorevole di almeno i due terzi del capitale rappresentato in assemblea..

Articolo 24

24.1 Le deliberazioni si prendono per votazione palese, tenuto conto del numero dei voti spettanti a ciascun socio.

24.2 Quando vengano proposte diverse deliberazioni relativamente al medesimo argomento, il Presidente, se ne ravvisa la necessità, può porle in votazione in alternativa tra loro stabilendone l'ordine. In questo caso, chi ha espresso voto favorevole ad una delle deliberazioni non può votare anche per le altre. Risulta approvata la deliberazione che ha raccolto la maggioranza prevista dalla legge e dallo Statuto. Se nel corso della votazione si verifica che una delle deliberazioni abbia raggiunto tale maggioranza, non è necessario porre in votazione le ulteriori deliberazioni.

Articolo 25

25.1 Il Presidente è assistito dal Segretario del Consiglio di Amministrazione.

25.2 Il verbale espone in riassunto l'andamento dei lavori assembleari, lo svolgimento della discussione, le dichiarazioni dei soci che ne abbiano fatto richiesta e le risposte degli Amministratori.

- 25.3** Il verbale deve comunque indicare:
- il numero dei soci e delle azioni presenti;
 - il nome degli Amministratori e dei Sindaci presenti;
 - i nomi dei soci intervenuti nella discussione;
 - l'accertamento delle modalità delle votazioni;
 - la comunicazione del risultato delle votazioni;
 - la proclamazione delle deliberazioni adottate dall'Assemblea.
- 25.4** Il verbale è firmato dal Presidente dell'Assemblea e dal Segretario o dal notaio.

B.

Consiglio Generale

Articolo 26

- 26.1** Il Consiglio di Amministrazione può nominare un Consiglio Generale. Il Consiglio Generale è un consesso di alta consulenza per il miglior conseguimento degli scopi sociali, con particolare riguardo alla espansione territoriale della Società ed ai problemi internazionali d'ordine assicurativo e finanziario.
- 26.2** Il Consiglio Generale è un organo consultivo collegiale, composto dal Presidente, dai Vice Presidenti, dagli Amministratori Delegati e dal Chief Financial Officer nonché da altri membri, nominati dal Consiglio di Amministrazione anche tra soggetti diversi dai suoi componenti, in possesso di elevata qualificazione professionale, in particolare in ambito economico, finanziario e assicurativo.
- 26.3** All'atto della nomina dei membri eletti, il Consiglio di Amministrazione determina la loro durata in carica ed il compenso.

Articolo 27

- 27.1** Il Consiglio Generale è presieduto dal Presidente del Consiglio di Amministrazione; in caso di sua assenza o impedimento, si applica la norma del successivo articolo 30; in caso di assenza o impedimento dei Vicepresidenti, da un membro del Consiglio di Amministrazione da questo designato.

- 27.2** Di ogni seduta viene redatto un verbale sottoscritto dal Presidente e dal Segretario, alla cui nomina provvede il Consiglio di Amministrazione.

C.

Consiglio di Amministrazione

Articolo 28

- 28.1** La Società è amministrata da un Consiglio composto di non meno di 10 e non più di 21 membri nominati dall'Assemblea dopo averne stabilito il numero.
- 28.2** La composizione del Consiglio di Amministrazione rispetta i criteri di equilibrio di genere previsti dalla normativa vigente. I componenti del Consiglio di Amministrazione posseggono i requisiti di professionalità, onorabilità ed indipendenza posti dalla normativa vigente. Non può essere eletto Consigliere chi abbia compiuto il settantasettesimo anno di età. Almeno un terzo dei Consiglieri possiede i requisiti di indipendenza previsti dalla legge per i Sindaci (i "Consiglieri Indipendenti"). Qualora il numero dei componenti del Consiglio di Amministrazione stabilito dall'Assemblea non sia un multiplo di tre, il numero dei Consiglieri Indipendenti chiamati a comporlo sarà arrotondato per difetto all'unità inferiore. La perdita in corso di mandato dei requisiti di indipendenza non comporta la decadenza del Consigliere Indipendente interessato, se tali requisiti permangono in capo al numero minimo di Consiglieri Indipendenti più sopra indicato.
- 28.3** La nomina del Consiglio di Amministrazione è effettuata sulla base di liste secondo la procedura del presente articolo.
- 28.4** Le liste, ad eccezione di quelle che presentano un numero di candidati inferiore a tre, contengono un numero di candidati, in grado di assicurare l'equilibrio tra i generi, non superiore a quello dei membri da eleggere, elencati secondo un numero progressivo. Ogni candidato può presentarsi in una sola lista a pena di ineleggibilità.
- 28.5** Hanno diritto a presentare una lista i soci che, da soli o congiuntamente ad altri, rappresentino almeno la percen-

- tuale minima del capitale sociale prevista dalla normativa vigente. Ogni avente diritto al voto e le società da questi direttamente o indirettamente controllate così come le società direttamente o indirettamente soggette a comune controllo possono presentare una sola lista. Non si tiene conto dell'appoggio fornito ad alcuna delle liste in violazione delle previsioni di cui al periodo precedente.
- 28.6** Le liste devono essere depositate presso la Società entro il venticinquesimo giorno precedente la data dell'Assemblea in prima o in unica convocazione.
- 28.7** Unitamente alle liste sono inoltre depositati:
- (i) i curriculum vitae dei candidati, contenenti un'esauriente informativa sulle caratteristiche personali e professionali degli stessi e sulle competenze maturate dai medesimi nel campo assicurativo, finanziario e/o bancario;
 - (ii) le dichiarazioni con le quali ogni candidato accetta la designazione, si impegna – ove nominato – ad accettare la carica ed attesta altresì, sotto la propria responsabilità, l'insussistenza di cause di incompatibilità e di ineleggibilità, il possesso dei requisiti di onorabilità, di professionalità e, se sussistenti, di indipendenza previsti dalla normativa vigente.
- 28.8** Entro il ventunesimo giorno precedente la data dell'Assemblea in prima o in unica convocazione, gli azionisti che hanno presentato una lista devono depositare copia delle certificazioni rilasciate dagli intermediari attestanti la titolarità della percentuale del capitale sociale richiesta dall'articolo 28.5. In difetto, la lista si considera, agli effetti dell'articolo 28, come non presentata.
- 28.9** Ogni avente diritto al voto e le società da questi direttamente o indirettamente controllate, così come le società direttamente o indirettamente soggette a comune controllo, possono votare una sola lista. Non si tiene conto dei voti espressi in violazione della suddetta previsione.
- 28.10** Alle elezioni degli Amministratori si procede come segue:
- a) dalla lista che avrà ottenuto il maggior numero di voti espressi dai soci saranno tratti, in base al numero di ordine progressivo con il quale i candidati sono elencati nella lista stessa, tutti i Consiglieri da eleggere, meno quelli che devono essere tratti dalla seconda lista in conformità a quanto previsto dalla successiva lettera b). Qualora il numero di Consiglieri del genere meno rappresentato tratti da tale lista sia inferiore a quello previsto dalle vigenti disposizioni di legge, si procederà ad escludere il candidato eletto che abbia il numero progressivo più alto e che appartenga al genere più rappresentato. Il candidato escluso sarà sostituito da quello successivo appartenente al genere meno rappresentato, tratto dalla medesima lista dell'escluso. Nel caso in cui non sia possibile trarre dalla lista che ha ottenuto il maggior numero di voti il necessario numero di Consiglieri del genere meno rappresentato, i mancanti sono nominati dall'Assemblea con voto a maggioranza;
 - b) uno, due ovvero tre Consiglieri, a seconda che il numero dei componenti del Consiglio di Amministrazione predeterminato dall'Assemblea sia inferiore a 12, compreso tra 12 e 15 membri, ovvero superiore a 15, saranno tratti, in base al numero di ordine progressivo con il quale i candidati sono elencati nella lista stessa, dalla lista che – senza tenere conto dei voti espressi da soci collegati, anche solo indirettamente, con quelli che hanno presentato o votato la lista risultata prima per numero di voti – ha ottenuto il maggior numero di voti, dopo quella risultata prima;
 - c) nel caso in cui due liste ottengano lo stesso numero di voti, si procederà a nuova votazione da parte dell'Assemblea;
 - d) i Consiglieri Indipendenti sono tratti dalla lista che ha ottenuto il maggior numero di voti. Qualora il numero di Consiglieri Indipendenti tratti da tale lista sia inferiore a quello previsto dall'articolo 28.2, si procederà ad escludere il candidato eletto che abbia il numero progressivo più alto e che non sia in possesso dei necessari requisiti di indipendenza. Il candidato escluso sarà sostituito da quello successivo avente i requisiti indicati, tratto dalla medesima lista dell'escluso. Nel caso in cui non sia possibile trarre dalla lista che ha ottenuto il maggior numero di voti il necessario numero di Consiglieri Indipendenti, i mancanti sono nominati dall'Assemblea con voto a maggioranza;

e) nell'ipotesi in cui un candidato eletto non possa o non voglia assumere la carica, gli subentrerà il primo dei non eletti della lista alla quale apparteneva tale candidato;

f) ai fini dell'applicazione delle disposizioni che precedono e del riparto degli Amministratori, non si tiene conto delle liste che non hanno conseguito una percentuale di voti almeno pari alla metà di quella richiesta dallo Statuto per la presentazione delle stesse;

g) in caso di presentazione di un'unica lista, si applica l'articolo 21.3.

28.11 Ove nei termini non sia stata presentata alcuna lista, l'Assemblea delibera a maggioranza relativa degli azionisti presenti.

28.12 I membri del Consiglio di Amministrazione durano in carica tre esercizi, scadono alla data dell'Assemblea che approva il bilancio relativo all'ultimo esercizio della loro carica e sono rieleggibili. In caso di nomine durante il triennio, i nuovi eletti scadono assieme a quelli in carica.

28.13 In caso di cessazione dalla carica di un Amministratore tratto dalla lista indicata all'articolo 28.10, lett. b),

i) il Consiglio di Amministrazione provvede alla sua sostituzione nominando Consigliere il primo dei candidati non eletti della lista alla quale apparteneva l'Amministratore cessato, purché sia ancora eleggibile e disponibile ad accettare la carica ed appartenente al medesimo genere;

ii) l'Assemblea provvede alla sostituzione dell'Amministratore cessato a maggioranza, scegliendone, se possibile, il sostituto tra i candidati della stessa lista che abbiano previamente accettato la sostituzione, appartenenti al medesimo genere.

In tutti gli altri casi in cui, nel corso del triennio, cessi dalla carica un Amministratore, si provvede alla sua sostituzione secondo le vigenti disposizioni di legge, nel rispetto del principio di necessaria rappresentanza di genere stabilito dalla normativa vigente. Nel caso in cui sia cessato un Consigliere Indipendente, il sostituto, cooptato dal Consiglio di Amministrazione o nominato dall'Assemblea, deve essere in possesso dei requisiti di indipendenza previsti dalla legge per l'assunzione alla carica di Sindaco.

Articolo 29

29.1 Il Consiglio di Amministrazione elegge fra i suoi componenti il Presidente. Non può essere nominato Presidente chi abbia compiuto il settantesimo anno di età..

29.2 Il Presidente rappresenta la Società per tutte le sedi in Italia e all'estero secondo le norme del presente Statuto.

29.3 Il Presidente presiede l'Assemblea dei soci; convoca e presiede il Consiglio Generale, il Consiglio di Amministrazione ed il Comitato Esecutivo; ne dirige, coordina e modera la discussione; proclama i risultati delle rispettive deliberazioni.

29.4 Il Presidente coordina le attività degli organi sociali, controlla l'esecuzione delle deliberazioni dell'Assemblea, del Consiglio di Amministrazione e del Comitato Esecutivo, ha la sorveglianza sull'andamento degli affari sociali e sulla loro rispondenza agli indirizzi strategici aziendali.

Articolo 30

30.1 Il Consiglio di Amministrazione elegge fra i suoi componenti uno o più Vicepresidenti. Il Presidente assente o impedito è sostituito in tutte le sue attribuzioni da un Vicepresidente.

30.2 La sostituzione spetta a quello dei Vicepresidenti che ricopra anche la carica di Amministratore Delegato; se più sono i Vicepresidenti che ricoprano la carica di Amministratore Delegato, o se nessuno di essi ricopra tale carica, la sostituzione compete al più anziano di età.

Articolo 31

31.1 Il Consiglio di Amministrazione nomina un Segretario, scegliendolo anche al di fuori del Consiglio.

Articolo 32

32.1 Il Consiglio di Amministrazione ha ogni più ampio potere di gestione per il perseguimento dello scopo sociale.

32.2 In particolare compete in via esclusiva al Consiglio di Amministrazione, oltre all'approvazione dei piani strategici, industriali e finanziari della Società nonché delle operazioni aventi un signifi-

cativo rilievo economico, patrimoniale e finanziario, con particolare riferimento alle operazioni con parti correlate, quanto segue:

- a) redigere il progetto di bilancio d'esercizio da sottoporre all'approvazione dell'Assemblea, corredandolo con una relazione sull'andamento della gestione sociale;
- b) formulare le proposte per la destinazione degli utili;
- c) distribuire agli azionisti, durante il corso dell'esercizio, acconti sul dividendo;
- d) redigere il bilancio consolidato del Gruppo, corredandolo con una relazione sull'andamento della gestione sociale;
- e) approvare la relazione semestrale e, se previste, le informative finanziarie trimestrali;
- f) deliberare l'istituzione o la soppressione di Direzioni e stabili organizzazioni all'estero;
- g) deliberare in materia di fusione, nei casi consentiti dalla legge, d'istituzione o di soppressione di sedi secondarie nonché di adeguamento delle disposizioni dello Statuto sociale e del Regolamento assembleare che divenissero incompatibili con nuove disposizioni normative aventi carattere imperativo;
- h) deliberare sull'inizio o sul termine delle operazioni di singoli Rami;
- i) nominare il Direttore Generale, determinandone i poteri, le attribuzioni, nonché revocarli;
- l) adottare le decisioni concernenti la determinazione dei criteri per il coordinamento e la direzione delle imprese del gruppo e per l'attuazione delle disposizioni impartite dall'IVASS;
- m) deliberare sulle altre materie dallo stesso non delegabili per legge.

32.3 In occasione delle riunioni e con cadenza almeno trimestrale, il Consiglio di Amministrazione ed il Collegio Sindacale sono informati, anche a cura degli organi delegati, sull'andamento della gestione e sull'attività svolta dalla Società e dalle sue controllate, sulla sua prevedibile evoluzione, sulle operazioni di maggior rilievo economico, finanziario e patrimoniale, con particolare riguardo alle operazioni in cui gli Amministratori abbiano un interesse proprio o di terzi o che siano influenzate dall'eventuale soggetto che eserciti

attività di direzione e coordinamento. L'informativa al Collegio Sindacale può altresì avvenire, per ragioni di tempestività, direttamente od in occasione delle riunioni del Comitato Esecutivo.

Articolo 33

- 33.1** Il Consiglio di Amministrazione si raduna, su invito del Presidente o di chi ne fa le veci, nel luogo da lui fissato. Il Consiglio deve essere convocato qualora ne sia fatta domanda da un terzo dei membri in carica.
- 33.2** La convocazione deve essere fatta almeno otto giorni prima di quello fissato per l'adunanza. In caso di urgenza il termine può essere ridotto a due giorni ma la convocazione deve essere inoltrata a mezzo telegrafo, telefax o altro strumento idoneo a garantire una comunicazione certa ed immediata.
- 33.3** In caso di assenza o impedimento del Presidente si applica la norma del precedente articolo 30.
- 33.4** Per la validità delle deliberazioni del Consiglio occorre la presenza della maggioranza dei membri in carica.
- 33.5** Le deliberazioni sono prese a maggioranza assoluta di voti. A parità di voti prevale quello di chi presiede la riunione. Il voto non può essere dato per rappresentanza.
- 33.6** Di ogni riunione viene tenuto un verbale firmato dal Presidente e dal Segretario.
- 33.7** E' ammessa la possibilità che le adunanze si tengano per teleconferenza nonché per videoconferenza, a condizione che tutti i partecipanti possano essere identificati da ciascuno di essi e sia loro consentito di seguire la discussione e di intervenire in tempo reale alla trattazione degli argomenti affrontati; verificandosi tali presupposti, l'adunanza si considera tenuta nel luogo in cui si trovano il Presidente e il Segretario.

Articolo 34

- 34.1** Il Consiglio di Amministrazione può istituire in Italia e all'estero Comitati consultivi generali e speciali presso lo stesso Consiglio o singole Direzioni o altri stabilimenti, fissandone le attribuzioni ed i compensi.

Articolo 35

- 35.1** Il Consiglio di Amministrazione può nominare fra i propri membri un Comitato Esecutivo delegando allo stesso determinate attribuzioni, salvo le limitazioni di legge.
- 35.2** Esso può inoltre nominare, sempre fra i propri membri, uno o più Amministratori Delegati, stabilendone le attribuzioni. Non può essere nominato Amministratore Delegato chi abbia compiuto il sessantacinquesimo anno di età.
- 35.3** Il Comitato Esecutivo è composto da non meno di 5 e non più di 9 membri, tra essi compresi il Presidente del Consiglio di Amministrazione, che lo presiede, i Vicepresidenti e gli Amministratori Delegati, ove si sia provveduto alla loro nomina.
- 35.4** Funge da Segretario del Comitato Esecutivo il Segretario del Consiglio di Amministrazione.
- 35.5** Per la validità delle deliberazioni del Comitato Esecutivo occorre la presenza della maggioranza dei membri in carica.
- 35.6** Le deliberazioni sono prese a maggioranza assoluta di voti. A parità di voti prevale quello di chi presiede la riunione.
- 35.7** Il voto non può essere dato per rappresentanza.
- 35.8** Di ogni riunione del Comitato viene redatto un verbale firmato dal Presidente e dal Segretario.

Articolo 36

- 36.1** La remunerazione degli Amministratori investiti di particolari cariche in conformità del presente Statuto è stabilita dal Consiglio di Amministrazione sentito il parere del Collegio Sindacale.
- 36.2** Ai membri del Consiglio di Amministrazione e del Comitato Esecutivo spetta il rimborso delle spese incontrate per intervenire alle riunioni.

D.

Collegio Sindacale

Articolo 37

- 37.1** Il Collegio Sindacale è composto di tre

Sindaci effettivi e due supplenti, rieleggibili. Le attribuzioni, doveri e durata sono quelli stabiliti dalla legge. Previa comunicazione scritta al Presidente del Consiglio di Amministrazione antecedente di almeno trenta giorni la data fissata per la riunione, il Collegio Sindacale ovvero almeno due dei Sindaci possono convocare l'Assemblea. Il Consiglio di Amministrazione e il Comitato Esecutivo possono essere convocati anche da un solo membro del Collegio Sindacale, in conformità a quanto previsto dall'articolo 33.2.

37.2 Non possono essere nominati Sindaci e se eletti decadono dall'incarico coloro che si trovino in situazioni di incompatibilità previste dalla legge o che eccedano i limiti al cumulo degli incarichi previsti dalla normativa vigente.

37.3 I Sindaci effettivi e supplenti debbono possedere i requisiti stabiliti dalla legge. Ai fini della definizione del requisito di professionalità di coloro che abbiano maturato un'esperienza complessiva di almeno un triennio nell'esercizio di :

a) attività professionali o di insegnamento universitario di ruolo in materie giuridiche, economiche, finanziarie e tecnico-scientifiche strettamente attinenti all'attività d'impresa della Società;

b) funzioni dirigenziali presso enti pubblici o pubbliche amministrazioni operanti in settori strettamente attinenti a quello di attività della Società, è stabilito quanto segue:

- hanno stretta attinenza all'attività della Società tutte le materie di cui alla precedente lettera a) attinenti all'attività assicurativa e alle attività inerenti a settori economici strettamente attinenti a quello assicurativo;

- sono settori economici strettamente attinenti a quello assicurativo quelli in cui operano le imprese che possono essere assoggettate al controllo delle imprese di assicurazione.

37.4 All'atto della loro nomina l'Assemblea determina la retribuzione annuale spettante ai Sindaci. Ai Sindaci compete il rimborso delle spese incontrate nell'esercizio delle loro funzioni.

37.5 La nomina dei Sindaci è effettuata sulla base di liste di candidati in conformità a quanto previsto dalle disposizioni di legge e di regolamento vigenti e dal presente Statuto.

- 37.6** Vengono presentate liste composte di due sezioni: l'una per la nomina dei Sindaci effettivi e l'altra per la nomina dei Sindaci supplenti. Le liste contengono un numero di candidati non superiore al numero dei membri da eleggere, elencati mediante un numero progressivo. Ciascuna delle due sezioni delle liste, ad eccezione di quelle che presentano un numero di candidati inferiore a tre, è composta in modo tale da assicurare l'equilibrio tra i generi. Ogni candidato potrà presentarsi in una sola lista a pena di ineleggibilità.
- 37.7** Hanno diritto a presentare una lista i soci che, da soli o congiuntamente ad altri, rappresentino almeno la percentuale minima del capitale sociale di cui all'articolo 28.5.
- 37.8** Le liste devono essere depositate presso la Società entro il venticinquesimo giorno precedente la data dell'Assemblea in prima o in unica convocazione.
- 37.9** Le liste devono essere corredate dalle informazioni relative ai soci che le hanno presentate, con l'indicazione della percentuale del capitale sociale complessivamente detenuta dagli stessi. Unitamente alle liste sono inoltre depositati:
- i) i curriculum vitae dei candidati, contenenti un'esauriente informativa sulle caratteristiche personali e professionali dei medesimi nonché sulle competenze maturate dagli stessi nel campo assicurativo, finanziario e/o bancario;
 - ii) le dichiarazioni con le quali ogni candidato accetta la designazione, si impegna – ove nominato – ad accettare la carica ed attesta altresì, sotto la propria responsabilità, l'insussistenza di cause di incompatibilità e di ineleggibilità, il possesso dei requisiti di onorabilità, di professionalità e, se sussistenti, di indipendenza previsti dalla normativa vigente;
 - iii) copia delle certificazioni rilasciate dagli intermediari attestanti la titolarità della percentuale del capitale sociale richiesta dall'articolo 37.7 per la presentazione delle liste.
- 37.10** In difetto di quanto prescritto dall'articolo 37.9, la lista si considera, agli effetti dell'articolo 37, come non presentata.
- 37.11** Nel caso in cui, alla data di scadenza del termine di venticinque giorni di cui all'articolo 37.8 precedente, sia stata presentata una sola lista ovvero liste presentate da soci collegati tra loro, possono essere presentate liste sino al terzo giorno successivo a tale data. In tal caso, le soglie previste dall'articolo 37.7 sono ridotte alla metà.
- 37.12** Gli aventi diritto al voto, le società da questi direttamente o indirettamente controllate, le società direttamente o indirettamente soggette a comune controllo nonché i soci tra loro legati da uno dei rapporti indicati dall'art. 109, comma 1, del decreto legislativo 24 febbraio 1998, n. 58 e relativo alla Società possono concorrere a presentare e possono votare una sola lista; in caso di violazione, non si tiene conto dell'appoggio dato relativamente ad alcuna delle liste.
- 37.13** Risulteranno eletti Sindaci effettivi i primi due candidati della lista che avrà ottenuto il maggior numero di voti (la "Lista di Maggioranza") e il primo candidato della lista che – senza tenere conto dell'appoggio dato da soci, in qualunque modo, anche solo indirettamente, collegati con quelli che hanno presentato o votato la Lista di Maggioranza – sarà risultata seconda per numero di voti (la "Lista di Minoranza").
- 37.14** Risulteranno eletti Sindaci supplenti il primo candidato della Lista di Maggioranza che avrà ottenuto il maggior numero di voti e il primo candidato della Lista di Minoranza.
- 37.15** Qualora il numero di sindaci effettivi del genere meno rappresentato sia inferiore a quello previsto dalle vigenti disposizioni di legge, si procederà, nell'ambito della sezione dei sindaci effettivi della Lista di Maggioranza, alle necessarie sostituzioni secondo l'ordine di presentazione dei candidati.
- 37.16** Nel caso in cui le prime due liste ottengano lo stesso numero di voti, si procede a nuova votazione. In caso di parità di voti fra due o più liste, diverse da quella che ha ottenuto il maggior numero di voti, risulteranno eletti Sindaci i candidati più giovani per età fino a concorrenza dei posti da assegnare.
- 37.17** Nel caso in cui venga presentata un'unica lista, tutti i sindaci da eleggere saranno tratti da tale lista.
- 37.18** La presidenza spetta al sindaco effettivo tratto dalla Lista di Minoranza. Nel caso in cui tutti i sindaci siano tratti da un'unica lista, la presidenza spetta al primo candidato di tale lista.

- 37.19** In caso di morte, di rinuncia o di decadenza di un Sindaco effettivo tratto dalla Lista di Maggioranza o dall'unica lista, subentra il supplente tratto dalla medesima lista o, in difetto, il supplente più giovane d'età. L'Assemblea provvede all'integrazione del Collegio Sindacale con le maggioranze di legge.
- 37.20** In caso di morte, di rinuncia o di decadenza del sindaco effettivo tratto dalla Lista di Minoranza, subentra – anche nella carica di Presidente – il supplente tratto dalla Lista di Minoranza. L'Assemblea provvede all'integrazione del Collegio Sindacale nel rispetto del principio di necessaria rappresentanza delle minoranze.
- 37.21** Ove la procedura di sostituzione dei sindaci non assicurasse l'equilibrio tra i generi, provvede l'Assemblea con le maggioranze di legge.

CAPITOLO IV

RAPPRESENTANZA E FIRMA DELLA SOCIETÀ

- 38.1** Hanno la rappresentanza legale della Società per tutti gli affari sociali e la esercitano con le modalità di cui all'articolo seguente il Presidente, i Vicepresidenti, gli Amministratori Delegati, gli altri membri del Consiglio di Amministrazione nonché il Direttore Generale.
- 38.2** Hanno altresì la rappresentanza legale della Società, nell'ambito dell'area di competenza ad essi rispettivamente assegnata, gli altri dirigenti della Società.

Articolo 39

- 39.1** La rappresentanza si esprime con l'apposizione, sotto la denominazione della Società, delle firme di due delle persone di cui all'articolo precedente.
- 39.2** Il Presidente, i Vicepresidenti, quando sostituiscano il Presidente assente o impedito, gli Amministratori Delegati e il Direttore Generale possono firmare congiuntamente fra loro o con altro membro del Consiglio di Amministrazione ovvero con uno degli altri dirigenti della Società. In tali casi questi

ultimi concorrono a rappresentare la Società anche per gli affari che esulano dall'area di competenza ad essi rispettivamente assegnata. I dirigenti possono infine firmare anche congiuntamente tra loro, purché almeno uno di essi agisca nei limiti dell'area di competenza assegnata.

- 39.3** Gli altri membri del Consiglio di Amministrazione non possono firmare congiuntamente fra loro, né con uno degli altri dirigenti della Società.
- 39.4** L'organo amministrativo competente può ulteriormente limitare, per materia e per valore, l'ambito del potere di rappresentanza dei dirigenti della Società. Può inoltre attribuire la rappresentanza della Società ad altri dipendenti ed a terzi, mediante il rilascio di procure generali o speciali per singoli atti o categorie di atti.
- 39.5** Il Consiglio di Amministrazione può autorizzare che determinati documenti e corrispondenze vengano sottoscritti in tutto o in parte con riproduzione meccanica della firma.
- 39.6** La facoltà di rappresentare la Società nelle Assemblee di altre Società o Enti potrà essere esercitata anche singolarmente dalle persone di cui all'articolo 38. Sui poteri di rappresentanza e sulle modalità della firma per le Direzioni, Delegazioni, Succursali, Rappresentanze, Agenzie e Stabilimenti all'estero delibera caso per caso l'organo amministrativo competente.
- 39.7** Le copie e gli estratti di atti e documenti sociali che devono essere prodotti alle autorità giudiziarie, amministrative, finanziarie, o che siano richiesti ad ogni altro effetto di legge, sono dichiarati conformi all'originale, con firme abbinate, dalle persone di cui all'articolo 38 o dal Segretario del Consiglio di Amministrazione.

CAPITOLO V

BILANCI

Articolo 40

- 40.1** Gli esercizi si chiudono il 31 dicembre di ciascun anno. La contabilità ed il bilancio di esercizio sono compilati, a norma delle vigenti disposizioni di leg-

ge, separatamente per la Gestione Vita e la Gestione Danni.

40.2 L'organo amministrativo competente nomina, previo parere del Collegio Sindacale, il dirigente preposto alla redazione dei documenti contabili societari. Quest'ultimo è scelto tra coloro che abbiano maturato un'adeguata esperienza in materia di amministrazione, finanza e controllo presso società di rilevanti dimensioni ovvero nell'esercizio di attività professionale e posseggano i requisiti di onorabilità stabiliti per gli amministratori.

40.3 Il venir meno dei requisiti di onorabilità nel corso del mandato determina la decadenza dall'incarico; in tal caso, si provvede alla tempestiva sostituzione del dirigente decaduto.

Articolo 41

41.1 Le riserve tecniche sono determinate e costituite nei modi stabiliti dalle norme vigenti nei vari Paesi nei quali opera la Società.

41.2 In mancanza di tali norme la Società provvede alla determinazione e costituzione delle suddette riserve nei modi rispondenti alle finalità delle riserve stesse.

Articolo 42

42.1 Gli utili netti risultanti dal bilancio regolarmente approvato, dedotta la quota di riserva legale, saranno a disposizione dell'Assemblea per le destinazioni che essa riterrà di deliberare.

42.2 L'Assemblea può deliberare assegnazioni straordinarie di utili da realizzarsi mediante emissione di azioni da attribuire individualmente a dipendenti della Società ovvero anche delle società controllate.

CAPITOLO VI

SCIoglimento DELLA SOCIETÀ

Articolo 43

43.1 Nel caso di scioglimento della Società, l'Assemblea stabilisce le modalità della liquidazione e provvede ai sensi di legge alla nomina dei liquidatori fissandone i poteri e i compensi.

43.2 Con la nomina dei liquidatori cessano le funzioni del Consiglio Generale, del Consiglio di Amministrazione e del Comitato Esecutivo.

43.3 Le funzioni dell'Assemblea continuano ad esistere ed essa è convocata dai liquidatori.

CAPITOLO VII

DISPOSIZIONI FINALI

Articolo 44

44.1 Per quanto non espressamente previsto nello Statuto sono richiamate le disposizioni di legge.



Relazione del Consiglio di Amministrazione

AL PROGETTO COMUNE DI FUSIONE TRANSFRONTALIERA PER INCORPORAZIONE DI “GENERALI FINANCE B.V.” IN “ASSICURAZIONI GENERALI - SOCIETÀ PER AZIONI”, AI SENSI DELL’ART. 8 DEL DECRETO LEGISLATIVO N. 108 DEL 30 MAGGIO 2008, DELL’ART. 2501-QUINQUIES DEL CODICE CIVILE, INTEGRATA CON LE INFORMAZIONI RICHIESTE DALL’ART. 25, COMMA 1, LETT. B), DEL REGOLAMENTO IVASS 14, DEL 18 FEBBRAIO 2008.

PREMESSA

La presente relazione ha lo scopo di illustrare l’operazione di fusione transfrontaliera per incorporazione di **Generali Finance B.V.**, società a responsabilità limitata (*besloten vennootschap met beperkte aansprakelijkheid*) di diritto olandese (di seguito: “GF” o la “**Società Incorporata**”), nella **ASSICURAZIONI GENERALI - Società per Azioni**, società per azioni di diritto italiano (di seguito: “AG” o la “**Società Incorporante**”), che ne detiene attualmente una partecipazione pari al 26% del capitale sociale e che, prima del perfezionamento della operazione in oggetto, ne deterrà interamente e direttamente il capitale sociale (di seguito: la “**Fusione**” o l’“**Operazione**”).

La Fusione sarà quindi realizzata mediante la procedura c.d. “semplificata” prevista per la fusione di società interamente posseduta ai sensi dell’art. 2505 del Codice Civile italiano (di seguito: il “**Codice Civile**”) che, tra l’altro, esime il Consiglio di Amministrazione dall’obbligo di redazione della relazione prevista dall’art. 2501-quinquies dello stesso.

Tuttavia, come già anticipato, la Società Incorporata, che sarà interamente e direttamente partecipata da AG, è disciplinata dal diritto olandese e, pertanto, la Fusione integra un’ipotesi di “fusione transfrontaliera” ai sensi della Direttiva 2005/56/CE relativa alle fusioni transfrontaliere delle società di capitali (di seguito: la “**Direttiva CE**”).

La Direttiva CE ha trovato attuazione in Italia mediante l’emanazione del Decreto Legislativo n. 108 del 30 maggio 2008 (di seguito: il “**Decreto Legislativo 108**”) e nei Paesi Bassi mediante l’Atto legislativo del 27 giugno 2008 (pubblicato nella Gazzetta Ufficiale dei Paesi Bassi al n. 260/261 e in vigore dal 15 luglio 2008) che ha modificato le pertinenti disposizioni del Titolo 7, parti 1 fino alla 3A inclusa, del Libro 2 del Codice Civile Olandese (di seguito: il “**Codice Olandese**”).

L’Operazione dovrà pertanto essere perfezionata nel rispetto della legge italiana e olandese e, rispettivamente da parte di AG e di GF, delle disposizioni contenute nel Decreto Legislativo 108 e nelle pertinenti disposizioni del Codice Olandese.

Pertanto, nonostante l’Operazione rientri nell’ipotesi di fusione c.d. “semplificata”, in osservanza a quanto disposto dall’art. 8 del Decreto Legislativo n. 108, l’odierno



Consiglio di Amministrazione di AG ha redatto la presente relazione illustrativa della Fusione.

Detta Relazione è predisposta in conformità all'art. 2501-*quinquies* del Codice Civile, all'art. 25, comma 1, lett. *b*), del Regolamento Ivass n. 14, del 18 febbraio 2008, all'art. 8 del Decreto Legislativo 108 e, poiché le azioni di AG sono quotate sul Mercato Telematico Azionario organizzato e gestito da Borsa Italiana S.p.A., alla normativa applicabile alle società quotate (“**Normativa Emittenti**”).

DESCRIZIONE DELLE SOCIETA' PARTECIPANTI ALLA FUSIONE

La Società Incorporante

La Società Incorporante è una società per azioni disciplinata dal diritto italiano, con sede legale in Piazza Duca degli Abruzzi n. 2, Trieste, Italia, codice fiscale, partita IVA e numero di iscrizione al Registro delle Imprese della Venezia Giulia: 00079760328, numero di iscrizione all'Albo delle Imprese di Assicurazione e Riassicurazione: 1.00003, Capogruppo del Gruppo Generali, iscritto al numero 026 dell'Albo dei Gruppi Assicurativi.

Alla data della presente relazione, il capitale sociale di AG è pari ad Euro 1.561.808.262,00 interamente versato, suddiviso in numero 1.561.808.262,00 azioni ordinarie del valore nominale di Euro 1,00 ciascuna, quotate sul Mercato Telematico Azionario organizzato e gestito da Borsa Italiana S.p.A.

La Società Incorporante ha per oggetto l'esercizio di ogni specie di assicurazione, riassicurazione, capitalizzazione e ogni tipo di forma pensionistica complementare anche attraverso la costituzione di fondi aperti, in Italia e all'estero, o qualsivoglia altra attività che sia dalla legge riservata o consentita a società di assicurazioni. Essa può esplicare in genere qualsiasi attività e compiere ogni operazione che sia inerente, connessa o utile al conseguimento dello scopo sociale, anche mediante la partecipazione in società o Enti italiani o stranieri.

La Società Incorporata

La Società Incorporata è una società a responsabilità limitata (*besloten vennootschap met beperkte aansprakelijkheid*) disciplinata dal diritto olandese, con sede legale in Amsterdam e sede centrale in 1112XN, Diemen, Diemerhof 42, Paesi Bassi, numero di iscrizione al Registro di Commercio presso la Camera di Commercio (*Kamer van Koophandel*) olandese: 33219814.

Alla data della presente relazione, il capitale sociale di GF è pari a: deliberato Euro 500.000.000,00, sottoscritto e versato Euro 100.000.000,00, attualmente di titolarità:



- di **AG**, quanto a una quota di partecipazione del valore nominale di euro 26.000.000,00, pari al 26% del capitale sociale e
- di **Generali Italia S.p.A.**, con sede legale in Via Marocchesa n. 14, Mogliano Veneto (TV), Italia, codice fiscale e numero di iscrizione al Registro delle Imprese di Treviso: 00409920584, società iscritta all'Albo delle Imprese IVASS al n. 1.00021, soggetta all'attività di direzione e coordinamento dell'Azionista unico Assicurazioni Generali S.p.A. ed appartenente al Gruppo Generali, iscritto al numero 026 dell'Albo dei Gruppi Assicurativi (di seguito: "**GI**"), quanto alla residua quota di partecipazione del valore nominale di euro 74.000.000,00, pari al 74% del capitale sociale di GF.

Nel contesto dell'Operazione è previsto che AG (prima della stipula dell'atto notarile di fusione) acquisti da GI la predetta residua quota di partecipazione pari al 74% del capitale sociale di GF, divenendone così l'unico socio.

La Società Incorporata ha per oggetto l'attività di *holding* di partecipazione e le connesse attività di finanziamento e gestione di partecipazioni.

Tra le partecipazioni detenute dalla Società Incorporata vi è, in particolare, quella in Generali PanEurope dac, società di diritto irlandese, con sede legale in Generali House, Navan Business Park, Athlumney, Navan, Co. Meath C15 CCW8, Ireland (di seguito: "**GPE**"), soggetta a vigilanza da parte della *Central Bank of Ireland*, pari al 51% del capitale sociale con diritti di voto di GF che, per effetto della Fusione e subordinatamente alla prescritta autorizzazione da parte della predetta autorità di vigilanza riguardante il cambio della catena partecipativa di controllo diretto su GPE, verrà trasferita ad AG.

MOTIVAZIONI INDUSTRIALI E STRATEGICHE SOTTESE ALL'OPERAZIONE

GF è stata, sino ad oggi, il veicolo di Gruppo attraverso il quale sono stati emessi e collocati sul mercato titoli obbligazionari, supportati dalla garanzia di AG, e computati tra gli *eligible own funds* di Gruppo. In tale contesto, lo scopo della prospettata fusione per incorporazione risiede nell'opportunità di semplificare la catena partecipativa del Gruppo Generali, eliminando dalla struttura di Gruppo una società che non svolgerà più, in futuro, alcuna funzione. Le emissioni obbligazionarie che dovessero essere emesse dal Gruppo Generali sarebbero direttamente deliberate da AG nella sua veste di capogruppo, senza necessità di ricorrere più all'utilizzo del veicolo olandese GF. L'accentramento della gestione del debito finanziario e del capitale regolamentare in un solo ente, AG, consentirà una semplificazione dei processi di gestione finanziaria a livello di Gruppo. Ne consegue che AG – e di riflesso i suoi soci – beneficeranno delle semplificazioni strutturali, anche in termini di efficienza, derivanti dall'eliminazione dei costi e delle complessità connesse al mantenimento di una sub-holding di diritto estero.

PRINCIPALI PROFILI TECNICO-GIURIDICI DELL'OPERAZIONE

Quanto ai profili tecnico-giuridici dell'Operazione, premesso che, come sopra precisato, AG possiede attualmente una partecipazione pari al 26% del capitale sociale di GF e possiederà, prima del perfezionamento della Operazione e, più precisamente, prima della stipula dell'atto notarile di fusione, tramite acquisto della residua partecipazione attualmente detenuta da GI, tutte le azioni sottoscritte (e versate) del capitale della Società Incorporata, del valore nominale complessivo di Euro 100.000.000,00:

- (i) la Fusione avverrà mediante l'annullamento di tutte le azioni di GF senza alcun aumento di capitale da parte della Società Incorporante;
- (ii) ai sensi di quanto disposto dall'art. 6 del Decreto Legislativo 108, il progetto comune di fusione transfrontaliera è approvato negli stessi termini dai competenti organi delle società partecipanti alla Fusione e contiene, oltre a quanto richiesto dalla normativa italiana e olandese, anche menzione dei seguenti ulteriori elementi:
 - la legge regolatrice di ciascuna delle società partecipanti alla Fusione;
 - menzione della circostanza che non ricorrono vantaggi a favore dei membri degli organi di controllo delle società partecipanti alla Fusione;
 - menzione della circostanza che non ricorrono i presupposti di cui all'art. 19, comma 1, del Decreto Legislativo 108 relativi alle procedure di coinvolgimento dei lavoratori nella Società Incorporante;
 - le probabili ripercussioni della Fusione sull'occupazione;
 - le informazioni sulla valutazione degli elementi patrimoniali attivi e passivi trasferiti alla Società Incorporante;
- (iii) ai sensi dell'art. 2505 del Codice Civile:
 - il progetto di fusione non deve fornire le informazioni di cui all'art. 2501-ter, comma 1, numeri (3), (4), (5) del Codice Civile;
 - non è necessario acquisire la relazione degli esperti sulla congruità del rapporto di cambio di cui all'art. 2501-sexies del Codice Civile, dal momento che non vi sarà alcun concambio;
- (iv) ai sensi dell'art. 18 del Decreto Legislativo 108 e dell'art. 32.2 lettera g) dello statuto vigente di AG, trattandosi di una fusione cd. "semplificata", la Fusione verrà approvata, per la Società Incorporante, dal Consiglio di Amministrazione. Fermo restando quanto precede, ai sensi dell'art. 2505, comma 3, del Codice Civile, i soci della Società Incorporante che rappresentino almeno il 5% del capitale sociale potranno in ogni caso chiedere che la decisione di approvazione della Fusione sia rimessa all'Assemblea Straordinaria mediante domanda indirizzata alla Società Incorporante entro

otto giorni dal deposito del progetto di fusione per l'iscrizione presso il competente Registro delle Imprese della Venezia Giulia;

- (v) per quanto concerne invece la Società Incorporata, la Fusione verrà deliberata dal competente organo sociale, in conformità con la normativa olandese applicabile.

Il progetto comune di fusione transfrontaliera è redatto sulla base delle situazioni patrimoniali delle società partecipanti alla Fusione al 31 dicembre 2016, rappresentate rispettivamente dal progetto di bilancio d'esercizio al 31 dicembre 2016 regolarmente approvato in data 28 aprile 2017 dal competente organo sociale della Società Incorporata e dal bilancio d'esercizio al 31 dicembre 2016 regolarmente approvato in data 27 aprile 2017 dall'Assemblea degli Azionisti della Società Incorporante.

Il progetto comune di fusione sarà, una volta ottenuta la prescritta autorizzazione da parte dell'IVASS ai sensi dell'art. 201 del Decreto Legislativo 7 settembre 2005 n. 209 (Codice delle Assicurazioni Private) e del relativo Regolamento n. 14 del 18 febbraio 2008, depositato presso il competente Registro delle Imprese della Venezia Giulia. Ai sensi e per gli effetti di cui al combinato disposto degli artt. 2501-*septies* e 2505 del Codice Civile, al più presto e comunque durante i 30 giorni antecedenti la decisione in ordine alla Fusione, saranno inoltre depositati presso la sede sociale di AG:

- il progetto comune di fusione e la presente relazione del Consiglio di Amministrazione;
- i bilanci degli ultimi tre esercizi delle società partecipanti alla Fusione, con le rispettive relazioni dei soggetti cui compete l'amministrazione e la revisione legale, precisando che, come già anticipato, il bilancio relativo all'esercizio 2016 è previsto funga da relativa situazione patrimoniale di riferimento in conformità all'art. 2501-*quater*, comma 2, del Codice Civile.

Il progetto comune di fusione, la presente relazione e la ulteriore documentazione relativa alla Fusione verranno altresì messi a disposizione del pubblico almeno 30 giorni prima della riunione del Consiglio di Amministrazione di AG chiamato a deliberare in merito alla Fusione, ai sensi della Normativa Emittenti.

Gli effetti giuridici della Fusione decorreranno dalla data di iscrizione dell'atto notarile di fusione nel Registro delle Imprese della Società Incorporante (ovvero dalla diversa data che verrà eventualmente indicata nell'atto notarile di fusione, quest'ultima comunque successiva alla data di iscrizione del predetto atto presso il Registro delle Imprese della Società Incorporante).

Si prevede che la Fusione diverrà efficace nel 2018.

Quanto ai fini contabili e fiscali, la Fusione avrà efficacia a partire dal 1° Gennaio 2018. Alla data di efficacia giuridica della Fusione, la Società Incorporante conserverà la propria attuale forma, denominazione sociale e sede statutaria. Non è prevista, inoltre, alcuna modifica dello statuto sociale di AG in conseguenza della Fusione.

A partire dalla data di efficacia giuridica della Fusione, AG subentrerà nella universalità dei rapporti giuridici attivi e passivi, dei cespiti, mobiliari ed immobiliari, materiali ed immateriali ecc., di cui la Società Incorporata è titolare (tra cui, in particolare e tra l'altro, anche la partecipazione in GPE di titolarità di GF), obbligandosi ad assolvere tutti gli impegni e le obbligazioni alle convenute scadenze e condizioni.

Ai fini di quanto disposto dall'art. 25, comma 1, lett. b), del Regolamento Ivass n. 14, del 18 febbraio 2008, si precisa che l'Operazione non produrrà alcun effetto sulla situazione tecnica, sulla struttura organizzativa direzionale e periferica, sulle procedure contabili e sul personale di AG. L'Operazione, infine, non comporta alcun trasferimento, né altrimenti impatta in alcun modo, il portafoglio riguardante il ramo 10 – Responsabilità civile autoveicoli terrestri.

RIFLESSI TRIBUTARI SULLE SOCIETA' PARTECIPANTI ALLA FUSIONE

La neutralità fiscale

Ai fini delle imposte sui redditi, la Fusione è fiscalmente neutra e, quindi, non costituisce in Italia realizzo o distribuzione di plusvalenze o minusvalenze dei beni della Società Incorporata, comprese quelle relative alle rimanenze e al valore di avviamento.

Le differenze da Fusione

Le eventuali differenze da Fusione che dovessero emergere in esito alla Fusione non concorrono a formare il reddito imponibile di AG, essendo fiscalmente non rilevanti ai fini dell'imposizione sui redditi.

CONSEGUENZE DELLA FUSIONE TRANSFRONTALIERA SUI SOCI, SUI CREDITORI E SUI LAVORATORI

Conseguenze sui Soci

Gli azionisti di AG non avranno conseguenze dirette derivanti dalla realizzazione dell'Operazione. Infatti, per effetto della stessa non si verificheranno i presupposti del diritto di recesso, né muterà in alcun modo la compagine sociale, non essendo previsto alcun aumento di capitale sociale di AG a servizio della Fusione.

Inoltre, non cambieranno in alcun modo per gli azionisti di AG i diritti collegati allo *status socii* e le modalità di esercizio degli stessi rimanendo la Società Incor-



porante soggetta alla legge italiana e quotata sul Mercato Telematico Azionario anche a valle dell'efficacia della Fusione.

Conseguenze sui Creditori

Per effetto della Fusione tutti gli elementi dell'attivo e del passivo della Società Incorporata saranno automaticamente trasferiti alla Società Incorporante e, pertanto, tutti i creditori della Società incorporata diventeranno creditori della Società Incorporante.

I creditori potranno poi eventualmente beneficiare, qualora lo ritengano necessario, della procedura di opposizione loro garantita dall'art. 2503 del Codice Civile e da quanto previsto, in tema di protezione dei creditori, dalle pertinenti disposizioni del Codice Olandese.

Conseguenze sui Lavoratori

La Società Incorporata non ha dipendenti, né la Fusione avrà alcun impatto sull'occupazione dei lavoratori della Società Incorporante e del Gruppo in generale.

Inoltre, poiché la Società Incorporata non ha dipendenti, non si applicherà la procedura prevista dall'art. 47 della legge 29/12/1990 n. 428.

Ai sensi dell'art. 8 del Decreto Legislativo 108, la presente relazione illustrativa del progetto comune di fusione transfrontaliera verrà inviata ai rappresentanti dei lavoratori di AG, almeno trenta giorni prima dell'approvazione definitiva del progetto comune di Fusione da parte del Consiglio di Amministrazione della Società Incorporante. Se i rappresentanti dei lavoratori di AG dovessero esprimere in tempo utile un parere con riferimento alla Fusione, detto parere sarà allegato alla presente relazione illustrativa.

In ogni caso, il perfezionamento della Fusione non comporterà alcuna modifica sui rapporti di lavoro attualmente in essere tra AG e i propri dipendenti, né sono previste ripercussioni della Fusione sull'occupazione dei lavoratori della Società Incorporante e del Gruppo in generale.

Infine, si informa che l'art. 19 del Decreto Legislativo 108 disciplinante la partecipazione dei lavoratori nella Società Incorporante non trova attuazione nel caso di specie in quanto non ne ricorrono i presupposti applicativi. Infatti, né la Società Incorporante né la Società Incorporata sono gestite in regime di partecipazione dei lavoratori ai sensi dell'art. 2, comma 1, lett. m, del D. Lgs. 19 agosto 2005, n. 108.

Roma, 13 giugno 2017

Per il Consiglio di Amministrazione

**DIRECTORS' REPORT PERTAINING TO
THE PROPOSED CROSS-BORDER MERGER BETWEEN
ASSICURAZIONI GENERALI S.p.A.
AND
GENERALI FINANCE B.V.**

THE UNDERSIGNED:

All members of and as such representing the board of managing directors of GENERALI FINANCE B.V., a private company with limited liability organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with office address at 1112XN Diemen, Diemerhof 42, the Netherlands and registered with the Trade Register held by the Dutch Chamber of Commerce under number: 33219814 ("GF" or "Disappearing Company),

HEREBY PROVIDE the directors' report pertaining to the intended cross-border statutory merger of GF with ASSICURAZIONI GENERALI S.p.A., a company organized and existing under the laws of Italy, having its registered address at official seat at Piazza Duca degli Abruzzi no. 2, Trieste, Italy, and registered with the Business Register of Venezia Giulia under number: 00079760328 ("AG" or "Acquiring Company").

The Acquiring Company and the Disappearing Company jointly also referred to as the "Companies".

WHEREAS:

- (i) The board of directors of GF and the board of directors of AG, wish to perform a cross border merger whereby AG acquires all the assets and liabilities of the GF and GF ceases to exist (the "Merger");
- (ii) The merger will be effected by performing a cross border merger in accordance with Dutch and Italian law;
- (iii) The provisions set forth in Article 2:333 of the Dutch Civil Code and Article 2505 of the Italian Civil Code and art. 18 of the Legislative Decree 108 ("simplified procedure") will apply;
- (iv) the board of directors of GF, wishes by this present document to explain the reasons for the intended merger, such in compliance with Article 2:313 Dutch Civil Code,

DECLARE:

Comments to the merger from a legal point of view:

- (a) As a result of the Merger, all assets and liabilities of the Disappearing Company will become assets and liabilities of the Acquiring Company by operation of law and under universal title.
- (b) Any claims and debts existing between the Companies will cease to exist upon the Merger.

- (c) The Merger will not affect any legal relationships between the Disappearing Company and third parties. As a result of the Merger, these legal relationships will become legal relationship of the Acquiring Company.
- (d) Any proceedings in or out of court proceedings against or in favor of the Disappearing Company will be continued by the Acquiring Company as its own proceedings after the Merger.
- (e) The Merger will not entitle third parties to terminate any existing agreement and legal relationship with AG and/or GF. Nor will they be entitled to damages against either of the merging Companies on the grounds of the merger.
- (f) The Merger is subject to the authorization by the competent Italian Supervisory Authority (IVASS).

Comments to the merger from an economic point of view:

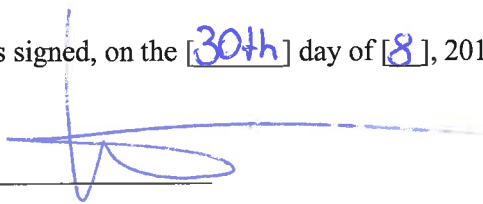
- (g) The business of the Disappearing Company will be integrated in the activities of the Acquiring Company after the Merger.
- (h) The Merger will have no adverse effects on the net asset value and the result of the Acquiring Company.
- (i) The Merger may have a positive effect on the operating result of the Acquiring Company, given the expected cost-effectiveness of activities undertaken by one company.

Comments to the merger from a social point of view:

Since the Disappearing Company has no employees, the Merger will have no social consequences.

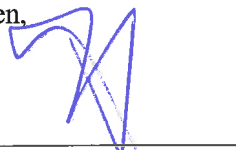
These explanatory notes may be executed in counterparts, each of which constitutes an original and all of which together constitute one and the same instrument.

Thus signed, on the [30th] day of [8], 2017 at Diemen,



Name: G.K. Nolles

Title: Director



Name: F.W.H.M. Heus

Title: Director



Name: A.G. Olivier

Title: Director



Name: F. Locci

Title: Director

Financial Statements 2016
Generali Finance B.V.
Amsterdam

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Annual report of the management

To the general meeting of shareholders

We have the honour to render account of the activities of the Company during the financial year 2016 and to submit the annual accounts for your approbation. When not indicated differently, the amounts are expressed in thousands of euro's.

Summary of the year - meaningful events occurred

Generali Finance receives interest payments from other group companies, and uses these proceeds to pay interest on the long term and short term loans. Most of the long term and short term loans are listed on the Luxembourg Stock Exchange.

Assets and liabilities decreased, mainly because of loan redemptions in 2016. During 2016 loans issued to other group companies were redeemed for a total value of € 827 million. On the other hand a subordinated bond (€ 752 million) issued on the Luxembourg Bourse matured. As well as in 2015 no new loans were issued in 2016. In 2016 one loan was taken up for € 381 million.

Interest received from loans decreased due to redemption of the loans in 2016. During 2016 the interest received amounts to € 179 million (2015: € 214 million). Due to fixed interest on the loans the interest effect was neglectable. For the paid interest the decrease of € 32 million (€ 167 million was paid in 2016 and € 199 million in 2015) was due to redemptions.

The Company received dividends totalling to an amount of € 40 thousand from the investments in group companies (2015 € 42 thousand).

Total expenses recorded in 2016 decreased slightly to € 5.8 million (2015: € 5.9 million). The majority of these expenses (€ 5.3 million) relates to the Guarantee fees paid for all outstanding listed loans.

Total income recorded in 2016 decreased to € 14.2 million (2015: € 16.1 million). This is due to the redemptions of the loans.

At year end 2016 the liquidity position of the Company is adequate. Given the current position of the financial fixed assets and liabilities, cash inflows and outflows will closely match.

Paid up and called share capital remained unchanged at an amount of € 100 million. Reserves, including the profit for the year, increased to € 272.2 million (2015: € 265.8 million).

The net result of the year 2016 decreased with 14.1% to € 6.4 million (2015: € 7.5 million).

During 2016 there were no changes in the management board.

Company's future activities

Currently, we do not foresee any major changes in the Company's business in 2017. We expect to close the financial year 2017 with a positive operational result from financing activities.

Proposed result appropriation

The management board proposes to add the profit to the general reserve.

GENERALI FINANCE B.V.

Risk report and risk appetite

Risk Management

Generali Finance is a financing and investment company that is owned by Assicurazione Generali S.p.A. (hereafter: "Generali Group"), based in Italy. The strategy, governance and risk management of Generali Finance is based on:

- The overall strategy, governance and risk management of Generali Finance BV;
- Relevant policies and procedures from Generali Group; and
- Applicable laws and regulations.

Risk management organization

Generali Finance applies an internal 'three lines of defense' model that ensures the effectiveness of its risk management framework. The first line consists of line management (or business) that is responsible for managing processes and risks which are related to the business activities. The first line takes into account the risk management practices that are required by the organization. The second line consists of a dedicated risk management expert who monitors and facilitates the implementation of effective risk management practices by the first line and assists risk owners in reporting adequate risk related information throughout the organization and to its stakeholders. The third line is the internal audit department that is responsible to independently assess the effectiveness of the risk management framework, control procedures and the governance structure.

Risk management process

Generali Finance is in the process of designing a Risk Appetite Framework that describes the aggregate amount of risk the company is willing to take. This Risk Appetite Framework is cascaded towards significant risks that might affect Generali Finance to achieve its strategic goals and objectives. The risk appetite is further translated into risk appetite statements, risk metrics and thresholds.

Several assessments are being performed in order to assess which risks can have a negative impact on the achievement of strategic goals and objectives: Strategic Risk assessment, Fraud Risk assessment and the Entity Level Controls assessment. These assessments are performed on a yearly basis. Additionally, Generali Finance performs assessments on operational, reporting and IT risks periodically in order to be compliant with Italian law 262/2005 (referred to as 'Dirigente Preposto: operating procedures'). This Italian law was introduced aiming to upgrade the internal control system of Italian listed companies and to enhance transparency for investors through a regular flow of information. This law is directly applicable for the Generali Group.

All controls are part of the Integrated Control Framework that is based on the COSO model as set up by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Controls are mapped to the risks and the residual risk level is evaluated. The controls in place for Generali Finance have a substantial contribution to mitigate the risks and are therefore assessed periodically for design sufficiency and operating effectiveness as required by 'Dirigente Preposto'. In case the results show deficiencies in the effectiveness of the control, Generali Finance might reconsider the risk exposure and the risk tolerance and acts upon it.

Significant risks 2016

The significant risks the company is exposed to are categorized in financial risk and non-financial risks. In this paragraph the extent, probability, risk appetite and mitigation for the most significant risks are described. The selection of the most significant risks is based on thorough risks assessments.

Financial risks

For Generali Finance four significant risks from a financial perspective are identified.

Interest risk

Interest risk is the risk of insufficient level of earnings, profitability and capital under normal and stress periods. Since the net interest income is the main driver of income for Generali Finance, an increase in the cost of funding and/or decrease in lending is the main source of interest risk. Generali Finance is currently in the process of implementing its risk appetite framework that includes metrics that supports managing interest risk and will perform sensitivity checks by itself to monitor this risk in 2017.

GENERALI FINANCE B.V.

Liquidity risk

Liquidity risk is the risk that Generali Finance cannot meet short term debt obligations or can only meet short term debt obligations against relatively high costs. Although liquidity risk is inherent to the nature of the business of attracting cash to extend loans, the risk appetite is low. In order to manage liquidity risk periodic cash flow forecasts are performed in combination with active credit management. Next to the cash flow forecasts and active credit management, Generali Finance uses a cash pooling system to concentrate remaining liquidity risks at the group level. Generali Group guarantees the commitments to the European Medium Term Note (EMTN) programme in case that Generali Finance is not able to fulfil its commitments. This risk is considered to be sufficiently controlled.

Credit risk

Credit risk arises from the potential losses due to the failure or inability of a counterparty to meet its obligation. The credit exposure of the organisation is mainly related to loans to Generali Group companies and the related accrued interests; the counterparties are mainly insurance companies operating in regulated markets and therefore subject to their national regulators. These companies do not have a history of non-performance. Generali Finance performs active credit management and monitors the financial position. Generali Group will step in in case that funding risk leads to the inability for Generali Finance to fulfil its own obligations towards the EMTN program. Therefore funding risk is considered as low.

Market risk

Market risk is the risk of losing market value on positions due to changes in the market conditions. In order to manage market risk, Generali Finance aims to hold positions to the expiration date and matches the maturity of assets and liabilities. Although market risk is considered as low, Generali Finance has the ambition to perform sensitivity checks to monitor market risk by itself in 2017.

Non-financial risks

Non-financial risk refers to a subset of risk types that are inherent to day-to-day operations but are generally difficult to quantify. For Generali Finance four significant risks from a non-financial perspective are identified.

Non-compliance risk

Non-compliance risk refers to the risk of legal penalties, financial forfeiture, material loss and increased scrutiny from i.e. competent (tax) authorities. Therefore, non-compliance is one of the most significant risks for Generali Finance. The number of regulations has increased significantly since the financial crisis. Internal regulations are set up by Generali Group. Determination of the applicability and transportation of these internal regulations as well as changes in and compliance with local laws and regulations are monitored by legal and the compliance and tax departments under the direct supervision of the respective managers and the Managing Director. These measures result in a risk level that is defined as low.

Operations and processing risk (incl. reporting risk)

Operations and processing risk is the risk of loss and/or legal threats as a result of i.e. inadequate or failed internal processes and systems. In order to minimize this risk, Generali Finance is having sound processes and robust controls in place as part of its Integrated Control Framework.

Strategic risk

Generali Finance is in the process of assessing strategic risks on a yearly basis. Currently, Generali Finance is performing a strategic risk assessment. For each identified risk Generali Finance will determine whether mitigating actions should be taken.

IT risk

IT risk includes business continuity risk, cybercrime and data protection risk and is - given the nature of the business - a significant risk for Generali Finance. Via Generali Nederland N.V. the IT services are outsourced to a trusted IT provider. These services are defined in a service level agreement with Generali Nederland N.V. which mitigates the risks. This results into a residual low level of IT risk. To further improve the maturity of the IT environment Generali Finance decided in 2016 that its main IT-systems will be outsourced to Generali Group Shared Service Centre. It is expected that the stability and security of the IT-landscape will improve even further. The management of remaining IT risk(s) will be discussed as part of the negotiations with the new outsourcing party.

Developments of risks in 2016

- During 2016 the notes and loans in foreign currencies expired and all foreign currency commitments were fulfilled. Therefore, the level of currency risk should be considered as low.

GENERALI FINANCE B.V.

Improvements in risk management

- In order to continuously improve the way Generali Finance manages risk a dedicated risk management expert is hired to formalize the second line of defense.
- Generali Finance has an agreement with Participatie Maatschappij Graafschap Holland N.V. to take on human resource services. These provided services are under the ultimate direction and supervision of the board of management of Generali Finance. Participatie Maatschappij Graafschap Holland N.V. expanded its total work force with 7 employees, that includes a risk management expert.
- During 2016 the risk appetite framework is designed and will be implemented in 2017. Along with designing the risk appetite framework the internal processes were further formalized.
- In 2016 Generali Finance implemented reporting tools that decreased processing risk significantly. That increased the effectiveness of risk management
- In 2016 business processes have been designed, formalized and included in the self-assessment scope.

Financial position

As a whole, no developments can currently be identified that could substantially affect the assets, financial standing and earning position of Generali Finance. In addition, there are currently no residual risks identified that could jeopardize the continuation of Generali Finance.

Code on management and supervision

All members of the one Tier management board are male. Given the activity of the Company, it was not in the interest of the Company to change the composition of the board. We do not foresee any movements in the board in the near future but should any changes occur the company will benefit female candidates.

Diemen, 20 March 2017

The Management Board,
F.W.H.M. Heus

G.K. Nolles

F. Locci

A.G. Olivier RA

FINANCIAL STATEMENTS

Balance sheet as at 31 December

(After proposed result appropriation)

Assets

(x € 1,000)

| | Ref. | 31 December 2016 | 31 December 2015 |
|--------------------------------|----------|------------------|------------------|
| <i>non current assets</i> | | | |
| Financial fixed assets | | | |
| Investments in group companies | 5 | 1.832 | 1.832 |
| Loans to group companies | 6 | 1.999.496 | 3.247.408 |
| Deferred tax assets | 7 | 131 | 183 |
| | | 2.001.459 | 3.249.423 |
| <i>Current assets</i> | | | |
| Receivables | | | |
| Loans to group companies | 6 | 1.249.929 | 858.332 |
| Accrued income | 8 | 74.780 | 101.923 |
| Other accounts receivable | 8 | 1.280 | 1.489 |
| | | 1.325.989 | 961.744 |
| Cash | 9 | 44.703 | 25.732 |
| | | 3.372.152 | 4.236.899 |

GENERALI FINANCE B.V.

Shareholders' equity and
Liabilities
(x € 1,000)

| | | 31 December 2016 | 31 December 2015 |
|---------------------------------------|------|------------------|------------------|
| | Ref. | | |
| Capital and reserve | 10 | | |
| Paid up capital | | 100.000 | 100.000 |
| Share premium reserve | | 45.635 | 45.635 |
| General reserve | | 126.574 | 120.141 |
| | | 272.209 | 265.776 |
| Non-current liabilities | | | |
| Long term loans | 11 | 1.500.000 | 2.367.758 |
| Loans from group companies | 12 | 295.000 | 295.000 |
| | | 1.795.000 | 2.662.758 |
| Current liabilities | | | |
| Short term loans | 11 | 869.015 | 1.219.203 |
| Short term loans from group companies | 12 | 381.100 | 0 |
| Accruals and deferred income | 13 | 54.599 | 88.618 |
| Other payables | 14 | 229 | 544 |
| | | 1.304.943 | 1.308.365 |
| | | 3.372.152 | 4.236.899 |

Profit and loss account for the year 2016

(x € 1,000)

| | Ref. | <u>2016</u> | <u>2015</u> |
|---|------|----------------|----------------|
| Income | | | |
| Interest income from: | | | |
| Loans to group entities | | 178.767 | 213.913 |
| Cash | | 209 | 35 |
| | | <u>178.976</u> | <u>213.948</u> |
| Interest expenses on: | | | |
| Loans | | 149.183 | 194.367 |
| Loans from group companies | | 15.615 | 4.181 |
| Other | | 2 | 0 |
| | | <u>164.800</u> | <u>198.568</u> |
| | | <u>14.176</u> | <u>15.380</u> |
| Other income: | | | |
| Dividends | 15 | 40 | 42 |
| Currency results | 17 | 0 | 2 |
| Other benefits | 16 | 0 | 665 |
| | | <u>40</u> | <u>709</u> |
| Other expenditure: | | | |
| Currency results | 17 | 49 | 0 |
| Other expenditure | 18 | 5 | 0 |
| | | <u>54</u> | <u>0</u> |
| Total income | | <u>14.162</u> | <u>16.089</u> |
| Operational and other expenses | | | |
| Guarantee fee | 19 | 5.341 | 5.093 |
| Short-term employee benefits | 20 | 42 | 42 |
| Professional fees | 21 | 222 | 203 |
| Other costs | 22 | 175 | 526 |
| Total operational and other expenses | | <u>5.780</u> | <u>5.864</u> |
| Operational result before tax | | <u>8.382</u> | <u>10.225</u> |
| Corporate income tax | 23 | 1.949 | 2.736 |
| Profit after tax | | <u>6.433</u> | <u>7.489</u> |

GENERALI FINANCE B.V.

Statement of cash flows

(x € 1,000)

| | <u>2016</u> | <u>2015</u> |
|--|-----------------|-----------------|
| Cash flow from operating activities | | |
| Dividends received | 40 | 42 |
| Interest on loans outstanding and on cash | 202.062 | 223.981 |
| Interest paid | -195.452 | -209.995 |
| Tax received/paid | -1.693 | -3.578 |
| Expenses | -6.095 | -4.074 |
| Other | 699 | 675 |
| | <u>-439</u> | <u>7.051</u> |
| Cash flow from investing activities | | |
| Acquisition of financial investments | 0 | 0 |
| Disposal of financial investments | 826.737 | 523.000 |
| | <u>826.737</u> | <u>523.000</u> |
| Cashflow from financing activities | | |
| Loans payable repaid | -1.188.427 | -510.000 |
| Loans payable granted | 381.100 | 0 |
| Dividend | 0 | 0 |
| | <u>-807.327</u> | <u>-510.000</u> |
| Net cash flow | 18.971 | 20.051 |
| Cash 1 January | 25.732 | 5.681 |
| Movement in cash | 18.971 | 20.051 |
| Cash 31 December | <u>44.703</u> | <u>25.732</u> |

Notes to the balance sheet and the profit and loss account

1 General

1.1 Activities

The Company was incorporated on 24 April 1990 and has its seat in Amsterdam with offices at Diemerhof 42, 1112 XN Diemen, the Netherlands. In February 2017 the Company moved to Diemerhof 42, 1112 XN Diemen.

The Company is jointly owned by Assicurazioni Generali S.p.A. and Generali Italia S.p.A. and exercises finance activities by borrowing and lending money, including public and private borrowings.

1.2 Group relations

Generali Finance B.V. is a member of the Generali Group. The ultimate parent company of this group is Assicurazioni Generali S.p.A. The Company is acting as a finance company.

1.3 Change in accounting policy

No changes in accounting policies occurred in 2016.

1.4 Cash flow statement

The cash flow statement has been prepared using the direct method. The cash items disclosed in the cash flow statement are comprised of cash. Cash flows denominated in foreign currencies have been translated at estimated average rates.

1.5 Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company or have significant influence on the Company, are considered a related party.

In addition, statutory directors, other key management of Assicurazioni Generali S.p.A. and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed to the notes in the financial statements.

1.6 Use of estimates

The preparation of financial statements in conformity with the relevant rules requires the use of specific estimations used in the determination of the Discounted Dividend Method (DDM) position. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement in note 5.

2 Accounting principles

2.1 General

The financial statements have been drawn up in accordance with the provisions of Book 2, Part 9 of the Netherlands Civil Code and with the pronouncements in the DAS for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. Because of the specific activities of the Company the model of the Profit and Loss account has been adjusted.

In general, assets and liabilities are valued at cost.

If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

2.2 Prior-year comparison

The accounting policies have been consistently applied to all the years presented.

2.3 Currency

Functional and presentation currency

The functional currency of the Company is euro (€), the primary economic environment in which the Company operates being the Netherlands. Amounts in the financial statements are presented in thousands of euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at year-end exchange rates are recognised in the income statement.

2.4 Financial assets

Investments in group companies

The investments in group companies are stated at cost or lower market value. The company assesses at balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is subject to impairment. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

Dividends are accounted for as revenue for their cash amounts when declared.

Loans to and from group companies and long term loans

Loans to and from group companies and long term loans are initially measured at fair value, and subsequently carried at amortised cost. If loans are issued at a discount or premium, the amortized profit and loss is recognised through profit and loss over the term to maturities of the loans using the effective interest method. Also transaction costs are included in the initial valuation and recognised in profit and loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the income statement.

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2.5 *Receivables*

Receivables are recognised initially at fair value and subsequently measured at amortised cost. Provisions for doubtful debts are deducted from the nominal value of the receivable.

2.6 *Cash*

Cash include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash is stated at face value.

2.7 *Equity*

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Other direct changes in equity are also recognised net of the relevant income tax effects.

2.8 *Deferred tax assets and liabilities*

Deferred income tax assets and liabilities are based on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets regarding deductible temporary differences and available fiscal losses are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and fiscal losses can be utilised.

Deferred income taxes are recognised at face value and disclosed in note 7.

Netting of tax positions is not applicable because the company has no multiple positions on the balance sheet.

2.9 *Non-current liabilities*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the borrowings using the effective interest method.

3 Accounting policies continued

3.1 *General*

Income and expenses are recognised in the year in which they are realised.

The profit and loss account of the Company is presented in a format different from that prescribed by the Netherlands Civil Code as this presentation is considered to be more appropriate for a holding and financing company.

3.2 *Income*

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

3.3 *Exchange differences*

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise.

3.4 *Costs*

Costs are determined on a historical basis and allocated to the financial year to which they relate.

3.5 *Employee benefits*

Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment.

Pensions

Employees do not have pension rights.

3.6 *Income tax expense*

Income tax is calculated on the profit/loss before tax in the income statement, taking into account tax-exempt items and non-deductible expenses.

4 Financial instruments and risk management

4.1 Market risk

Market risk is the risk of losing market value on positions due to changes in the market conditions. In order to manage market risk, Generali Finance aims to hold positions to the expiration date and matches the maturity of assets and liabilities. Although market risk is considered as low, Generali Finance has the ambition to perform sensitivity checks to monitor market risk by itself in 2017.

Currency risk

At the end of 2016 all assets and liabilities of the Company are denominated in Euro. The GBP 345 million 6.214% Perpetual fixed/floating rate notes and the related loans to group companies to the same nominal value are redeemed in 2016.

As a result of the small spread on the interest rates on the granted and received loans there was a minor risk on the result of this part of the revaluation.

| | | |
|----------------------|------|-----------------|
| Used currency rates: | | from GBP to EUR |
| | 2016 | 0,85360 |
| | 2015 | 0,73705 |

The currency rates are the same as used by Assicurazioni Generali S.p.A. and the Group Companies.

Interest risk

Interest risk is the risk of insufficient level of earnings, profitability and capital under normal and stress periods. Since the net interest income is the main driver of income for Generali Finance, an increase in the cost of funding and/or decrease in lending is the main source of interest risk. Generali Finance is currently in the process of implementing its risk appetite framework that includes metrics that supports managing interest risk and will perform sensitivity checks by itself to monitor this risk in 2017.

4.2 Credit risk

Credit risk arises from the potential losses due to the failure or inability of a counterparty to meet its obligation.

The credit exposure of the Company is mainly related to loans to Generali Group companies and the related accrued interests; the counterparties are mainly insurance companies operating in regulated markets and therefore subject to their national regulators. These companies do not have a history of non-performance and the financial position is monitored on a regular basis together with the head office Assicurazioni Generali S.p.A.

In case Generali Finance is not able to meet its payment obligations to the Luxembourg Stock Exchange, the notes are guaranteed with the EMTN program.

4.3 Liquidity risk

Liquidity risk is the risk that Generali Finance cannot meet short term debt obligations or can only meet short term debt obligations against relatively high costs. Although liquidity risk is inherent to the nature of the business of attracting cash to extend loans, the risk appetite is low. In order to manage liquidity risk periodic cash flow forecasts are performed in combination with active credit management. Next to the cash flow forecasts and active credit management, Generali Finance uses a cash pooling system to concentrate remaining liquidity risks at the group level. Generali Group guarantees the commitments to the European Medium Term Note (EMTN) programme in case that Generali Finance is not able to fulfil its commitments. This risk is considered to be sufficiently controlled.

5 Investments in group companies

The Company's interests in other companies comprise the following:

| Name, registered office | Share in equity 2016 | Share in capital 2016 | Share in equity 2015 | Share in capital 2015 |
|------------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| Shares | % | (x € 1,000) | % | (x € 1,000) |
| Generali Belgium S.A., Brussels | 0,282 | 700 | 0,282 | 700 |
| Generali Holding Vienna AG, Vienna | 0,051 | 800 | 0,051 | 800 |
| Generali PanEurope dac, Dublin | 0,530 | 332 | 0,530 | 332 |
| Total | | 1.832 | | 1.832 |

The company owns 51% of the voting shares in Generali PanEurope.

Article 406 of BW 2 has been investigated (consolidated financial accounts) and is not applicable for the company.

The consolidated financial statements are being composed by the ultimate parent: Assicurazioni Generali S.p.A.

The share in equity in PanEurope is 0,53%. There are no intercompany loans between the companies and there are no guarantees given by the company to PanEurope. The company has a share of 0,53% in the dividend of PanEurope.

The company assesses at each balance sheet date whether there is objective evidence that a share has become impaired, due to a decline in the fair value of the investment below its cost.

The fair value is calculated as the discounted value of the expected future cash flows generated by the investments (Discounted Dividend Method).

Management reviewed the impairment test on the investments and no needs of impairment were noted.

6 Loans to group companies

Movements in loans to group companies can be broken down as follows:

| (x € 1,000) | Loans to group companies |
|----------------------------|---------------------------------|
| At 1 January 2015 | 4.602.364 |
| New loans issued 2015 | 0 |
| Redemption 2015 | -523.000 |
| Exchange differences | 23.511 |
| Amortization | 2.865 |
| At 31 December 2015 | 4.105.740 |
| New loans issued 2016 | 0 |
| Redemption 2016 | -826.737 |
| Exchange differences | -32.229 |
| Amortization | 2.651 |
| At 31 December 2016 | 3.249.425 |

The loans to group companies are entered into for funding the long term loans. The total of the nominal value of all loans outstanding to group companies is at the balance sheet date € 3.250 million.

In 2016 the company refined the method of calculation of the amortization.

The maturity of these loans is as follows:

| Maturity | 2016 | 2015 |
|-----------------|------------------|------------------|
| (x € 1,000) | | |
| 0 - 1 yr | 1.249.929 | 858.332 |
| 1 - 5 yr | 499.496 | 1.747.408 |
| > 5 yr | 1.500.000 | 1.500.000 |
| Total | 3.249.425 | 4.105.740 |

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The loans to group companies are split over the following main currencies:

| (x € 1,000) | EUR | GBP | Total |
|-------------|-----------|---------|-----------|
| 2016 | 3.249.425 | 0 | 3.249.425 |
| 2015 | 3.637.953 | 467.787 | 4.105.740 |

Taking into account the credit worthiness of the counterparties and actual interest rates the market value (net present value) of the long term loans in the present imperfect market circumstances has been calculated at:

| Market value at balance sheet date (x € 1,000) | 2016 | 2015 |
|---|-----------|-----------|
| Loans to group companies | 3.277.299 | 4.156.178 |

For the loans traded in active markets (bonds on Luxembourg Stock Exchange) market value has been set using the Bloomberg CBBT (Bid) pricing source (value date: Dec. 30th). The valuation is based on a Mark to Market valuation.

For the loans given and taken to group companies prices have been estimated, the main input for the estimation is the credit spread and the maturity date.

The weighted average interest rates applicable to the outstanding loans to group companies as at the end of the year can be summarised as follows:

| | 2016 | 2015 |
|--------------------------|--------|--------|
| | % | % |
| Loans to group companies | 4,861% | 4,913% |

Credit risk on loans given

Generali Finance performs active credit management and monitors the financial position of all group companies to whom it has given loans to. Main driver for the financial position of the group companies are the Annual reports they provide us.

Based on this Annual reports the liquidity position and the credit risk is determined.

To mitigate the liquidity risk of the company the cash flows relating to the loans given are closely monitored.

According to the loan schedules, a few weeks before the interest payment date or repayment date, agreements will be made with our counterpart on the terms of the payment.

| Company (loans given) | Issue date | matures | Currency | Interest rate% | Nominal Amount (x 1.000) 2016 | Nominal Amount (x 1.000) 2015 |
|-------------------------------|------------|------------|----------|----------------|-------------------------------|-------------------------------|
| Assicurazioni Generali S.p.A. | 16-06-2006 | 16-06-2016 | GBP | 6,31 | - | 345.000 |
| Generali (Schweiz) Holding AG | 08-02-2007 | 08-02-2017 | EUR | 5,58 | 62.500 | 62.500 |
| Generali Beteiligungs-GMBH | 13-02-2008 | 13-02-2016 | EUR | 1,80 | - | 20.000 |
| Generali Beteiligungs-GMBH | 16-06-2006 | 16-06-2016 | EUR | 5,50 | - | 370.900 |
| Generali Beteiligungs-GMBH | 21-11-2014 | 21-11-2025 | EUR | 4,78 | 1.186.003 | 1.186.003 |
| Generali Deutschland Holding | 21-11-2014 | 21-11-2025 | EUR | 4,78 | 313.997 | 313.997 |
| Generali France | 21-06-1999 | 28-05-2019 | EUR | 1,62 | 500.000 | 500.000 |
| Generali Italia S.p.A. | 08-02-2007 | 08-02-2017 | EUR | 5,88 | 1.187.500 | 1.187.500 |

7 Deferred tax assets

| (x € 1,000) | 2016 | 2015 |
|---------------------|------------|------------|
| Deferred tax assets | 131 | 183 |
| | <u>131</u> | <u>183</u> |

The deferred tax assets relate to the temporary difference between the amortisation of the discount on the interest according to the effective interest method and the linear amortisation as prescribed by the tax authority.

8 Receivables

| (x € 1,000) | 2016 | 2015 |
|---------------------------|---------------|----------------|
| Accrued income | 74.780 | 101.923 |
| Other accounts receivable | 1.280 | 1.489 |
| | <u>76.060</u> | <u>103.412</u> |

| At balance sheet date (x € 1,000) | 2016 | 2015 |
|--------------------------------------|------|------|
|--------------------------------------|------|------|

| | | |
|---------------------------------|---------------|----------------|
| Assicurazioni Generali SpA | 0 | 16.113 |
| Generali Italia SpA | 62.736 | 62.545 |
| Generali France Holding | 765 | 850 |
| Generali Schweiz Holding AG | 3.143 | 3.133 |
| Generali Beteiligungs GmbH | 6.451 | 17.597 |
| Generali Deutschland Holding AG | 1.685 | 1.685 |
| | <u>74.780</u> | <u>101.923</u> |

| <i>Other accounts receivables</i> (x € 1,000) | 2016 | 2015 |
|--|--------------|--------------|
| Corporate income tax | 1.280 | 1.484 |
| Other debtors | 0 | 5 |
| | <u>1.280</u> | <u>1.489</u> |

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9 Cash

| (x € 1,000) | 2016 | 2015 |
|---------------|---------------|---------------|
| Cashpool | 39.512 | 20.504 |
| Bank accounts | 5.191 | 5.228 |
| | 44.703 | 25.732 |

All the cash is at the Company's free disposal.

The amounts hold within the cashpool are at the Company's free disposal. The cashpool leader is Assicurazioni Generali S.p.A.

Since 2014 a direct cash pooling system is in force for the company, allowing the concentration of cash liquidity at group level.

Excess (or shortfall) of Liquidity are being transferred to a cashpool account.

The direct Cash Pooling activity is managed according to a current account agreement.

Interest calculation is based on Fund Transfer Price and market conditions.

10 Capital and Reserves

Statement of changes in equity

| (x € 1,000) | Paid up and called capital | Share premium reserve | General reserves | Profit or loss for the year | Total |
|-----------------------------|-------------------------------------|-----------------------------|---------------------|-----------------------------------|----------------|
| At 31 December 2014 | 100.000 | 45.635 | 103.444 | 9.208 | 258.287 |
| Transfer of net profit 2014 | 0 | 0 | 9.208 | -9.208 | 0 |
| Dividend paid | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Net profit 2015 | 0 | 0 | 0 | 7.489 | 7.489 |
| At 31 December 2015 | 100.000 | 45.635 | 112.652 | 7.489 | 265.776 |
| Transfer of net profit 2015 | 0 | 0 | 7.489 | -7.489 | 0 |
| Dividend paid | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Net profit 2016 | 0 | 0 | 0 | 6.433 | 6.433 |
| At 31 December 2016 | 100.000 | 45.635 | 120.141 | 6.433 | 272.209 |

Share capital

The authorised capital amounts to € 500.000.000 divided into 5 million ordinary shares of € 100 each. Issued are 1 million shares, fully paid up. The profit of the year has been included in the general reserve in the balance sheet.

There were no movements in the number of shares during the financial years 2016 and 2015.

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11 Long term loans & Short term loans

The long term loans are part of the European Medium Term Notes (EMTN) Programme of € 15 billion issued by Assicurazioni Generali S.p.A. and the Company. The Notes are publicly placed and listed at the Luxembourg Stock Exchange. Assicurazioni Generali S.p.A. guarantees all Notes under the EMTN programme. The notes issued by Generali Finance are subordinated.

| (x € 1,000) | 2016 | 2015 |
|----------------------|------------------|------------------|
| At 1 January | 3.586.961 | 4.061.867 |
| Loans redeemed | -1.188.427 | -500.000 |
| Exchange differences | -31.544 | 23.506 |
| Amortization | 2.025 | 1.588 |
| At 31 December | <u>2.369.015</u> | <u>3.586.961</u> |

The maturity of these loans is as follows:

| Maturity (x € 1,000) | 2016 | 2015 |
|-------------------------|------------------|------------------|
| 0 - 1 yr | 869.015 | 1.219.203 |
| 1 - 5 yr | 0 | 867.758 |
| > 5 yr | 1.500.000 | 1.500.000 |
| Total | <u>2.369.015</u> | <u>3.586.961</u> |

The loans are split over the following main currencies:

| (x € 1,000) | EUR | GBP | Total |
|-------------|------------------|----------------|------------------|
| 2016 | <u>2.369.015</u> | | <u>2.369.015</u> |
| 2015 | <u>3.119.046</u> | <u>467.915</u> | <u>3.586.961</u> |

The total of the nominal value of all loans listed on the Luxembourg stock exchange at the balance sheet date is € 2.369,0 million.

In 2016 the company refined the method of calculation of the amortization.

| Market value at balance sheet date (net present value) (x € 1,000) | 2016 | 2015 |
|---|-----------|-----------|
| Long term loans | 2.332.770 | 3.579.909 |

For the loans traded in active markets (bonds on Luxembourg Stock Exchange) market value has been set using the Bloomberg CBBT (Bid) pricing source (value date: Dec. 30th). The valuation is based on a Mark to Market valuation. For the loans given and taken to group companies prices have been estimated, the main input for the estimation is the credit spread and the maturity date. The valuation is based on a Mark to Model valuation.

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The average interest rates applicable to the notes listed on the Luxembourg Stock Exchange can be summarised as follows:

| | 2016 | 2015 |
|-----------------|--------|--------|
| | % | % |
| Long term loans | 5,010% | 5,083% |

12 Loans from group companies

Generali Finance has 3 loans taken up with group companies. One loan with Flandria participations Financieres S.A. for € 95 million and one loan with Participatie Maatschappij Graafschap Holland NV for € 200 million. In June 2016 a new loan was taken up with Assicurazioni Generali S.p.A for € 381,1 million. The first of December 2016 Participatie Maatschappij Graafschap Holland NV and Flandria participations Financieres S.A. merged into Participatie Maatschappij Graafschap Holland NV.

| (x € 1,000) | 2016 | 2015 |
|----------------|----------------|----------------|
| At 1 January | 295.000 | 305.000 |
| Loans taken up | 381.100 | 0 |
| Loans redeemed | 0 | -10.000 |
| At 31 December | <u>676.100</u> | <u>295.000</u> |

The maturity of loans from group companies is as follows:

| Maturity (x € 1,000) | 2016 | 2015 |
|-------------------------|----------------|----------------|
| 0 - 1 yr | 381.100 | 0 |
| 1 - 5 yr | 295.000 | 295.000 |
| > 5 yr | 0 | 0 |
| Total | <u>676.100</u> | <u>295.000</u> |

Taking into account the credit worthiness of the company and actual interest rates the market value of the loans from group companies and short term loans in the present imperfect market circumstances has been calculated at:

| Market value at balance sheet date (net present value) (x € 1,000) | 2016 | 2015 |
|---|---------|---------|
| Loans from group companies and short term loans | 695.805 | 303.461 |

The loans from and to group companies are not listed on the market. Therefore Generali Finance determines for the loans given and taken to and from group companies the market value on estimations, the main input for these estimations are the credit spread and the maturity of each loan.

The weighted average interest rates applicable to the loans from group companies can be summarised as follows:

| | 2016 | 2015 |
|---|--------|--------|
| | % | % |
| Loans from group companies and short term loans | 3,216% | 1,417% |

The weighted average interest rates applicable to all the loans can be summarised as follows:

| | 2016 | 2015 |
|--|--------|--------|
| | % | % |
| | 4,758% | 4,820% |

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13 Accruals and deferred income

| At balance sheet date (x € 1,000) | 2016 | 2015 |
|---|---------------|---------------|
| Eurobonds notes | 7.744 | 7.744 |
| Perpetual fixed/floating rate notes, issued on June 16th, 2006 | 0 | 21.797 |
| Perpetual fixed/floating rate notes, issued on June 16th, 2006, GBP | 0 | 15.858 |
| Perpetual fixed/floating rate notes, issued on February 8th, 2007 | 42.655 | 42.843 |
| Perpetual fixed/floating rate notes, issued on June 10 th, 2016 | 3.878 | 0 |
| Flandria Participations Financières S.A. | 0 | 124 |
| Participatie Maatschappij Graafschap Holland NV | 322 | 252 |
| | <u>54.599</u> | <u>88.618</u> |

14 Other payables

| At balance sheet date (x € 1,000) | 2016 | 2015 |
|--------------------------------------|------------|------------|
| Creditors | 229 | 544 |
| | <u>229</u> | <u>544</u> |

15 Dividends

| (x € 1,000) | 2016 | 2015 |
|---|-----------|-----------|
| Dividends have decreased with 4,6% compared with last year. | | |
| Generali Holding Vienna AG | 40 | 42 |
| | <u>40</u> | <u>42</u> |

16 Other benefits

| (x € 1,000) | 2016 | 2015 |
|--------------------------------------|----------|------------|
| Breakage costs early redemption loan | 0 | 665 |
| | <u>0</u> | <u>665</u> |

The other benefits decreased significantly due to the fact that there was no early redemption with a benefit in 2016.

17 Currency results

| (x € 1,000) | 2016 | 2015 |
|-----------------------------|------------|----------|
| Loans to group companies | -32.229 | 23.511 |
| Long term loans liabilities | 31.544 | -23.506 |
| Interest | -63 | -8 |
| Banks | 699 | 5 |
| | <u>-49</u> | <u>2</u> |

18 Other expenditure

| (x € 1,000) | 2016 | 2015 |
|---------------------------------------|----------|----------|
| Withholding tax refund previous years | 2 | 0 |
| Other | 3 | 0 |
| | <u>5</u> | <u>0</u> |

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The Guarantee fees are paid to Assicurazioni Generali S.p.A. for all outstanding listed notes.

| (x € 1,000) | 2016 | 2015 |
|---|--------------|--------------|
| Guarantee fee (5 base points of outstanding listed loans) | 5.341 | 5.093 |
| | <u>5.341</u> | <u>5.093</u> |

In order to mitigate the risk of a potential (future) mismatch on its financing activities on the loan given of € 1.187,5 million the company pays the interest surplus of 30 base points (arisen by transfer of the loan to Generali Italia S.p.a.) as a guarantee fee.

20 Short-term employee benefits

| (x € 1,000) | 2016 | 2015 |
|--------------------|-----------|-----------|
| Salaries and wages | 40 | 40 |
| Social security | 2 | 2 |
| | <u>42</u> | <u>42</u> |

The salaries include the remuneration of the management board members (€ 16 K) and the costs for seconded staff from other group companies.

21 Professional fees

| (x € 1,000) | 2016 | 2015 |
|---|------------|------------|
| Audit fees of financial statements by EY | 44 | 54 |
| Other audit fees related the EMTN program | 33 | 53 |
| | <u>77</u> | <u>107</u> |
| Fiscal fees for advisory by PWC | 145 | 94 |
| Legal fees | 0 | 2 |
| | <u>222</u> | <u>203</u> |

All 2016 fees for audit services are payable to Ernst & Young Accountants LLP

22 Other costs

| (x € 1,000) | 2016 | 2015 |
|----------------------|------------|------------|
| Administration costs | 162 | 131 |
| Other | 13 | 395 |
| | <u>175</u> | <u>526</u> |

The other costs in 2016 consists mainly of a correction for VAT of former years and insurance premiums.

The other costs in 2015 consists of cost to rating agencies for determinining ratings for the notes.

23 Corporate income tax

| (x € 1,000) | 2016 | 2015 |
|----------------------|--------------|--------------|
| Corporate income tax | 1.949 | 2.736 |
| | <u>1.949</u> | <u>2.736</u> |

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Reconciliation of the statutory to the effective corporate income tax rate

| (x € 1,000) | 2016 | 2015 |
|---|--------------|--------------|
| Commercial result before tax | 8.382 | 10.225 |
| Non deductible amounts for tax purposes | - | 385 |
| Participation exemption | (40) | (42) |
| Taxable profit | 8.342 | 10.568 |
| Corporate income tax rate | 25% | 25% |
| Tax charge current year | 2.086 | 2.642 |
| Effect of lower tax rate on first bracket | (10) | (10) |
| Prior year adjustments | (127) | 104 |
| Other adjustments | - | - |
| Total tax charge | 1.949 | 2.736 |
| Effective tax rate | 23% | 27% |

Income from investments is exempt from income tax under the condition that the participation represents an interest of at least 5%, direct or indirect.

Income tax on non-exempt income is calculated at the applicable rate for 2016 of 25% taking into account releases from or additions to provisions for previous years.

24 Average number of employees and management remuneration

During the year 2016, the average number of employees was 0. Two members of the management board received a remuneration of € 15,917 in total (2015: € 15,915)

No loans have been given by the company to members of the management board.

25 Related party transactions

Related parties within the context of this Annual Report include

- Participatie Maatschappij Graafschap Holland N.V. takes care of administration and reporting, due to a service agreement in force from 2014.
- Group companies for loans given and taken (all loans are based on at arm's length principles)

| <i>Company (loans given)</i> | <i>Issue date</i> | <i>matures</i> | <i>Currency</i> | <i>Interest rate%</i> | <i>Nominal Amount (x 1.000) 2016</i> | <i>Nominal Amount (x 1.000) 2015</i> |
|-------------------------------|-------------------|----------------|-----------------|-----------------------|--------------------------------------|--------------------------------------|
| Assicurazioni Generali S.p.A. | 16-06-2006 | 16-06-2016 | GBP | 6,31 | - | 345.000 |
| Generali (Schweiz) Holding AG | 08-02-2007 | 08-02-2017 | EUR | 5,58 | 62.500 | 62.500 |
| Generali Beteiligungs-GMBH | 13-02-2008 | 13-02-2016 | EUR | 1,80 | - | 20.000 |
| Generali Beteiligungs-GMBH | 16-06-2006 | 16-06-2016 | EUR | 5,50 | - | 370.900 |
| Generali Beteiligungs-GMBH | 21-11-2014 | 21-11-2025 | EUR | 4,78 | 1.186.003 | 1.186.003 |
| Generali Deutschland Holding | 21-11-2014 | 21-11-2025 | EUR | 4,78 | 313.997 | 313.997 |
| Generali France | 21-06-1999 | 28-05-2019 | EUR | 1,62 | 500.000 | 500.000 |
| Generali Italia S.p.A. | 08-02-2007 | 08-02-2017 | EUR | 5,88 | 1.187.500 | 1.187.500 |

| <i>Company (loans taken)</i> | <i>Issue date</i> | <i>Maturity</i> | <i>Currency</i> | <i>Interest rate%</i> | <i>Nominal Amount (x1.000) 2016</i> | <i>Nominal Amount (x1.000) 2015</i> |
|--|-------------------|-----------------|-----------------|-----------------------|-------------------------------------|-------------------------------------|
| Part. Maatsch. Graafschap Holland N.V. | 26-05-2009 | 26-05-2019 | EUR | 1,26 | 295.000 | 200.000 |
| Flandria Participations Financieres S.A. | 26-05-2009 | 26-05-2019 | EUR | 1,26 | - | 95.000 |
| Assicurazioni Generali S.p.A. | 10-06-2016 | 08-02-2017 | EUR | 5,55 | 381.100 | - |

- Management Board and its individuals.

There were no related party transactions outside the normal course of business

26 Proposed profit appropriation

The appropriation of profit will be applied in accordance with article 12.2 of the articles of association. This article stipulates the following:

The profit of the Company shall be fully available to the general meeting of shareholders.

Management Board proposes to add € 6,4 million to the general reserve.

(x € 1,000)

| | |
|------------------------------|--------------|
| Profit for the year | 6.433 |
| Added to the general reserve | <u>6.433</u> |

The profit of the year has been included in the general reserve in the balance sheet.

27 Events after the balance sheet date

On the 8th of February 2017 the bond issued in 2007 (€ 869 million) has reached its first call date.

The bond has been redeemed on this first call date. However, the outstanding loan with Generali Italia (€ 1.187,5 million) has a different termination date. In order to redeem this bond Assicurazioni Generali S.p.A. has purchased this loan from the company on the 7th of February 2017.

These events will have no substantial effects at the balance sheet and the profit and loss account as presented in these Financial statements.

Diemen, 20 March 2017

The Management Board,
F.W.H.M. Heus

G.K. Nolles

F. Locci

A.G. Olivier RA

Generali Finance B.V.
Diemerhof 42
Diemen

Independent auditor's report

To: the shareholders and management board of Generali Finance B.V.

Report on the audit of the financial statements 2016

Our opinion

We have audited the financial statements 2016 of Generali Finance B.V. based in Diemen.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Generali Finance B.V. as at 31 December 2016 and of its result for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2016
- The profit and loss account for 2016
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Generali Finance B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality €2.719.000

Benchmark applied 1% of shareholders' equity

Explanation The main activity of Generali Finance B.V. is to exercise finance activities by borrowing and lending money, including public and private borrowings. Generali Finance's equity and the ability to redeem the loans and to pay interest related to these loans, are key indicators for the users of its financial statements. As such, we have based materiality on shareholders' equity.

We have also taken misstatements into account and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the management board that misstatements in excess of €134.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the management board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Risk | Our audit approach |
|--|---|
| <p>Loans (note 6 and note 12)</p> <p>Generali Finance B.V. exercises finance activities by borrowing and lending money, including public and private borrowings. The main assets of the company are loans granted to other Generali Group companies, for a total amount of €3.25 billion representing 96% of total assets.</p> <p>Generali Finance issued long term notes for a total amount of €2.75 billion representing 82% of shareholders' equity and liabilities, listed at the Luxembourg Stock Exchange, as part of the European Medium Term Notes Program issued by its ultimate parent Assicurazioni Generali S.p.A.</p> <p>Due to the materiality in the context of the financial statements as a whole, the loans are considered to be the area which had the greatest effect on our audit.</p> | <p>Audit procedures on loans to group Companies</p> <p>We have performed external confirmation procedures to confirm the loans to group companies; we have inspected the agreements with counterparties and analyzed the terms and conditions. We have recalculated the amortized cost and the (accrued) interests and inspected the bank statements for interest receipts and original pay-outs and redemptions. We have reviewed the market value of the loans and notes, analyzed any possible indicator of impairment and evaluated the information derived from credit agencies Moody's, Fitch and AM Best.</p> <p>Audit procedures on Long term loans</p> <p>We have inspected the prospectus and analyzed the terms and conditions. We have recalculated the amortized cost and the (accrued) interests and inspected the bank statements for the interest payments.</p> |
| <p>Taxation (note 7 and note 23)</p> <p>The company concluded an agreement with the Dutch tax authorities in which an at arm's length spread was agreed for the taxable net interest by means of an Advanced Pricing Agreement (APA) for the loans granted and the notes issued.</p> <p>We consider taxation a significant risk due to the complexity of the agreements in place.</p> | <p>We obtained a loan overview for our audit procedures performed on the loans in scope of the APA and the interest paid or received in this respect.</p> <p>We involved EY Tax specialists for the audit of the tax position including compliance with the agreement with the Dutch Tax Authorities. We have recalculated the actual spread and compared it to the agreed spread according to the APA.</p> |

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board's report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the management board as auditor of Generali Finance B.V. on 9th of July 2013, as of the audit for the year 2013 and have operated as statutory auditor ever since that date.

Description of responsibilities for the financial statements

Responsibilities of management and the management board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The management board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.,:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the management board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the management board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 20 March 2017

Ernst & Young Accountants LLP

Signed by J. Niewold

185th year

Management Report and Parent Company Financial Statements 2016



Management Report
and Parent Company
Financial Statements 2016

Corporate bodies

as at 27 April 2017

Chairman

Gabriele Galateri di Genola

Vice-Chairmen

Francesco Gaetano Caltagirone

Clemente Rebecchini

Managing Director and
Group CEO

Philippe Donnet

Board members

Romolo Bardin

Ornella Barra

Paolo Di Benedetto

Alberta Figari

Diva Moriani

Lorenzo Pellicoli

Roberto Perotti

Sabrina Pucci

Paola Sapienza

Board of Statutory Auditors

Carolyn Dittmeier (Chairwoman)

Antonia Di Bella

Lorenzo Pozza

Francesco Di Carlo (substitute)

Silvia Olivotto (substitute)

Board secretary

Giuseppe Catalano

Company established in Trieste in 1831

Share capital € 1,559,883,538 fully paid-up

Registered office in Trieste, piazza Duca degli Abruzzi, 2

Tax code and Company Register no. 00079760328

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

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

Certified email (Pec): assicurazionigenerali@pec.generaligroup.com

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



Contacts
available at the end of this document

A journey into our future

Our reports are not simply reporting documents. Their aim is to provide a comprehensive overview of how the Group creates value with regard to a number of major contemporary issues. These issues, of course, outline the field of action of a global insurance player such as ours: more specifically, demographic trends, climate change, the company's social role and, above all, the changes dictated by innovation technology.

Innovation is indeed the cross-cutting issue of Generali's 2016 reports, viewed from different perspectives: **customers**, who are evermore well-informed and interconnected; **agents**, the cornerstone of a distribution strategy increasingly open to multimedia; **employees**, actively involved in a process of cultural and operational change; **big data** management, a key tool for interpreting the world surrounding us and anticipating its developments. And then the **Internet of Things**, **mobility** and the major topic of **growth**, the real challenge not only for businesses but for all policymakers who need to take decisions in such complicated times.

This year, readers will be accompanied by illustrations created by artists who have used, each in their own way, a symbolic and coloured language to outline concepts that have a deep impact on the life of our Group and of its stakeholders. Our wish is for readers to have a pleasant journey that at the same time will make them reflect, help them interpret the economy and society with a more informed and aware attitude, and make them feel surprised that a Generali Group report can be much more than a simple report.

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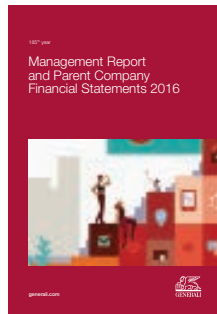
The integrated overview of our reports

In recent years, the Generali Group reports were prepared from different perspectives: financial, sustainability, governance and remuneration.

In 2016, we embarked upon a new path inspired by the innovative concept of integrated thinking and reporting. The functions responsible for the Group reports have established the **Integrated Lab** with the objective of further developing integrated reporting to describe the Group's value creation process from different perspectives, within a coherent framework in terms of content and graphics

The **Corporate Governance and Share Ownership Report** illustrates the functioning of the corporate governance system of Assicurazioni Generali and its ownership structure

The **Remuneration Report** provides specific information about the remuneration policy adopted by the Group and its implementation



The **Management Report and Parent Company Financial Statements** provides a disclosure on the performance of Assicurazioni Generali in accordance with the provisions of regulations in force



The **Annual Integrated Report and Consolidated Financial Statements** expands the content of the Annual Integrated Report, providing details of the Group's financial performance in compliance with national and international regulations



The **Annual Integrated Report** provides a concise and integrated view of the Group's financial and non-financial performance



The **Sustainability Report** tells the story of how the Group creates value responsibly over the long term for all of its stakeholders



Reference to a section of the report or other Group reports



www.generali.com/info/download-center/results for the Group's reports and policies in pdf format and in interactive format

About Management Report and Parent Company Financial Statements

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

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

The Report starts with a foreword, that contains a summary of economics, managerial and governance characteristics of our Group and Assicurazioni Generali S.p.A., with reference to 2016.

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

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



The Assicurazioni Generali S.p.A.'s Report aims to best satisfy stakeholder information requirements. Comments, opinions, questions and request for hard copies of the Report may be sent to **BilanciIndividualeCapogruppo@generali.com**

Follow Generali on



www.generali.com
per altre informazioni sul Gruppo

Letter from the Chairman and the Group CEO



Gabriele

Galateri di Genola

We closed 2016 with excellent results. This is true for business trends as well as our technical insurance performance, capital strength and, in particular, our new strategic policy which has launched a business turnaround intended to rapidly change the Group. Generali closed the year with a record operating result of € 4.8 billion and profit in excess of € 2 billion, a RoE of 13.5% and an Economic Solvency Ratio of 194%. These results are even more significant as they were achieved within a complex environment marked by high market volatility and low interest rates, elements which always have significant repercussions in our sector, as well as extraordinary geopolitical events, which in some cases were quite difficult to predict. In addition, there has been an abrupt shift in the technological paradigm linked to the use of big data, and the increasingly stringent nature of regulations.

The Group is ready to face this challenging scenario through its targeted strategy. The new plan presented to the market outlines the direction of our development: Generali aims for technical and operational excellence in all areas and in all markets in which it is present. We will measure our success based not on size, but on the profits we generate. We will further improve our operating performance and we will create long-term value. We will increase our efficiency by boosting productivity and we will optimize our geographical presence by reinvesting in markets with the highest potential. We will strengthen our competitive advantage in life and property&casualty, based on technical performance as well as profitability. And as regards the needs of our clients and our distribution networks, we will leverage our capacity for innovation and the strength of our brand, the winged Lion.



Philippe
Donnet

We will do all of this having confirmed our highly ambitious 2018 financial targets: cash generation of more than € 7 billion, dividends exceeding € 5 billion and an average Operating RoE in excess of 13%. We will do this by increasing our speed of execution and making intensive use of technology and innovation, essential conditions to win the race to the top in the insurance sector, which is confirmed as one of the most important and vital for the growth and well-being of modern societies.

Our strengthening confirms not only industrial leadership: Generali aims to act as a global point of reference for corporate social responsibility as well, by best interpreting that role of corporate citizen inherent in its insurance mission: to protect, prevent, manage risk and always take a long-term view. These are the tactics that will guide our initiatives all over the world, with a view to sustainability and the creation of shared value.

Once again this year, as always, we share our pride in our results with tens of thousands of Group employees, distributors and associates, to whom we express our heartfelt thanks. They constitute our strength, and are the real reason to be optimistic about the future of Generali.

Gabriele Galateri di Genola

Philippe Donnet



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Company Highlights

Net profit

+17.7%

€ 1,096.2 mln

Total dividend

+11.2%

€ 1,249 mln

Dividend for share

+11.1%

€ 0.80

Total gross premiums

+17.3%

€ 3,667.6 mln

Life gross premiums

+15.2%

€ 2,008 mln

Non life gross premiums

+19.9%

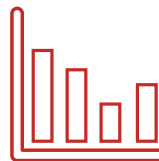
€ 1,660 mln

The variation % on like for like exchange rates

Non life Combined Ratio

+6.5%

89.6%



Employee

2,010

Total staff
in Italy

1.120



Foreign
branches staff

890



www.generali.com/our-responsibilities/performance/Ethical-indices--

Shareholders' fund



- 0.2%

€ 14,670 mln

Total assets

Shareholdings
in Group Companies

+0.6%

€ 48,284 mln

-0.0%

€ 29,639 mln

Net technical provisions

Life net technical provisions

-0.4%

€ 14,059 mln

-1.4%

€ 11,968 mln



Non life net technical provisions

+5.4%

€ 2,091 mln

Debt

+1.1%

€ 13,939 mln

Our history

Since 1831 we are an Italian, independent Group, with a strong international presence. We are one of the largest global players in the insurance industry, a strategic and highly relevant sector for the growth, development and welfare of modern societies. In almost 200 years we have built a Group that operates in over 60 countries through more than 420 companies and almost 74 thousand employees

1832-1914

1915-1918

1831

The Group was established as **Assicurazioni Generali Austro-Italiche** in Trieste. Trieste was the ideal choice at the time as a commercial and international hub located in the main port of the Austro-Hungarian Empire.

The positive economic and social context, the keen business acumen of the founding fathers and Trieste's strategic geographical position allowed Generali to grow and thrive: it was **listed on the Trieste stock exchange** in 1857 and **became a Group** in 1881. As a consequence, subsidiaries were founded in Italy and abroad, starting with Erste Allgemeine, established in Vienna in 1882.

The First World War raged across Europe. After the Allied victory over the Central Powers, Trieste became part of Italy: as a result, **Generali became an Italian company**.



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

1919-1945

Generali returned to the growth that had been temporarily interrupted during World War I. In line with what was going on in Italy in those years when public construction activities and agriculture were strongly boosted through the policies adopted by the government, **Generali made significant investments in agriculture and real estate** starting from 1933.

With the outbreak of World War II, the Group lost contact with its subsidiaries located in 'enemy' countries: one of the most complex periods of its bicentenary history began.

1946-2010

After World War II, Trieste's future appeared uncertain: in 1947, Generali transferred its registered office to Rome to formalize its position as an Italian company.

The Group resumed its expansion during the Italian economic boom years. An agreement was signed with the US-based Aetna in 1966, and in 1974 **Genagricola** was founded, which heads all agricultural activities of the Group. Generali transferred its registered office from Rome back to Trieste in 1990. **Genertel**, the first direct insurance company in Italy, was established in 1994. The Group took control of the **AMB group** in 1997 to promote growth in the German market. **Banca Generali** was established in 1998 in order to concentrate all asset management activities and services under one umbrella. There were some acquisitions in the first decade of the new millennium, e.g. INA and Toro, and joint ventures were launched in Central and Eastern Europe and Asia.

2011-2015

Recent years have driven a new phase of change, with a **new top management** and a **corporate reorganization** which saw the birth of Generali Italia in the wake of a significant restructuring process, the completion of the acquisitions of the minority interests of Generali Deutschland Holding and Generali PPF Holding, and the disposal of non-core activities. Generali presented its **strategic plan** at the Investor Day in May 2015, which aims to set out a new business model and achieve new, challenging targets.



2016 key facts

2016

April

June

January

May

March

Fitch confirmed the Insurer Financial Strength (IFS) rating at A- for Generali, with a stable outlook.

Mario Greco affirmed that he would be unwilling to serve another term as CEO. On 9 February the Board of Directors of Assicurazioni Generali approved the mutually agreed termination of all existing relations.

IVASS - the Italian Insurance Supervisory Authority - approved the use, starting from 1 January 2016, of a partial internal model to calculate the consolidated Solvency Capital Requirement at Group level as well as the Solvency Capital Requirement for the main Italian and German insurance companies, for the French property&casualty companies and for the Czech company Ceska Pojistovna a.s..

The Board of Directors of Assicurazioni Generali co-opted Philippe Donnet, vesting him with executive powers and appointing him Group CEO, and appointed Group CFO Alberto Minali as General Manager of the Company.

Assicurazioni Generali completed the share capital increase to € 1,559,883,538, in execution of the Long Term Incentive Plan approved by the Shareholders' Meeting of the Company on 30 April 2013.

The Shareholders' Meeting elected the new Board of Directors to hold office for three financial years, until the approval of the financial statements as at 31 December 2018. The Board of Directors appointed for the three years 2016-2018 Gabriele Galateri di Genola Chairman of the Company, Francesco Gaetano Caltagirone and Clemente Rebecchini Deputy Chairmen, and Philippe Donnet Group CEO and Managing Director.

A subordinated bond was issued for an overall amount of € 850 million, targeting institutional investors.

The issuance was intended to refinance the subordinated debt with the first call date in 2017, which amounts to € 869 million. The subordinated bond issue received ratings BBB by Fitch, Baa3 by Moody's and bbb+ by AM Best.

Generali Finance B.V. exercised the early redemption option of two perpetual subordinated notes rispettivamente per respectively for € 1,275 million and £ 700 million. These debts have already been refinanced through the subordinated bond launched by Assicurazioni Generali on 20 October 2015 for an overall amount of € 1,250 million, targeting institutional investors.

In Germany, Generali Vitality was launched, the first health and well-being programme in Europe designed to promote and incentivize healthy behaviour by members.



Our governance and remuneration policy, p. 34



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

July

September

October

November

December

Moody's confirmed the IFS rating at Baa1 for Generali, with a stable outlook.

Generali supported the people impacted by the earthquake in central Italy and actively participated in several programmes for the management of the second phase of the emergency.

The Generali Group and The Progressive Group of Insurance Companies, among global leaders in the field of telematics applied to motor insurance, entered into a Research & Development agreement to strengthen their respective skills in the area of data analytics and boost their product ranges.



Sustainability Report 2016, p. 34

Two agreements were signed for the disposal of companies in Guatemala and Liechtenstein. These transactions are part of the active management strategy of our operations, which privileges investments in more appealing geographical areas for the Group and in business lines with greater potential and less capital or cash absorption.



Group Strategy, p. 26

AM Best confirmed the Financial Strength Rating (FSR) at A (Excellent) for Generali, the rating of the debt instruments issued or guaranteed by Generali and the stable outlook.

Fitch confirmed the IFS rating at A- for Generali, with a stable outlook.

The Generali Group presented the updated strategic plan at Investor Day, confirming its targets for 2018.

The Business Digital Transformation agreement with Microsoft was announced, which aims to enhance the efficiency of Generali employees, agents and partners, improve operating processes and boost revenues thanks to new insurance products and innovative business models.



Sustainability Report 2016, p. 34

The Board of Directors announced its favourable assessment of the conversion into Banca Monte dei Paschi di Siena (BMPS) shares of the Group's exposure to the subordinated debt of BMPS.

Moody's confirmed the IFS rating at Baa1 for Generali, with a stable outlook, thanks to the strong geographical diversification of the Group in spite of the negative outlook on the Italian sovereign.

The Board of Directors of Assicurazioni Generali appointed Marco Sesana as Italy Country Manager.



Our governance and remuneration policy, p. 34

An innovative Insurance Linked Security (ILS) named Horse Capital I was placed in the capital market to cover the loss ratio on the aggregated motor third-party liability (MTPL) portfolio of 12 of the Group's European companies.

Significant events after 31 December 2016 and 2017 corporate event calendar

2017

January

Marco Sesana, appointed Italy Country Manager in December 2016, and **Timothy Ryan**, incoming Group Chief Investment Officer, became members of the Group Management Committee.



Our governance and remuneration policy, p. 35

Assicurazioni Generali acquired the voting rights on 505 million shares of **Intesa Sanpaolo**, amounting to 3.01% of the share capital, through a securities lending transaction.

The Board of Directors of Assicurazioni Generali on 25 January decided to appoint **Luigi Lubelli**

as Group CFO, who also joined the Group Management Committee, as a consequence to the termination of employment relationship with **Alberto Minali**. It also decided that the Investments Committee would expand its responsibilities to strategically relevant operations, so its name was changed to the **Investments and Strategic Operations Committee**.



Our governance and remuneration policy, p. 32

February

Generali Finance B.V. exercised the early redemption option on the perpetual subordinated notes on 8 February 2017. This debt has already been refinanced through the subordinated bond, concluded on 8 June 2016, for an overall amount of € 850 million, targeting institutional investors.

Assicurazioni Generali acquired 510 million ordinary shares of **Intesa Sanpaolo**, amounting to 3.04% of the share capital, and started the process to terminate the previously disclosed securities lending transaction. It also enter into a collateralized derivative transaction in order to fully hedge the economic risk related to the acquisition of these shares.

March

15 March 2017

Board of Directors
Approval of the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal, the Corporate Governance and Share Ownership Report and the Sustainability Report as at 31 December 2016 and the Remuneration Report

16 March 2017

Publication of the results as at 31 December 2016

April

May

August

November

27 April 2017**Shareholders' Meeting**

Approval, inter alia, of the Parent Company Financial Statements as at 31 December 2016 and the Remuneration policy as well as appointment of a new Board of Statutory Auditors



[www.generali.com/
governance/
annual-general-meeting](http://www.generali.com/governance/annual-general-meeting)

10 May 2017**Board of Directors**

Approval of the Interim financial information as at 31 March 2017

11 May 2017

Publication of the results as at 31 March 2017

24 May 2017

Dividend pay-out on the shares of Assicurazioni Generali

1 August 2017**Board of Directors**

Approval of the Consolidated financial half-yearly report as at 30 June 2017

2 August 2017

Publication of the results as at 30 June 2017

8 November 2017**Board of Directors**

Approval of the Interim financial information as at 30 September 2017

9 November 2017

Publication of the results as at 30 September 2017

How we create value: our business model

Capital

Financial

Human

Intellectual

Social and relationship

Manufactured

Natural

ENVIRONMENT

Employees

Community

Clients

Financial community

Agents and distributors

Contractual partners

ENVIRONMENT

VISION MISSION VALUES

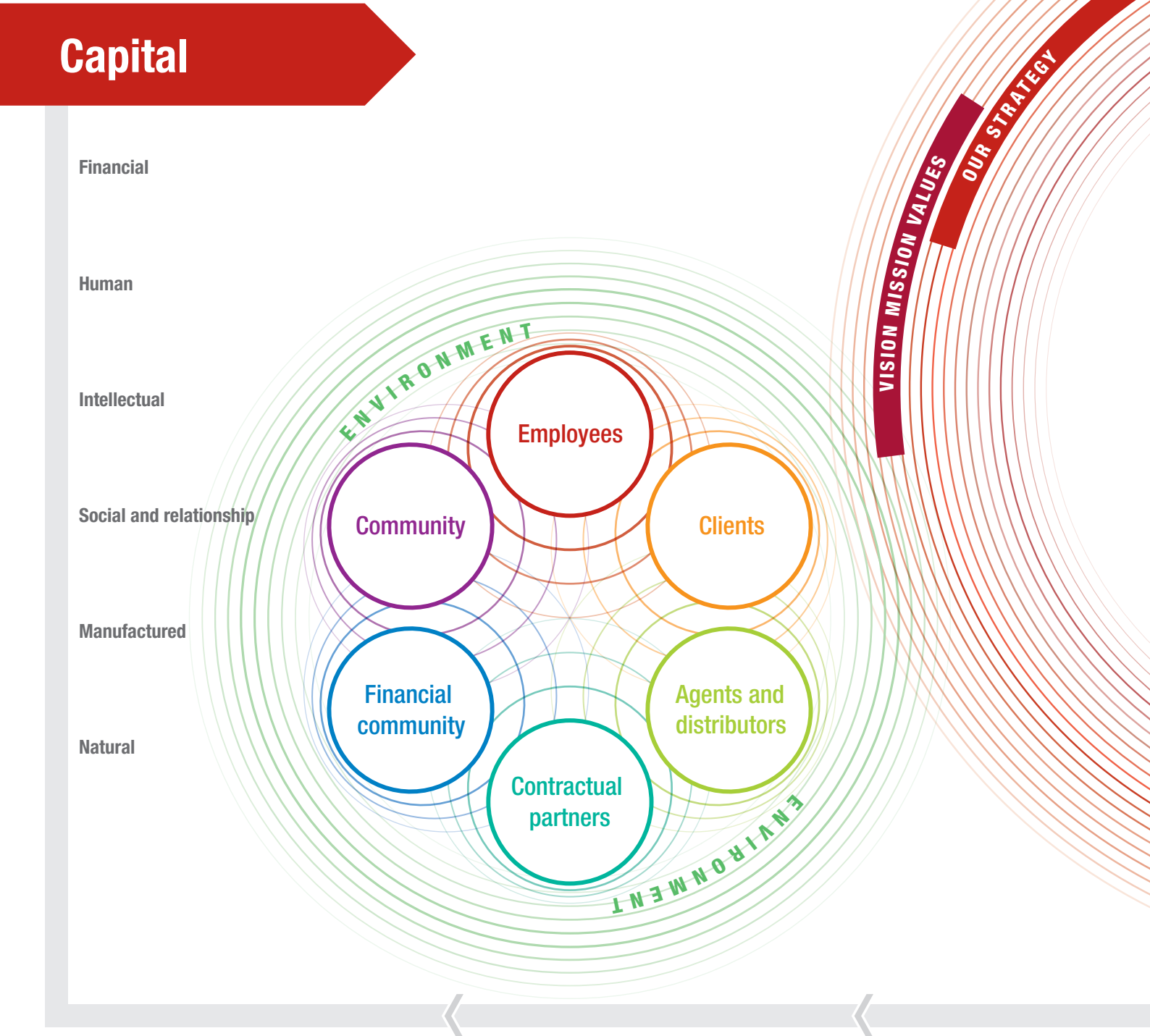
OUR STRATEGY

EXTERNAL

New customer needs

Technological evolution

Uncertain financial and macro-economic landscape





Group Strategy, p. 26 for 2016-2018 targets

OUR GOVERNANCE

OUR BUSINESS MODEL

INNOVATION

Capital

Financial

Human

Intellectual

Social and relationship

Manufactured

Natural



We develop simple, integrated, customized and competitive life and property&casualty **insurance solutions** for our clients: the offer ranges from savings, individual and family protection policies, unit-linked policies, as well as motor third-party liability (MTPL), home, accident and health policies, to sophisticated coverage for commercial and industrial risks and tailored plans for multinational companies.



We distribute our products and we offer our services based on a multi-channel strategy, while also relying on new technologies: not only through a **global network of agents and financial advisors**, but also through **brokers, bancassurance and direct channels** which allow our clients to obtain information on alternative products, compare options for the desired product, acquire the preferred product and rely on excellent after-sales service and the best customer experience.



The **premiums** we receive from our clients to enter into insurance contracts are **responsibly invested in high quality assets**.



The premiums collected are managed through appropriate asset-liability management policies so as to guarantee the **payment of claims and benefits** to our policyholders or their beneficiaries **after death, accidents or the occurrence of the insured event**.

CONTEXT

Regulatory evolution

Environmental challenges

Demographic and social change



As for capital other than financial capital, more information on external and internal impacts resulting from our business is reported in the Sustainability Report, the Corporate Governance and Share Ownership Report and the Remuneration Report

Business model of Assicurazioni Generali S.p.A.



Management of Investments

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



Management of capital structure

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



Direction and co-ordination activities

The parent company sets guidelines in order to improve efficiency in operational management.

Insurance and reinsurance activity

The insurance and reinsurance business of the parent company is conducted through both the Head Office and foreign branches(London, Panama, New York, Dubai, Hong Kong and Tokio).

Vision, Mission, Values

Our vision

Our purpose is to actively protect and enhance people's lives

Actively

We play a proactive and leading role in improving people's lives through insurance.

Protect

We are dedicated to the heart of insurance - managing and mitigating risks of individuals and institutions.

Enhance

Generali is also committed to creating value.

People

We deeply care about our clients' and our people's future and lives.

Lives

Ultimately, we have an impact on the quality of people's lives: wealth, safety, advice and service are instrumental in improving people's chosen way of life for the long term.

Our mission

Our mission is to be the first choice by delivering relevant and accessible insurance solutions

First choice

Logical and natural action that acknowledges the best offer in the market based on clear advantages and benefits.

Delivering

We ensure achievement striving for the highest performance.

Relevant

Anticipating or fulfilling a real life need or opportunity, tailored to local and personal needs and habits, perceived as valuable.

Accessible

Simple, first of all, and easy to find, to understand and to use; always available, at a competitive value for money.

Insurance solutions

We aim at offering and tailoring a bright combination of protection, advice and service.



Our values

Deliver on the promise

We tie a long-term contract of mutual trust with our people, clients and stakeholders; all of our work is about improving the lives of our clients. We commit with discipline and integrity to bringing this promise to life and making an impact within a long lasting relationship.

Value our people

We value our people, encourage diversity and invest in continuous learning and growth by creating a transparent, cohesive and accessible working environment. Developing our people will ensure our company's long term future.

Live the community

We are proud to belong to a global Group with strong, sustainable and long lasting relationships in every market in which we operate. Our markets are our homes.

Be open

We are curious, approachable and empowered people with open and diverse mindsets who want to look at things from a different perspective.

Our rules for running business with integrity

We run our business in compliance with the law, internal regulations and professional ethics.

The **Code of Conduct** defines the rules of conduct to be observed, for example, for the promotion of diversity and inclusion, the management of personal data and privacy, the prevention of conflicts of interest and corruption, bribery, money laundering, terrorist financing and international sanctions, and the proper management of relationships with customers and suppliers.

The **Responsible Investment Guideline** codifies responsible investment activities at Group level.

The **Group Policy for the Environment and Climate** contains the guiding principles of reference for our environmental management strategies and objectives.

The **Ethical Code for suppliers** highlights the general principles for the proper and profitable management of relations with contractual partners.



www.generali.com/info/download-center/policies
www.generali.com/our-responsibilities



Sustainability Report 2016, p. 24
for other information on the prevention of corruption topic

We also have a structured internal regulatory system named **Generali Internal Regulation System** (GIRS).



Corporate Governance and Share Ownership Report 2016,
p.45

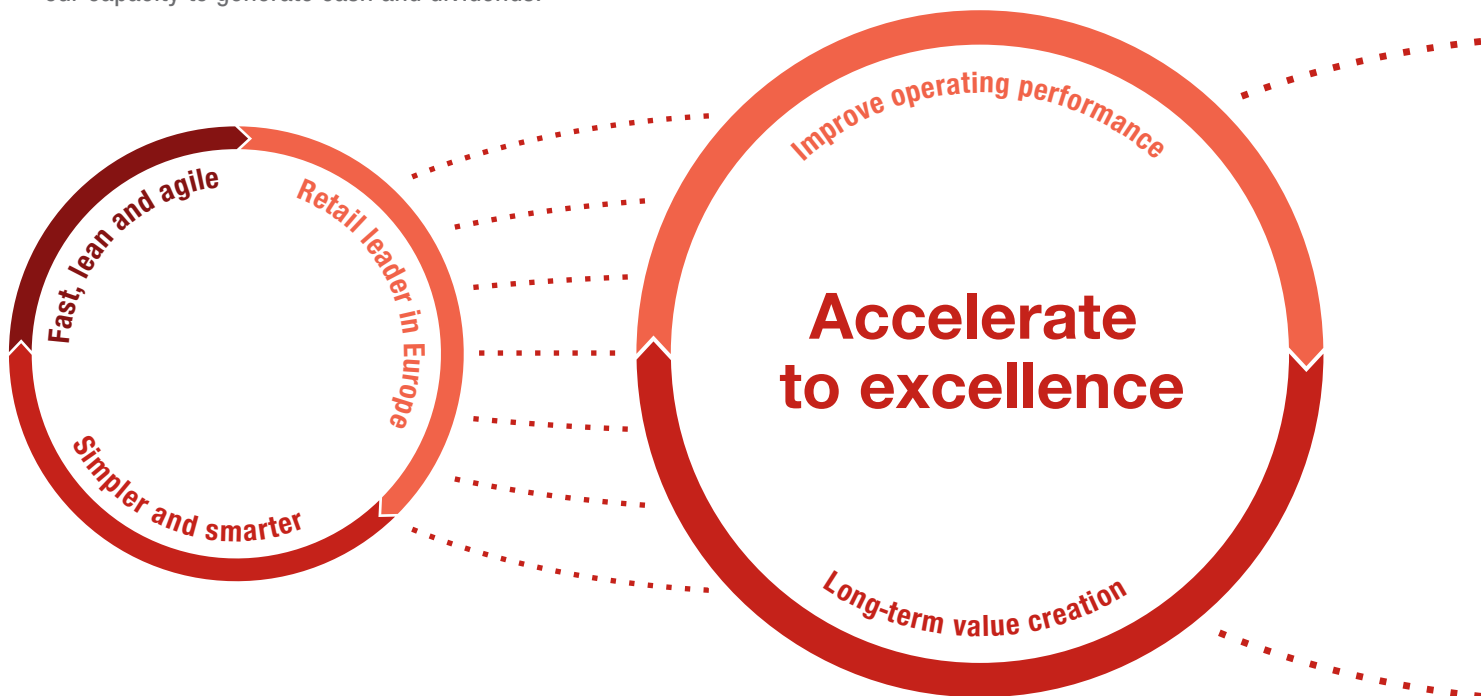
Group strategy

Accelerate to excellence

2015 | SIMPLER AND SMARTER

2016-2018

In May 2015 we rolled out our strategy of becoming a simpler and smarter insurer for customers and distributors, to improve our capacity to generate cash and dividends.



The external context is increasingly challenging: on one hand, economic, financial and political uncertainty which results in greater volatility in interest rates, government and corporate bond spreads and the equity markets and, on the other hand, different customer behaviour, driven primarily by rapid technological evolution and more stringent regulations.

Our people always

SIMPLER, SMARTER. FASTER

- > € 7 bln** cumulative net operating cash (2015-2018)
- > € 5 bln** cumulative dividends (2015-2018)
- > 13 %** Operating ROE on average (2015-2018)

● Improve operating performance

- Optimise international footprint
- Rationalise the operating machine
- Enhance technical capabilities

At least € 1 bln
cash proceeds from disposals

€ 200 mln
net reduction in nominal OpEx cost base in mature markets by 2018

Best combined ratio
further improvement in outperformance vs peers
Guarantees maximum 0%
on new retail business

● Long-term value creation

- Rebalance the insurance portfolio
- Customer and distribution innovation
- Strengthen the brand

~30 bp
reduction in average portfolio guarantee to 1.5% by 2018
+6 pps
on the total capital-light reserves by 2018

+2 pps
increase in retention in three years

+3%
brand preference in mature markets

at the heart of the strategy

Improve operating performance

Optimise international footprint



We aim to maintain a diversified global presence by focusing on markets in which we can achieve a significant position and excellent performance. We will therefore dispose of the companies that do not meet specific profitability and future growth requirements in order to invest in those activities that generate higher returns.

We have already embarked upon a streamlining process with the disposal of our companies in Guatemala and Lichtenstein. We expect to generate at least € 1 billion from the optimization of our international presence by the end of 2017 as to reinvest into the business. We aim to remain in the markets in which we can be in the top 5 in the short-medium term.

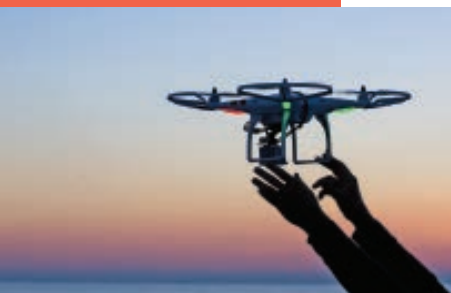
Rationalize the operating machine



We are committed to constantly improving our operating machine to maximize the Group's potential, by implementing optimization initiatives such as streamlining the product portfolio, simplifying processes and integrating IT platforms. At the same time, we will invest in new competences enhance those activities that have higher value for stakeholders.

In Germany, we digitalized the entire claims management process, eliminating our use of paper records and speeding up compensation timing. Our clients are also able to use an app to view the entire claims settlement process: more than 30 thousand clients have used it since its introduction.

Enhance technical capabilities



We already have strong technical capabilities but to become the best player we will continue with price sophistication, risk selection and claims management in our P&C business while with the continuous improvement in the quality of our products and the capital return optimization in our life business.

In the Czech Republic, we have been the first in the insurance industry to obtain a license to use drones for large property inspections. It is a unique solution for obtaining detailed documentation and cutting time and costs.

It took us three years to develop the project, and we foresee an even bigger development potential thanks to its easy implementation elsewhere and the opportunity to merge it with new technologies, like thermo and multispectral cameras, in order to carry out inspections and to take pictures and videos in the most difficult situations, too.

Long-term value creation

Rebalance the insurance portfolio

The share of products with low capital absorption and commission income will be increased so as to generate long-term value while protecting portfolio sustainability and increasing resilience in the face of market volatility.

BG Stile Libero represents an innovative investment and protection solution in terms of content, services and distribution opportunities, which is flexible throughout the client's life. For the first time private networks are going beyond the borders of financial products and mere insurance guarantees and meet a combination of these two worlds resulting in an increased mutuality. This enhances the central role of the wealth planning professional. BG Stile Libero was our most successful product in terms of the net inflows of Banca Generali in the past two years.



We are one of the insurance industry leader in the area of **telematics**, with over 1.3 million policies that use various technology tools, such as Mobile Apps or Black Boxes, to encourage the adoption of responsible driving behaviour to help reduce accidents, and to collect useful information that can be used to provide products and services that are increasingly tailored to the needs of customers. Recently, the first **connected home** policies have also been launched, important innovations in the domestic risk insurance sector.



Customer and distribution innovation

We will continue to be committed to our laser-like focus on customers and distributors with the introduction of specific, targeted innovations with clear added value.

T-NPS Group Program

Launched in 2015, the Net Promoter Score Listen and Act program is currently active in 26 business units and covers roughly 90% of our client base. As part of this program, we sent more than three million surveys to clients all over the world, obtaining a high global response rate, a sign of our clients' desire to have their voices heard and their interest in the future of Generali.

We called more than 108 thousand dissatisfied clients to understand their reasons and we organized interdepartmental work groups to implement several actions in response to the feedback received. Feedback provides us with pointers on what clients like and areas in which we could improve; to date, 256 quick wins have been implemented, and we have made 175 structural improvements, such as automatic updates on the status of dossiers via SMS, app and portals.



More than
562 thousand
responses to surveys sent



More than
436 thousand
comments



More than
108 thousand
calls to detractors



Sustainability Report 2016, p. 54; 63

Digital Agent and Mobile Hub

New technologies offer the insurance business important innovations to be exploited in order to gain increasing awareness of the needs of our people and our clients.

The **Digital Agent program** is the Group initiative launched with a view to equipping our agents with suitable digital tools in order to understand and best adjust to customers' new approach to insurance, through greater visibility online, in social media and in the mobile world. The creation of web&mobile tools has been completed in Spain and is underway in France, Germany and Austria. Agents in Indonesia, Italy and Spain are now equipped with tools allowing them to efficiently be on the social networks.

In addition, we strive to offer our clients the possibility of interacting with us even more via mobile. This is why we created **Mobile Hub**, a framework shared at Group level which will enable our clients to manage their policies easily on their own. They will be able to file a claim, contact an agent or renew a policy right from their mobile phone by simply downloading our app which, with its user friendly interface, aims to improve customer satisfaction.



Strengthen the brand

We aim to become the top choice for consumers, committing ourselves to:

- strengthening our brand
- increasing its visibility through not only event sponsorship and media support, but also search engine optimization for insurance coverage estimates
- helping our agents to build value-added relationships with current and potential clients and adopting an even more advisory-oriented approach to sales.

There will be 4 main initiatives to achieve these objectives:



optimize number of brands to maximize efficiencies



shift to more coordinated media mix/pend



**favour common platforms and strategic partnerships
to efficiently drive cost savings**



**repackage our offering to prevent and protect what is most
valuable for our clients**



In France, we aimed at increasing our visibility in the sports field by adopting a non-commercial approach and building relationships with national sports federations based on a shared commitment to sustainability. In 2010 we launched La Charte du Sport Responsible that covers several aspects such as social inclusion, equal opportunities, health protection, risk prevention and the safeguarding of the environment. Its goal is to promote and spread six core principles for sporting activity that respects others and the environment, the Charter is flanked by a website that offers visibility to our brand e allows associations to share and promote their practices.

Our people always at the heart of the strategy

The transformation process that results in us being Simpler, Smarter. Faster is supported by the

Generali People Strategy

based on four priorities:

73,727 employees



Promote
Engagement
& Empowerment



Strengthen
our Leadership
& Talents



Build an Agile
Organization
& New Capabilities



Shift mindset
towards Customer
Centricity



• measuring and promoting engagement

June 2015

Global Engagement Survey, the first step on a path aimed at making Generali an even better place to work

82% engagement rate

85% response rate

2016

more than 330 local actions to respond to specific opportunities for improvement arising in the Group's various countries and companies, the most recurring of which are:

- improving communication
- promoting empowerment and enablement to be simpler, smarter, faster
- developing a culture focused on the customer

June 2017

second edition of the **Global Engagement Survey**, a further fundamental step on our path of engagement and continuous improvement

• **creating and embedding a new global managerial system** which equips our managers with the necessary mindset, skills and tools to effectively manage our people and the organization

2016

- **11 focus groups** to better understand the management capacities required to promote empowerment
- **243 participants** with diverse profiles (geographies, seniority, gender, levels and professional background)

The objective is also to design a management school that offers a consistent management training program for all new Group managers.

• boosting a performance culture

We strive to provide every one of our people with the opportunity to dialogue in a structured manner with their managers regarding individual performance in light of predefined targets, and to be assessed regularly in a fair and transparent manner.

2016

61% employees assessed*

2018

100% employees assessed following a common Group framework

* The data refer to the Group companies equal to 64,447 employees or 87.4% of the total.

● **improving diversity and inclusion**

We commit to valuing the uniqueness of people and diversity of thought, particularly in relation to generation, gender and geographical differences.

2016

- creation of an **international network of colleagues** to facilitate an aligned and consistent approach to diversity and promote a concrete plan of initiatives throughout the Group
- **Breaking bias and building bridges**, a program that has involved a considerable number of people from the international HR offices on the topic of unconscious bias and the impact that this may have in decision-making processes, with a focus on people selection, management, promotion and performance management processes
- support in the organization of **Elle Active Forum**, an Italian female empowerment event
- appointment of Frédéric de Courtois as **Group D&I Sponsor**

2017

- introduction of **training courses** in all managerial training programmes at Group level for the purpose of maximising the value of diversity, teamwork and inclusion
- implementation of **D&I Colourful Program**, a programme aimed at identifying local projects in order to create awareness and to promote a culture of diversity and inclusion



- **providing succession plan for top positions and clear career paths**
- **developing leadership skills**
- **identifying and developing talents at local and Group level**
- **attracting, selecting and retaining the best people through internal mobility and training programs**

We have always focused on developing and strengthening the technical and other skills of all of our people.

91.1% trained people

37.3 average hours of training per capita

€ 61.2 mln training costs



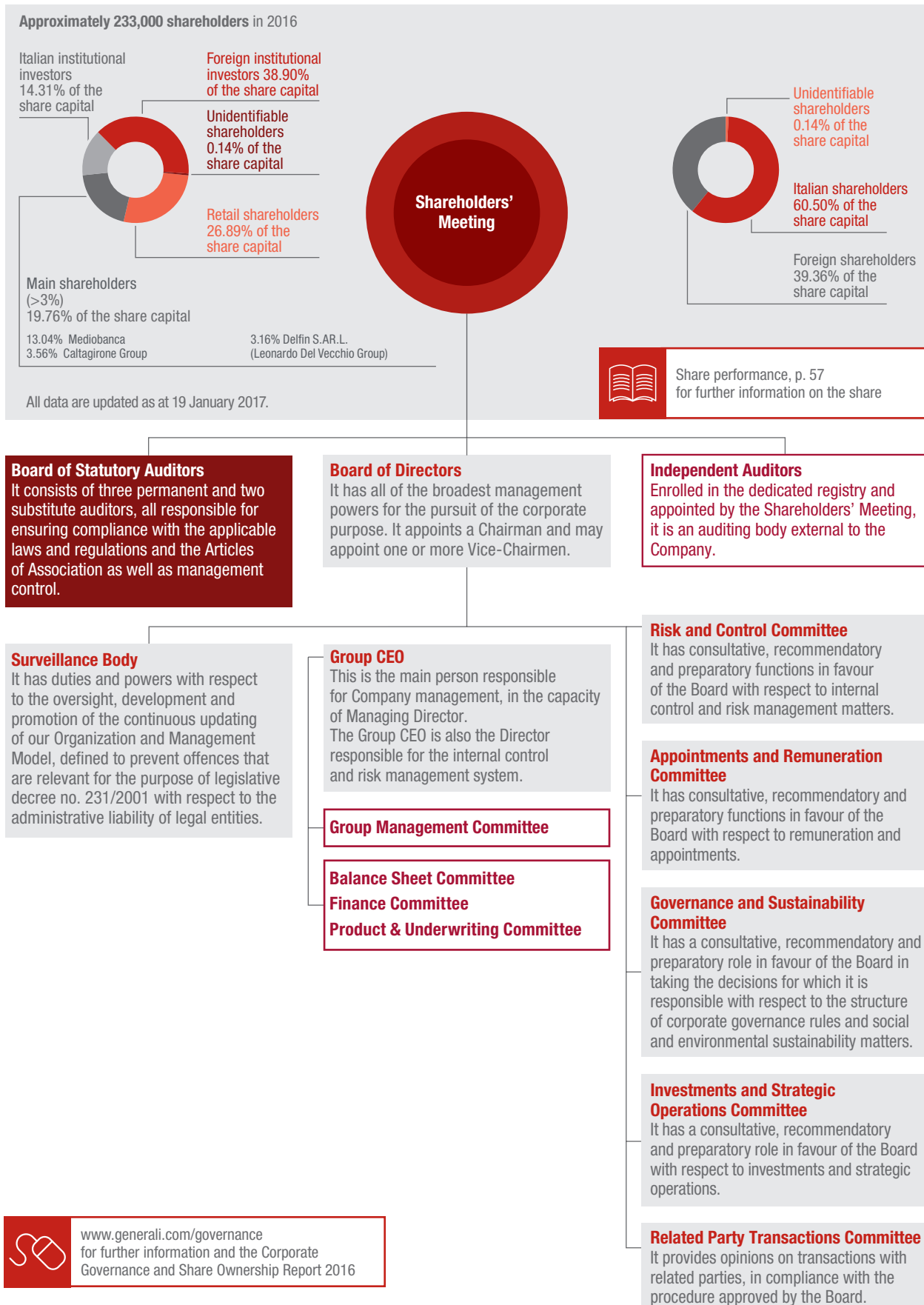
- **building a simpler Group organization**
- **simplifying our HR processes with a cutting-edge platform**
- **identifying and investing in key new capabilities**
- **sustaining smart working and developing a new approach to working that empowers us by increasing our flexibility, autonomy and responsibility**



- **fostering a customer mindset from day 1**
- **understanding how to support our customer experience**
- **giving recognition for great customer service showcasing examples of employee actions that create excellent customer experiences**



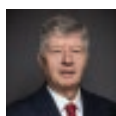
Our governance* and remuneration policy



* The corporate governance is updated as at 25 January 2017.

Focus on the Board of Directors

as at 25 January 2017



Gabriele Galateri di Genola

Chairman



Nationality: Italian

Professional background: Manager

In office since 8 April 2011



Francesco Gaetano Caltagirone

Vice-Chairman and Deputy Chairman



Nationality: Italian

Professional background: Entrepreneur

In office since 28 April 2007

Vice-Chairman since 30 April 2010



Philippe Donnet

Group CEO



Nationality: French

Professional background: Manager

In office since 17 March 2016



Clemente Rebecchini

Vice-Chairman



Nationality: Italian

Professional background: Manager

In office since 11 May 2012

Vice-Chairman since 6 November 2013



Romolo Bardin

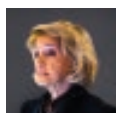
Director



Nationality: Italian

Professional background: Manager

In office since 28 April 2016



Ornella Barra

Director



Nationality: Monegasque

Professional background: Entrepreneur

In office since 30 April 2013



Paolo Di Benedetto

Director



Nationality: Italian

Professional background: Lawyer

In office since 28 April 2016



Alberta Figari

Director



Nationality: Italian

Professional background: Lawyer

In office since 30 April 2013



Diva Moriani

Director



Nationality: Italian

Professional background: Manager

In office since 28 April 2016



Lorenzo Pelliccioli

Director



Nationality: Italian

Professional background: Manager

In office since 28 April 2007



Roberto Perotti

Director



Nationality: Italian

Professional background: Professor

In office since 28 April 2016,

elected from the minority slate



Sabrina Pucci

Director



Nationality: Italian

Professional background: Professor

In office since 30 April 2013



Paola Sapienza

Director



Nationality: Italian

Professional background: Professor

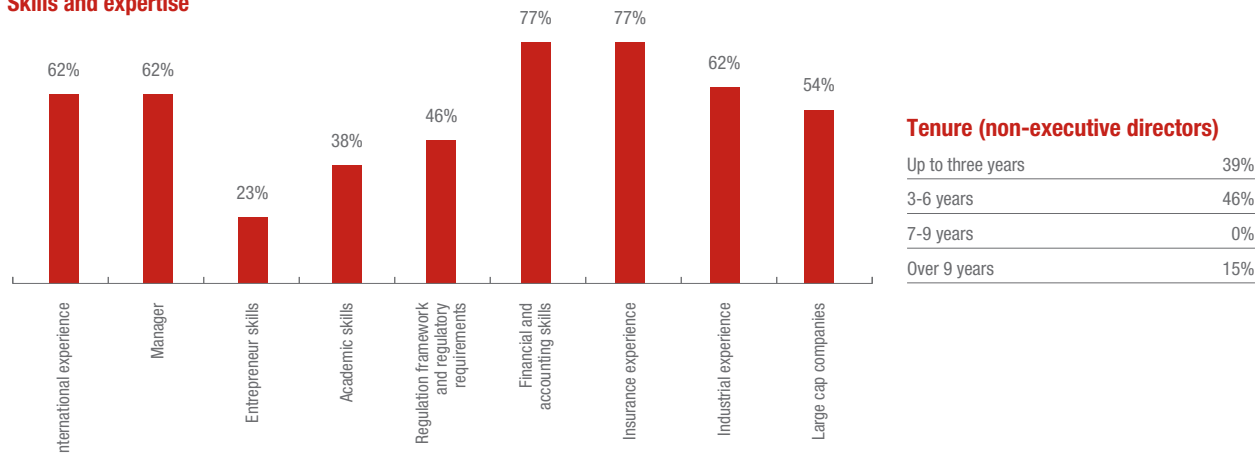
In office since 30 April 2010,

elected from the minority slate

| | | | |
|---|----------------------------|---|--|
| Executive | Non-executive | Independent as defined in the listed companies' Corporate Governance Code | Director responsible for the internal control and risk management system |
| Appointments and Remuneration Committee | Risk and Control Committee | Related Party Transactions Committee | Governance and Sustainability Committee |
| | | | Investments and Strategic Operations Committee |



Skills and expertise



Number of meetings of the Board and Committees

| 1/1/2016 - 28/4/2016 | 28/4/2016 - 31/12/2016 |
|--|--|
| Investments Committee 3 | Investments Committee 7 |
| Appointments and Governance Committee 5 | Governance and Sustainability Committee 4 |
| Remuneration Committee 4 | Appointments and Remuneration Committee 5 appointment topics 5 remuneration topics 6 |
| Related Party Transactions Sub-Committee 2 | Related Party Transactions Committee 2 |
| Risk and Control Committee 6 | Risk and Control Committee 7 |
| Board of Directors 6 | Board of Directors 10 |

Average percentage attendance at the meetings of the Board and Committees

| 1/1/2016 - 28/4/2016 | 28/4/2016 - 31/12/2016 |
|---|--|
| Investments Committee 100% | Investments Committee 100% |
| Appointments and Governance Committee 100% | Governance and Sustainability Committee 100% |
| Remuneration Committee 92% | Appointments and Remuneration Committee 92% appointment topics 92% remuneration topics 94% |
| Related Party Transactions Sub-Committee 100% | Related Party Transactions Committee 100% |
| Risk and Control Committee 100% | Risk and Control Committee 97% |
| Board of Directors 83% | Board of Directors 94% |

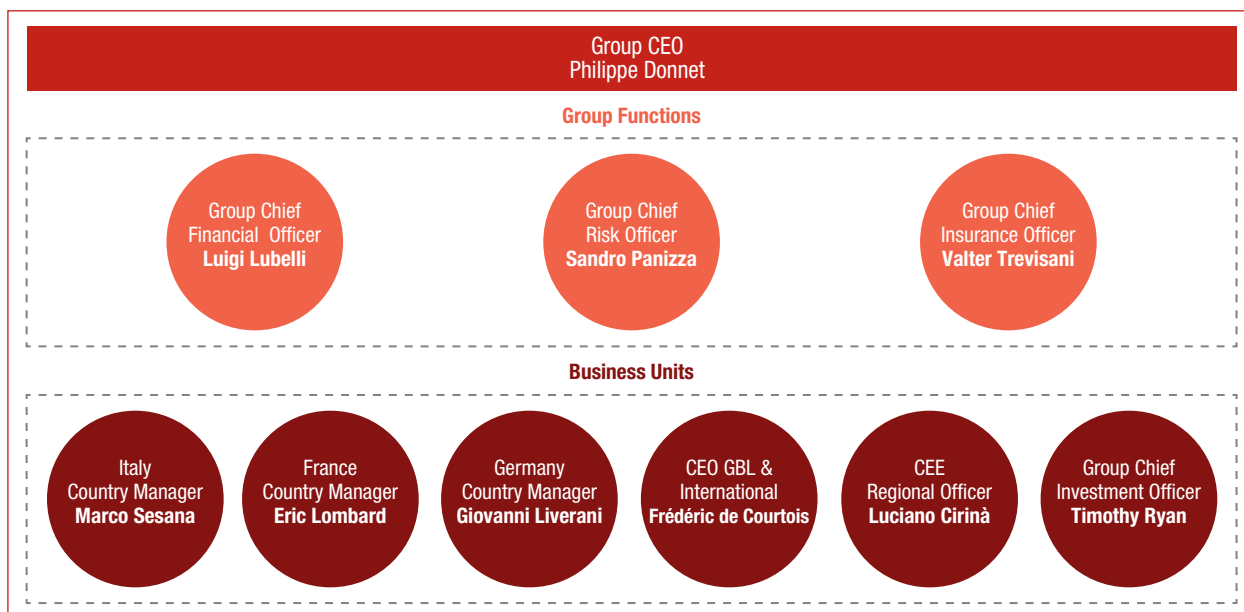
The **remuneration policy** for **non-executive directors** establishes that remuneration consists of a fixed component as well as an attendance fee for each Board of Directors meeting in which they participate, in addition to the reimbursement of expenses incurred for participation in such meetings. Directors who are also members of the board committees are paid remuneration in addition to the amounts already received as members of the Board of Directors (with the exception of those who are also Generali Group executives), in accordance with the powers conferred to those committees and the commitment required in terms of number of meetings and preparation activities involved. This remuneration is established by the Board of Directors.

In line with the best international market practices, there is no variable remuneration.

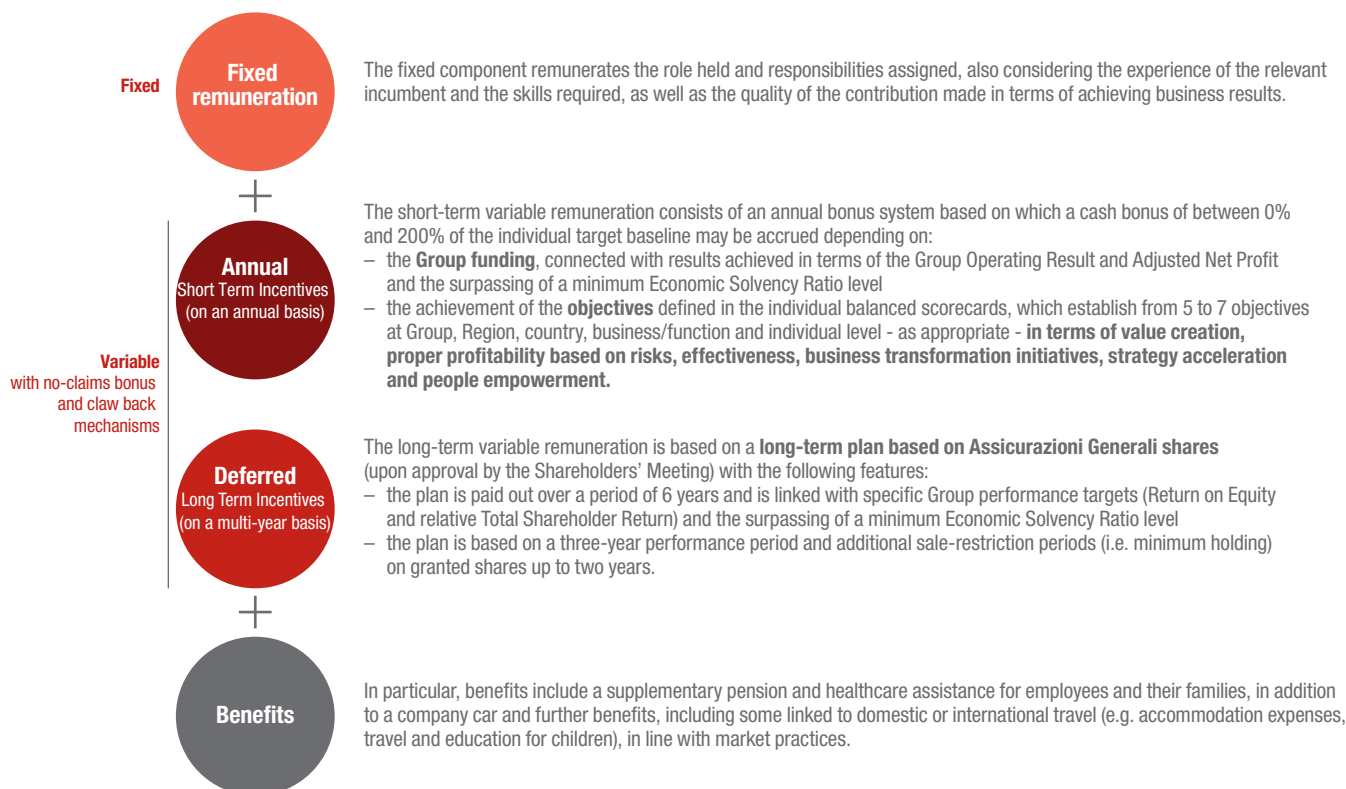
The remuneration policy for the Managing Director and Group CEO, the only executive director, instead comprises a fixed amount, a variable amount (short and medium/long-term) and benefits in line with the remuneration package of the GMC members and the other executives with key responsibilities as later described.

Focus on the Group Management Committee (GMC)

as at 15 February 2017



The **Managing Director and Group CEO**, the **members of the GMC** and the **other executives with key responsibilities** receive a **remuneration package** consisting of a fixed component, a variable component (short and medium/long-term) and benefits, on the basis of the following principles:



Risks and opportunities of the external context

Main long-term factors that could significantly affect the business and capacity of the Group to create value



Risk Report
for a detailed description on the risk profile and the specific methods used to assess it, p. 80
of the Management Report

New customer needs

Risk identified

In this currently uncertain economic environment, consumer attitudes to insurance products and services are changing in light of two global trends:

- **digitalization**, which has introduced new selling options and different insurance product management
- **economic uncertainty**, which has changed spending on savings and other insurance products.

Today, customers are demonstrating greater attention to service quality: they no longer rely only on an agent to acquire an insurance product; rather, they have a more independent approach to the decision-making process, which includes visiting the websites of insurance companies, reading customer reviews on social media and checking comparison websites.

Strategic risk
Insurance risk

Technological evolution

Risk identified

We are facing a profound change caused by the interaction and the cumulative effects of various developments in technology: the Internet of Things, the constant growth of mobile networks, the adoption of cloud services, the development of cognitive computing and machine learning are all elements that contribute to creating a renewed environment in which to operate.

The unprecedented availability of customer data, combined with the **technological capabilities** of processing data quickly and efficiently in terms of costs, allows the insurance business to create customized prices and identify potential fraud. However, it creates potential risks arising from the management of personal data as well as new challenges within the traditional insurance risk management model.

Technology as an enabling element of the processes may also impair business continuity, representing a potential threat (malfunction of equipment and systems, etc.).

Strategic risk
Operational risk

Uncertain financial and macro-economic landscape

Risk identified

In 2016, numerous political events have impacted the global economy: the referendum on the constitutional reform in Italy, Brexit and the US presidential elections. At **macroeconomic** level, Italy remains in difficulty, with expected growth of 0.8%; Eurozone growth forecasts stand at 1.7% in 2016 and 1.5% in 2017. The British economy has not yet shown signs of a slowdown, and the pound has depreciated by 17% with respect to the euro. Consumption has slowed and investments are weak in the United States. US growth forecasts are 1.6% for 2016 and 2.2% for 2017; the Fed will therefore raise benchmark interest rates.

The European **insurance sector** was characterized by good performance in property&casualty premiums (with the exception of Italy), in line with the albeit feeble economic recovery and a certain difficulty in the performance of life premiums, influenced by low interest rates. This situation should also continue in 2017; the only exception is forecast in Italy, which is expected to record an improvement in life premiums.

Financial risk
Credit risk
Strategic risk

Our risk management

We aim to become the **top choice of clients and distributors**. We offer insurance solutions and services that are simple, tailored and even more innovative to meet their needs, also digital ones, and to improve their customer experience. We are analyzing and implementing a real digital transformation in our business units in order to make our global distribution networks more efficient. We are supporting them so that the interaction with clients can be increasingly based on an advisory approach. It means to interpret the clients' needs and offer the best solutions for them.



Sustainability Report 2016, p. 57; 63

Our risk management

We have implemented an **analytics platform on cloud** in all our business units, leveraging the cutting-edge technologies for the management and analysis of data. The technology was critical to provide a superior user experience, designed to bring us closer to requests for greater digital interaction from our clients. This development is based on a hybrid architecture that offers the latest mobile technology. To protect our trustworthiness, reputation and survival from threats of natural, human and technological origin, we have also implemented a **Business Management Continuity process** that identifies critical processes and operational risks that may interrupt business operations, as well as risk mitigation measures and solutions to recover and resume vital business processes as soon as possible and with limited financial impact.

Our risk management

Macroeconomic and financial expectations, along with yield expectations of policyholders, the Solvency II rules relating to the calculation of economic capital and Group targets on profitability, are the main factors influencing the definition of our **asset allocation strategy**. In addition, the progressive decline of interest rates and the new regulatory environment have made asset management disciplined and focused on consistency between assets and liabilities even more important.

In investment activities, factors such as geographical diversification and a selective focus on alternative investments are key to limit portfolio risks and strengthen current returns.



Risk Report
for a detailed description on the risk profile and the specific methods used to assess it, p. 80
of the Management Report

Regulatory evolution

Risk identified

The insurance industry is characterized by a detailed regulatory system consisting of continuously evolving domestic and European rules and regulations. Some of the most significant are:

- **Solvency II**, the European insurance market supervisory framework which includes three pillars in terms of capital measurements, risk management systems and risk disclosures
- **Common Framework of the International Association of Insurance Supervisors (IAIS)** on the development of standard qualitative and quantitative capital requirements based on risk for insurance groups operating globally
- **European directive on insurance distribution and regulations on investment product disclosure and transparency** guaranteeing an increasingly high level of consumer protection
- **European regulation on personal data protection** for improved protection of citizens
- **European directive on non-financial information**
- **Issuance of IVASS order n.53 of 6 December 2016, that amend the ISVAP regulation n.22 of 4 April 2008.**

Strategic risk

Operational risk

Environmental challenges

Risk identified

The global warming caused by greenhouse gas emissions originating from human activity is triggering a rise in **extreme weather events**, such as higher temperatures and flooding, that become increasingly frequent and violent. These factors impact the economic and social system as well as the relative insurance needs.

Proper measures are therefore necessary to avoid higher losses and increased volatility that would impact on insurance policies' price, also due to higher capital absorption resulting from the events being underwritten, and make the access to insurance too expensive or, in extreme cases, the offering uninsurable.

Underwriting risk

Emerging risks

Operational risk

Demographic and social change

Risk identified

Modern communities are characterized by conflicting demographic and social phenomena: the continuous **aging of populations**, driven by increased life expectancies and lower birth rates, which is partially offset by **increasing migration**, boosting younger populations, whose average income capacity is however quite limited and highly conditioned by a flexible, yet precarious, job market. The risk of increasingly unbalanced societies remains, where the higher post-retirement requirements of the older population with greater willingness to save are no longer properly covered by the public system, and the economic and financial resources produced by the younger categories of the population, or from private savings, have to be directed and valued more carefully.

Underwriting risk

Emerging risks

Our risk management

We run our business in compliance with the law, internal regulations and codes and professional ethics, and we closely monitor the evolution of the regulatory environment, dialoguing with legislators and institutions.

We have implemented the organizational requirements laid out by **Solvency II** and received approval for the partial internal model for the determination of the Group solvency capital requirement from the Supervisory Authority.

We are engaged in the various tests carried out by the **International Association of Insurance Supervisors (IAIS)** to determine the final architecture and calibrations of the supervisory requirement.

We have strengthened an **international and multifunctional initiative** aimed at internally sharing knowledge, experience and best practices in the field of product development and distribution strategies so as to be ready to meet the necessary regulatory requirements.

We have contributed to the European debate on **personal data protection** and we continue to monitor the definition of detailed measures to identify aspects pertaining to our business to be implemented.

We also monitor developments in the new disclosures on **non-financial information** to ensure its implementation. Lastly, we monitor developments in national accounting standards and the national rules specifically designed for the insurance sector.

Our risk management

We constantly monitor the main perils and territories where we are exposed, using actuarial models to estimate the damage that could result from natural phenomena. We can therefore optimize our underwriting strategy.

Reinsurance plays a key role: we manage our protections on a centralized basis in order to take advantage of economies of scale and pricing thanks to the size of the Group, with the aim of leveraging on business diversification.

We also continue to monitor and reduce our **direct impact** and to favour the limitation of global warming to within 2°C through our **insurance solutions** as well as our **investments**. We develop and distribute increasingly innovative products along with a high level of services in order to meet the potential request for more and improved protection against catastrophes, in addition to products that reward virtuous and environmentally sustainable decisions and behaviour. Also in partnership with other public and private stakeholders, we work to support initiatives that help to expand access to insurance products, for example through more favourable taxation for catastrophic coverage, which would lower the impact of reconstruction on the public sector, as well as initiatives aimed at preventing and mitigating environmental risks. We invest responsibly, excluding from our investment universe those companies that are involved in causing serious harm to the environment. We support research and studies on environmental risks.

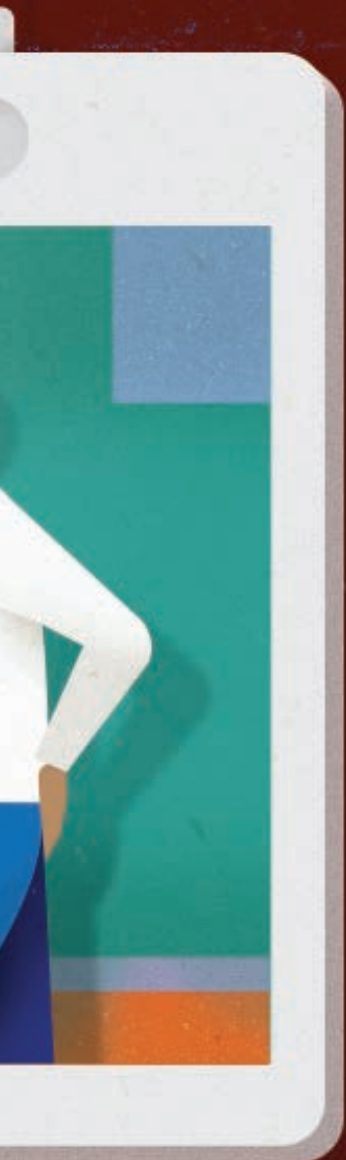


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Our risk management

We monitor and manage the consequences of a changing society. We offer **effective, flexible and modular solutions with high pension and assistance content** to cover healthcare expenses and any other possible current and future, individual and family requirements. We commit to strengthening dialogue with people, providing complete and easy-to-use information on products and services, helping them to understand the main risks that may impact their earning capacity and to accurately assess their capacity for saving and the financial gap between the pension that has accrued by the age of retirement and the projected income. We therefore believe it is important to provide support to face the possible needs of old age in due time with adequate financing, within a general context characterized by little knowledge of and propensity to seek out insurance solutions.





Management

Report

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Part A – Result of operations

Foreword

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

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

The data in this Management Report is expressed in millions of Euro, unless otherwise indicated.

Significant operations

- On 26 January 2016 the rating agency Fitch has confirmed Generali's and its subsidiaries IFS (Insurer Financial Strength) rating at A-; the outlook has been confirmed stable. The rating reflects the improvement in Group's capital position, the expectations that operating performance will remain strong and that management's ongoing focus will be to preserve capital and reduce financial leverage. On the basis of Fitch's internal model (FBM), Generali's score remained "strong" at end 2014 and it is now close to the "very strong" level, reflecting the improvement in the Group's capitalisation.
- On 26 January 2016, the Group CEO Mario Greco affirmed that he would be unwilling to serve another term as CEO. On 9 February the Board of Directors of Assicurazioni Generali approved the mutually agreed termination of all existing relations between Mr. Greco and the Company, in line with the Group's remuneration policies and resolved to assign temporarily the powers of Group CEO to the Chairman of the Company, Gabriele Galateri di Genola, pursuant to the Group's provisions for succession planning.
- In March, following the authorization request submitted by Assicurazioni Generali S.p.A., IVASS - the Italian Insurance Supervisory Authority - approved the use, starting from 1 January 2016, of a partial internal model to calculate the consolidated Solvency Capital Requirement at Group level as well as the Solvency Capital Requirement for its main Italian and German insurance companies, for the French Property&Casualty companies and for the Czech company Ceska Pojistovna a.s.
- On 17 March 2016, the Board of Directors of Assicurazioni Generali, following the selection process lead by the Appointments and Corporate Governance Committee, appointed Philippe Donnet as Group CEO, conferring him all related executive powers. The Board of Directors of Assicurazioni Generali also appointed the Group CFO Alberto Minali as General Manager of the Company.
- On 22 April 2016, Assicurazioni Generali completed the share capital increase to euro 1,559,883,538, in execution of the Long Term Incentive Plan adopted by the Shareholders' Meeting of the Company on 30 April 2013.
- On 28 April 2016, the Shareholders' Meeting elected the new Board of Directors to hold office for three financial years, until the approval of the financial statements of 31 December 2018. The following were elected from the majority list: Gabriele Galateri di Genola, Francesco Gaetano Caltagirone, Clemente Rebecchini, Philippe Donnet, Lorenzo Pelliccioli, Ornella Barra, Alberta Figari, Sabrina Pucci, Romolo Bardin, Paolo Di Benedetto and Diva Moriani. Paola Sapienza and Roberto Perotti were elected from the minority list presented by institutional investors. The Board of Directors appointed for the three years 2016-2018 Gabriele Galateri di Genola Chairman of the company, Francesco Gaetano Caltagirone and Clemente Rebecchini Deputy Chairmen, and Philippe Donnet Group CEO and Managing Director.
- In May Generali issued a subordinated bond for an overall amount of 850 mln, targeting institutional investors. The issuance is intended to refinance the subordinated debt issued by the subsidiary Generali Finance B.V. with the first call date in 2017, early repayment which, by law, is subject to prior authorization by IVASS, which amounts to 869 mln. The subordinated bond issue received ratings "BBB" by Fitch, "Baa3" by Moody's and "bbb+" by AM Best.
- On 12 July, Moody's affirmed the Baa1 IFS rating on Assicurazioni Generali, with a stable outlook. The af-

firmation reflects the Group's strong and diversified business profile, as well as the improvements in profitability and capitalisation over the recent years.

- On 19 October, the Board of Directors approved the project to transform the Panama branch into an insurance company in and of itself, through the incorporation of a newco under Panamanian law, wholly owned by Assicurazioni Generali S.p.A., to which the branch's assets and liabilities will be transferred.
- In October, AM Best and Fitch confirmed their ratings of Assicurazioni Generali at A and A-, respectively, both with a stable outlook.
- On 9 December, Moody's affirmed the Baa1 rating on Assicurazioni Generali, also confirming the stable outlook.
- In December, Assicurazioni Generali S.p.A. entered into an agreement with Horse Capital I, an Irish designated activity company, to protect the motor TPL loss ratio of 12 Group companies.
- During the second half of the year, the shareholdings were reorganized by means of the merger of Flandria Participations Financières S.A. into Participatie Maatschappij Graafschap Holland N.V. and the transfer of Generali Insurance AD to Generali CEE Holding B.V.

Overall economic performance

Net profit

+ 164.7 million

1,096.2 million

Profit from ordinary operations

+ 417.8 million

871.1 million

Profit from extraordinary operations

+ 301.5 million

34.8 million

Income taxes

+ 48.3 million

190.3 million

Net profit for the period amount to 1,096.2 million, showing an increase of 931.5 million with respect to the previous year. The increase is characterized by:

- An increase in the financial result from ordinary operations of 417.8 million, impacted by:
 - an increase in ordinary financial operations, net of technical interest attributed to the net life underwriting balance, of 515.9 million. This growth derives primarily from higher dividends from the subsidiaries and, to a lesser extent, lower net realized losses on investments;
 - a decrease in the net underwriting balance of 71.7 million. This decrease refers to both the non-life insurance business (-42.4 million) and the life insurance business (-29.1 million);
 - higher ordinary net costs of 26.2 million.
- considerable decrease in the financial result from extraordinary operations of 301.5 million. The previous year benefitted in particular from the positive effects of the transfer to Generali Holding Vienna of the shareholding in Generali Rückversicherung and the non-proportional demerger of Telco S.p.A., for a total of 293.5 million.
- An increase in tax income of 48.3 million, regarding mainly the net IRES tax income.

Overall economic performance

| (in million euro) | 2016 | 2015 |
|--|----------------|--------------|
| Result before taxation | 905.9 | 789.5 |
| Income tax | 190.3 | 142.0 |
| Profit for the year | 1,096.2 | 931.5 |
| Net premiums | 2,803.6 | 2,290.0 |
| Gross premiums from direct business | 887.5 | 595.0 |
| from indirect business | 2,780.1 | 2,518.1 |
| total | 3,667.6 | 3,113.1 |
| Change in technical provisions (a) | 160.2 | 367.6 |
| Claims, maturities and surrenders | -2,622.8 | -2,432.8 |
| Operating costs | -503.0 | -397.2 |
| Other technical income and charges | 5.7 | 8.9 |
| Technical interests of the life segment | 353.9 | 432.8 |
| Net underwriting balance | 197.6 | 269.3 |
| Income allocated to technical accounts | 382.0 | 218.9 |
| Net technical result | 579.6 | 488.2 |
| Financial result (b) | 2,110.7 | 1,673.8 |
| minus income allocated to technical accounts | -735.9 | -651.7 |
| Other ordinary income and charges | -1,083.3 | -1,057.1 |
| Profit from ordinary operations | 871.1 | 453.2 |
| Profits and losses on the realisation of other durable invest. | 54.7 | 294.1 |
| Other extraordinary income and charges | -19.9 | 42.2 |

(a) Including mathematical provisions.

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

| | 2016 | 2015 |
|----------------------------|-------------|-------------|
| Total expense ratio | 17.9 | 17.3 |
| Combined ratio | 89.6 | 83.1 |

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

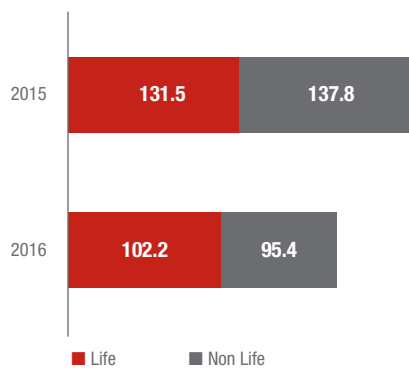
Ordinary operations

Technical result

Net technical result improves from 488.2 million to 579.6 million, against a decrease in the underwriting result of 71.7 million. Income allocated to the technical accounts,

net of life technical interest, rose by 163.1 million (from 218.9 million in the prior year to 382 million).

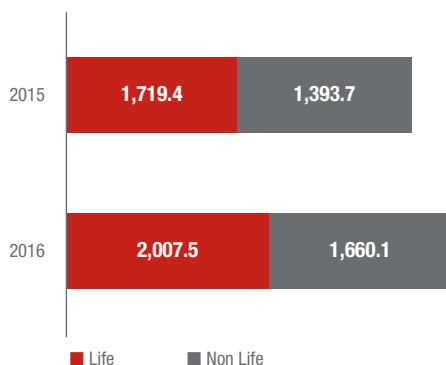
Net underwriting balance



As regards the net underwriting balance, down from 269.3 million to 197.6 million, the following should be noted:

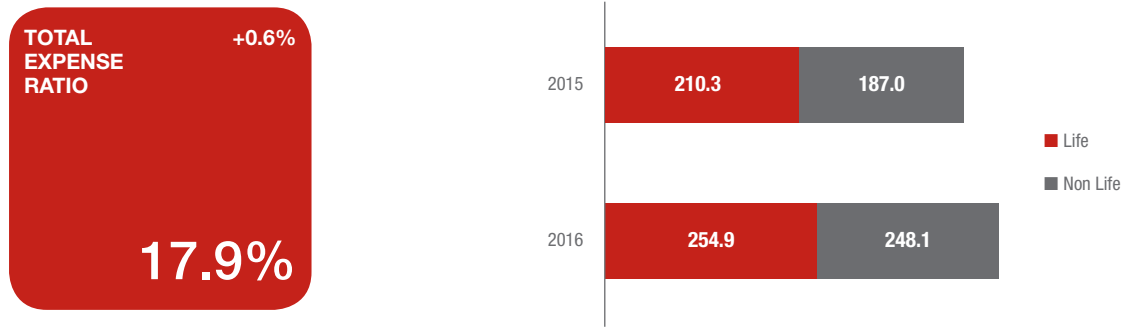
- for the non-life business, a reduction from 137.8 million to 95.4 million, driven by indirect business (from 124.3 million to 78.9 million) whilst direct business grows from 13.4 million to 16.6 million;
- as regards the life business, a reduction from 131.5 million to 102.2 million. The balance of indirect business declines from 175.9 million to 65.9 million, while the balance of direct business improves from -44.4 million last year to 36.3 million.

Total gross premiums

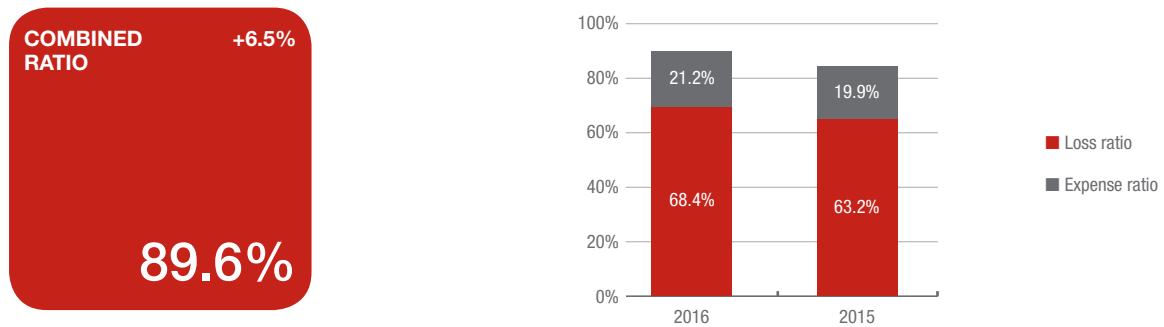


Gross written premiums amount to 3,667.6 million, significantly increasing versus the 3,113.1 million of the previous year. The growth refers to the life insurance business (from 1,719.4 to 2,007.5 million) and the non-life insurance business (from 1,393.7 to 1,660.1 million).

Acquisition and administration costs



Combined ratio



Total acquisition and administration costs total 503 million (397.2 million last year), and the ratio on net premiums stands at 17.9% (17.4% in the previous year). Acquisition costs total 418.4 million (325 million last year), and the ratio on net premiums stands at 14.9% (14.2% in the previous year). Administration costs total 84.6 million (72.2 million last year), and the ratio on net premiums stands at 3% (3.3% in the previous year).

The non-life loss ratio, net of reinsurance, stands at 68.4% compared with 63.2% in the previous year. This growth is impacted by indirect business, with a loss ratio that increased from 63.9% in the prior year to 70.2%. As regards direct business, there was substantial stability, from 61% in the previous year to 61.3%.

The combined effect of growth in the loss ratio and in acquisition and administration costs therefore resulted in a non-life net combined ratio of 89.6%, compared to 83.1% in the previous year.

Technical interests of the life segment amount to 353.9 million (432.7 million in the previous year).

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

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

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

The above-mentioned principles have been confirmed by the Board of Directors on 15 February 2017, which has also approved the structures in place during the year,

established in accordance with the reinsurance business model requiring the ceding of the treaties of fully-owned subsidiaries to the Parent Company, which in turn purchases suitable protection on behalf of the entire Group, benefiting from the advantages deriving from the amplitude of its portfolio and economies of scale.

The technical components of the life and non-life segments are provided below.

Business segments – life segment

Technical result

| (in million euro) | 2016 | 2015 |
|--|--------------|--------------|
| Net premiums | 1,635.6 | 1,353.6 |
| Gross premiums from direct business | 486.3 | 244.6 |
| from indirect business | 1,521.2 | 1,474.8 |
| Total | 2,007.5 | 1,719.4 |
| Change in technical provisions (a) | 211.5 | 384.6 |
| Claims, maturities and surrenders | -1,859.2 | -1,851.8 |
| Operating costs | -254.9 | -210.2 |
| Other technical income and charges | 15.3 | 22.5 |
| Technical interests of the life segment | 353.9 | 432.8 |
| Net underwriting balance | 102.2 | 131.5 |
| Allocated investment transferred to technical accounts | 259.0 | 157.7 |
| Net technical result | 361.2 | 289.2 |

(a) Including mathematical provisions

| % | 2016 | 2015 |
|-------------------------------------|------|------|
| Total expense ratio | 15.6 | 15.5 |
| Acquisition costs / net premium | 13.6 | 13.3 |
| Administration costs / net premiums | 2.0 | 2.2 |

Net technical result amounts to 361.2 million, up by 72 million compared with the previous year (289.2 million).

Income allocated to the technical accounts, net of life technical interest, amounts to 259 million (157.7 million in the previous year). This growth was impacted by the increase in ordinary financial activities (from 1,246.3 million to 1,295.3 million) as well as the decline in technical interests, which decrease the total income allocated. The decrease in technical interests of the life segment from 432.8 million to 353.9 million was driven by indirect business (from 366.5 million to 270.5 million) whilst direct business grows from 66.3 million to 83.4 million.

The net underwriting balance amounts to a total of 102.2 million, a decline with respect to 131.5 million in the previous year. This trend was affected by the contraction of indirect business (from 175.8 million to 65.9 million) largely attributable to the acceptances made by the companies of the Group, in part offset by growth in direct business (from -44.4 million in the previous year to 36.3 million). The significant growth in direct business was predominantly impacted by the UK branch, which last year saw a reinforcement of technical provisions in the individual annuities line in run-off and lower underwriting results for the employee benefits line.

Gross written premiums amount to 2,007.5 million, significantly increasing versus the 1,719.4 million of the previous year. In particular, the increase regards direct business, which was up from 244.6 million to 486.3 million, driven by the positive results from the marketing of new individual policy line insurance products by the Hong Kong branch. Indirect business, also up, amounts to 1,521.2 million versus the 1,474.8 million of the previous year.

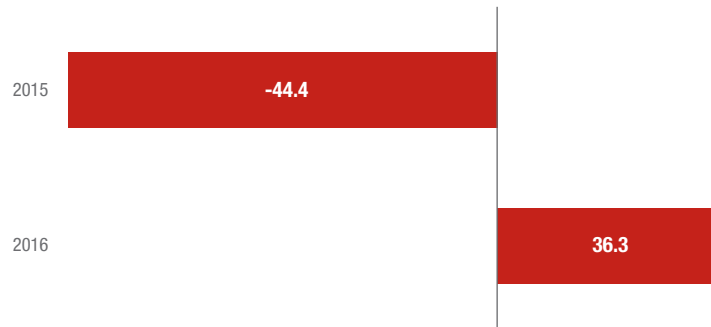
The businesses most concerned by this growth were LoB I, Life insurance (+262.9 million) and, to a lesser extent, LoB III, Unit linked life insurance (+20 million).

Acquisition and administration costs amount to 254.9 million, growth compared with 210.2 million of the prior year, with an expense ratio at 15.6%, rather stable compared to the previous year (15.5%). The ratio for acquisition costs was 13.6% (13.3% in the previous year), while the ratio for administration costs was 2%, down from 2.2%.

A discussion on the trends in the technical result, separately for direct and indirect business, follows.

Net underwriting result of the direct life business

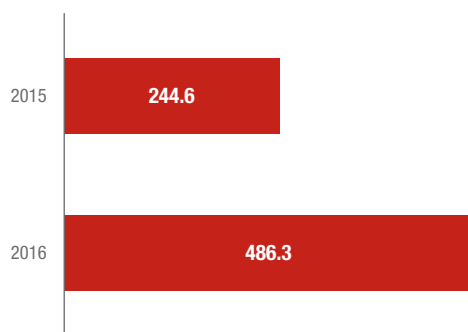
Technical result



The net underwriting result amounts to 36.3 million, a significant improvement compared with -44.4 million in the previous year. The UK branch, characterized in the previous year by a strengthening in the technical provisions of the individual annuities line in run off, in addition to a lower technical result of the employee benefits portfolio, had an impact on this trend.

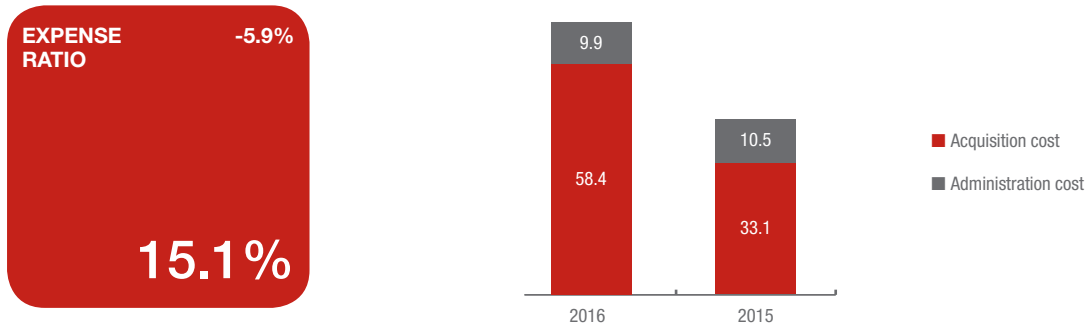
Technical interests increased from 66.3 million to 83.4 million. The growth refers in particular to LoB III (Unit linked life insurance) of the Dubai and UK branches.

Gross direct premiums



Gross premiums written amount to 486.3 million, significantly increasing versus the 244.6 million of the previous year. In particular, the increase regards the Hong Kong branch in LoB I (Life insurance) and derives from the marketing of new individual policy line insurance products.

Acquisition and administration costs



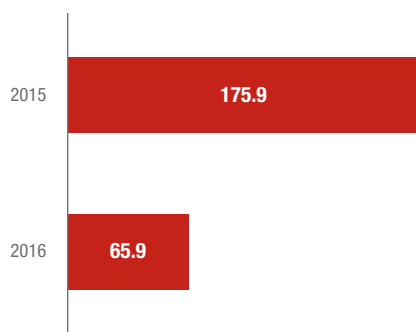
Acquisition and administration costs increased in absolute value (from 43.6 million to 68.3 million) but decreased in terms of ratio on net premiums (from 21.1% to 15.1%).

Specifically, acquisition costs increase from 33.1 million to 58.4 million with a ratio on net premiums decreasing from 16% to 12.9%. These trends are particularly linked to the growth, mentioned above, in business of the Hong Kong branch, characterized by a decreased weight in terms of commission expenses.

Administration costs amount to 9.9 million, compared with 10.5 million in the previous year. The reduction is more significant in terms of the ratio on net premiums (from 5.1% to 2.2%). The reduction in the incidence of administration costs on net premiums was caused by almost all of the Company's operating branches, and is particularly notable with reference to the Hong Kong branch.

Net underwriting result of the indirect life business

Net underwriting result



Net underwriting result amounts to 65.9 million, a significant reduction compared with 175.9 million of the previous year.

The technical result primarily includes reinsurance ac-

cepted directly by the Parent Company and those conveyed through the Generali Employee Benefits network.

Reinsurance accepted directly by the Parent Company represents the bulk in terms of technical commitments. Reinsurance derives mainly from Group companies through the following types of contracts: quota share, excess-of-loss and non-proportional. The Parent Company, therefore acts as the principal reinsurer for its own Subsidiaries, providing the necessary reinsurance protection whilst at the same time overseeing the reinsurance operations of Group Companies in any recourse to third party reinsurers outside the Group. Almost all these acceptances are retained by the Company, except for the necessary retrocessions to protect the portfolio and consisting of non-proportional excess-of-loss contracts for catastrophic events.

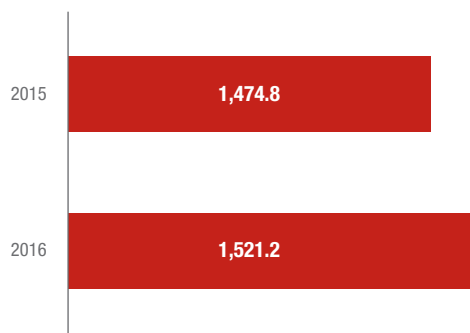
The underwriting results of reinsurance acceptances carried out directly by the Parent Company declined by 93.3 million (from 135.7 million to 42.4 million). The contraction regards the various reinsurance channels of the Group; the most significant drops regard reinsurance acceptances from the subsidiaries Alleanza Assicurazio-

ni S.p.A (-40.7 million) and Generali Levensverzekering Maatschappij N.V. (-25.5 million).

The result of reinsurance acceptances carried out by the Generali Employee Benefits network suffers a more limited contraction, equal to 16.7 million (from 40 million to 23.4 million), concentrated within the segment of non-group carriers.

Technical interests decreased from 366.5 million in the previous year to 270.5 million. The most significant drop regards reinsurance acceptances from Generali Levensverzekering Maatschappij N.V. (-60.7 million), which benefitted in the previous year from the particularly positive investment result. The reinsurance acceptances in run-off by Alleanza Assicurazioni S.p.A. showed a decrease of 43.7 million in technical interests.

Gross indirect premiums



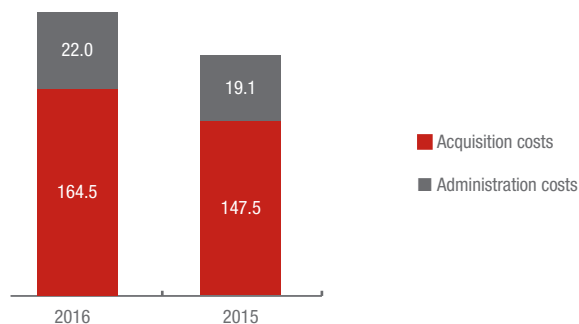
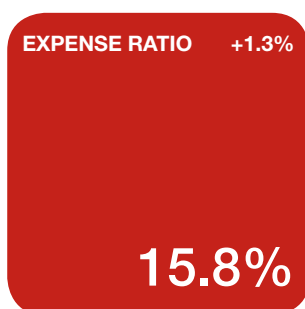
This growth is attributable to reinsurance acceptances through the Generali Employee Benefits (GEB) network, reduced in part by the decline in premiums accepted for reinsurance directly by the Parent Company.

Specifically, the contractions in gross premiums directly accepted by the Parent Company (from 515.2 million to 483.8 million) is affected by contractions in the acceptances in run off by the subsidiary Alleanza Assicurazioni S.p.A.

The growth in gross premiums written of the Generali Employee Benefits (GEB) network (from 958.8 million to 1,036.2 million) regards mainly non-Group carriers.

Gross written premiums amount to 1,521.2 million, increasing versus the 1,474.8 million of the previous year.

Acquisition and administration costs



Acquisition and administration costs amount to 186.6 million, an increase compared with 166.6 million of the prior year, with an expense ratio that rises from 14.5% to 15.8%.

Acquisition costs rise from 147.5 million to 164.5 million, with an expense ratio that rises from 12.9% to 13.9%. The increases are influenced by higher profit sharing re-

cognized on reinsurance acceptances by the subsidiary Generali Levensverzekering Maatschappij N.V.

Total administration costs total 22 million (19.1 million last year), and the ratio on net premiums stands at 1.9%

compared to 1.7% in the previous year. The growth in this ratio, although it was slight, was seen in direct acceptances of the Parent Company as well as those conveyed through the Generali Employee Benefits (GEB) network.

Business segments – non-life segment

Technical account performance

| (in million euro) | 2016 | 2015 |
|--|--------------|--------------|
| Net premiums | 1,168.0 | 936.4 |
| Gross premiums from direct business | 401.2 | 350.4 |
| from indirect business | 1,258.9 | 1,043.3 |
| Total | 1,660.1 | 1,393.7 |
| Change in technical provisions | -51.3 | -17.0 |
| Claims, maturities and surrenders | -763.6 | -581.0 |
| Operating costs | -248.1 | -187.0 |
| Other technical income and charges | -9.6 | -13.6 |
| Net underwriting balance | 95.4 | 137.8 |
| Allocated income transferred to technical accounts | 123.0 | 61.2 |
| Net technical result | 218.4 | 199.0 |

| % | 2016 | 2015 |
|-------------------------------------|------|------|
| Loss ratio | 68.4 | 63.2 |
| Total expense ratio | 21.2 | 19.9 |
| Acquisition costs / net premiums | 16.7 | 15.4 |
| Administration costs / net premiums | 4.5 | 4.5 |
| Combined ratio | 89.6 | 83.1 |

Net technical result amounts to a total of 218.4 million, up compared with the previous year (199 million).

The allocated income transferred to technical accounts shows growth from 61.2 million of the previous year to 123 million, a direct correlation with the relevant increase in non-life financial results (from 427.5 million to 815.4 million).

The net underwriting balance amounts to a total of 95.4 million, a significant reduction with respect to 137.8 million of the previous year. This trend was impacted by the contraction in indirect business (from 124.3 million to 78.9 million) whilst direct business grows from 13.4 million to 16.6 million.

Gross premiums written amount to 1,660.1 million, significantly increasing versus the 1,393.7 million of the previous year. This growth is driven by indirect business, with premiums up from 1,043.3 million in the previous year to 1,258.9 million. Direct business, also up, went from 350.4 million to 401.2 million.

The overall loss ratio amounts to 68.4% with respect to 63.2% in the prior year. The loss ratio of the direct business is equal to 61.3%, substantially stable with respect to 61% in the prior year. The indirect business ratio stands at 70.2% (63.9% in the previous year).

Acquisition and administration costs amount to 248.1 million, an increase compared with 187 million of the pre-

vious year. The increase involves both indirect business (from 121 million to 174.3 million) and direct business (from 66 million in the previous year to 73.7 million).

The ratio of total acquisition and administration costs to net premiums is 21.2% compared to 19.9% in the prior year. Acquisition costs, the ratio of which rose from 15.4% to 16.7%, influenced that trend, while the administration costs ratio remains stable at 4.5%.

The net combined ratio is 89.6% (90.7% in direct business and 89.2% in indirect business). In the previous year, this ratio totalled 83.1% (89.7% in direct business and 81% in indirect business).

A discussion on the trends in the technical result, separately for direct and indirect business, follows.

Net underwriting result of the direct non-life business

Net underwriting result



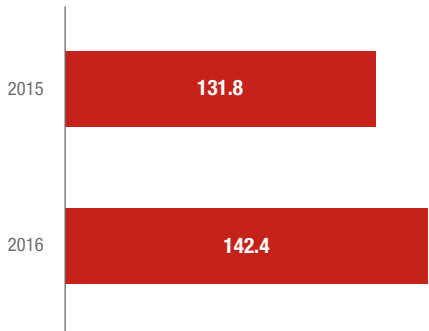
The net underwriting result amounts to 16.6 million (13.4 million in the previous year). There was growth for all of the Company's branches, with the exception of the Hong Kong and New York branches, characterized by growth in the current year loss ratio in the fire and healthcare lines of business for the former and the adoption of a business fronting-based model for the second.

Gross direct premiums



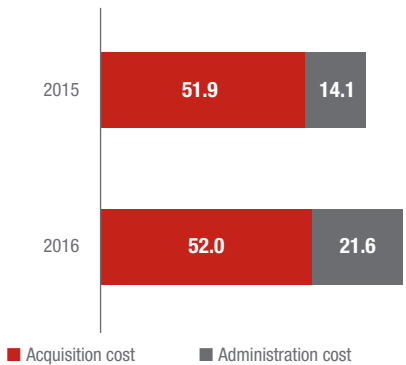
Gross premiums written amount to 401.2 million, increasing versus the 350.4 million of the previous year. Growth was seen in all Company branches for all lines of business.

Claims, maturities and surrenders



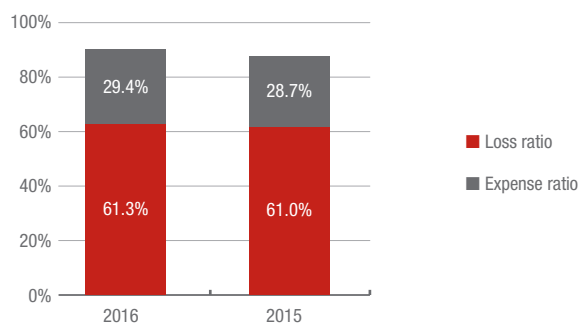
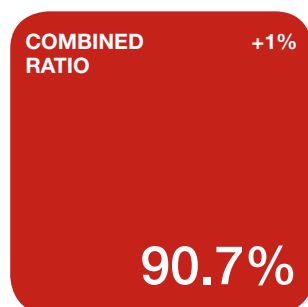
Claims, maturities and surrenders amount to 142.4 million (131.8 million in the previous year) with a loss ratio of 61.3%, substantially stable with respect to the previous year (61%).

Acquisition and administration costs



Acquisition and administration costs amount to 73.7 million (66 million in the previous year). The ratio with respect to net premiums rises from 28.7% to 29.4% (up from 6.1% to 8.6% for administration costs and, on the other hand, down from 22.6% to 20.8% for acquisition costs). The growth in the incidence of administration costs was driven in particular by the higher operating costs of the UK, New York and Hong Kong branches.

Combined ratio



The combined ratio stands at 90.7%, compared to 89.7% in the prior year, reflecting the performance shown above in relation to the loss ratio for the year and the ratio of acquisition and administration costs to net premiums.

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

Claims settlement velocity of the direct Italian portfolio

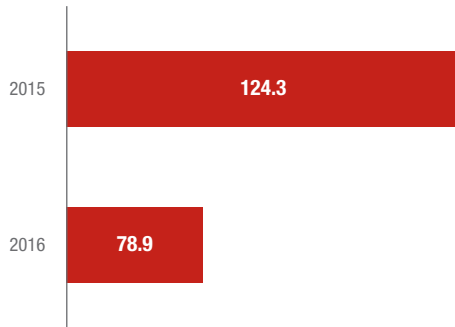
| | Claim settlement velocity % | |
|------------------------------------|-----------------------------|---------------|
| | Current origin year | Previous year |
| Motor TPL | 61.9 | 58.8 |
| Motor material damage | 95.2 | 96.0 |
| Accident | 24.1 | 55.6 |
| Health | 91.8 | 7.1 |
| Fire | 41.2 | 46.7 |
| Property other than fire | 24.8 | 48.9 |
| General Liability | 26.4 | 36.9 |
| Marine, aviation and transport (a) | 41.9 | 32.9 |
| Other LOB (b) | 32.5 | 53.4 |
| Total | 92.7 | 40.6 |

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

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

Net underwriting result of the indirect non-life business

Net underwriting result

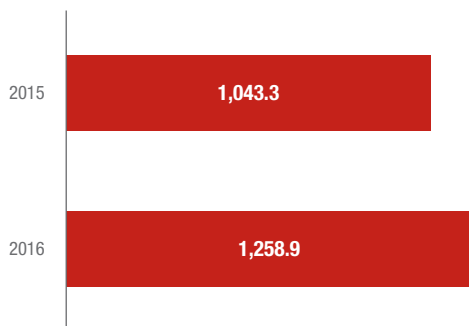


Net underwriting result amounts to a total of 78.9 million, a significant reduction compared with 124.3 million of the previous year.

The underwriting result of the indirect business includes reinsurance accepted directly by the Parent Company, the Generali Employee Benefits network and the foreign offices of the Company: London, New York, Panama, Dubai, Hong Kong and Tokyo.

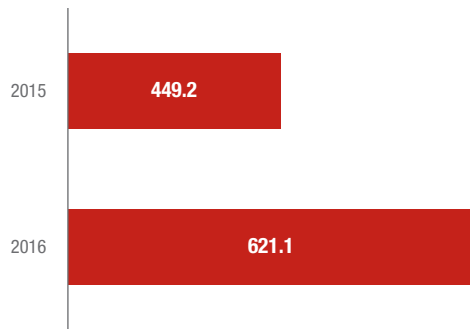
- With reference to the reinsurance acceptances carried out directly by the Parent Company, reinsurance flows mostly come from the Group companies, using proportional, non-proportional and facultative reinsurance contracts. The underwriting result in reinsurance directly accepted by the Parent Company amounts to a total of 59.7 million, a reduction with respect to 138.1 million of the previous year, impacted by a higher catastrophic loss ratio from certain Group companies.
- With regard to reinsurance accepted by the UK branch, both facultative and contractual primarily from other Group companies, the underwriting result amounts to 10.3 million, a net improvement compared to -10.7 million in the previous year.
- The Generali Employee Benefits (GEB) network, primarily accident and health lines of business, contributes -2.5 million compared with -11.8 million for the prior year. The development of business against stable claims, maturities and surrenders affected this improvement.
- With regard to reinsurance accepted in other branches, mainly facultative, the contribution to the underwriting result amounted to a total of 11.2 million (8.8 million in the prior year).

Gross indirect premiums



Gross written premiums amount to 1,258.9 million showing an increase versus 1,043.3 million of the previous year. The most significant increases regard the reinsurance accepted by the UK branch (from 250.8 million to 438.2 million) following the signing of new reinsurance agreements with the subsidiary Generali IARD in the Global Corporate & Commercial segment; as well as that accepted by the Hong Kong branch (from 37.4 million to 92.2 million) in the accident and healthcare lines of business and in the Global Corporate & Commercial segment.

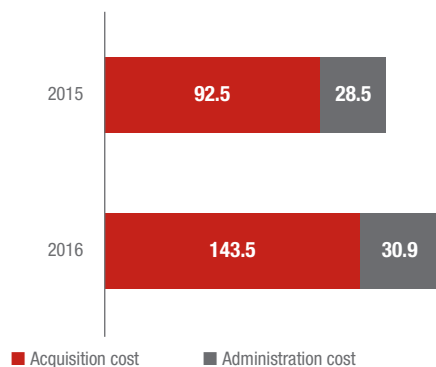
Claims, maturities and surrenders



Claims, maturities and surrenders amount to 621.1 million, an increase compared with 449.2 million of the previous year. The loss ratio, net of reinsurance, is equal to 70.2% (63.9% in the prior year).

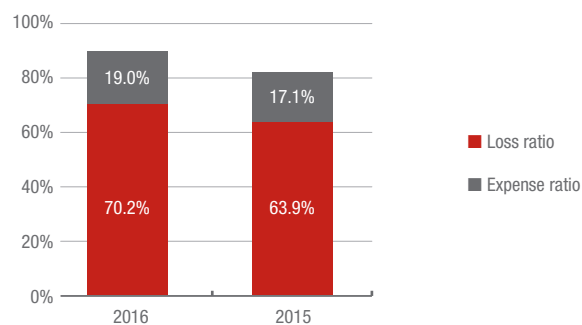
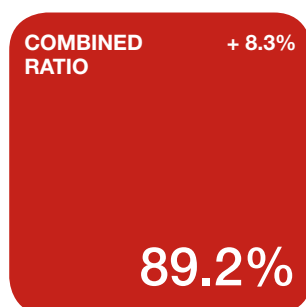
The most significant growth, in absolute terms, in claims, maturities and surrenders concerns the reinsurance accepted by the UK branch (from 159.1 million to 253.7 million) and that accepted directly by the Parent Company (from 151.1 million to 203.8 million). The loss ratio referring to the UK branch stands at 69.1% (81% in the previous year), and that of the Parent Company is 68.7% (45.5% in the prior year).

Acquisition and administration costs



Acquisition and administration costs amount to 174.3 million compared with 121 million of the previous year. The ratio on net premiums stands at 19% compared to 17.1% in the previous year. In particular, this performance is influenced by growth in the incidence of acquisition costs (from 13.1% to 15.6%); the ratio of administration costs to net premiums stands at 3.4% (4% in the prior year). The growth in the acquisition costs ratio is primarily attributable to higher commission expenses on new reinsurance agreements entered into by the UK branch within the Global Corporate & Commercial segment.

Combined ratio



The increase in the loss ratio and acquisition and administration costs to net premium ratio generated an increase in the combined ratio, from 81% in the previous year to 89.2%.

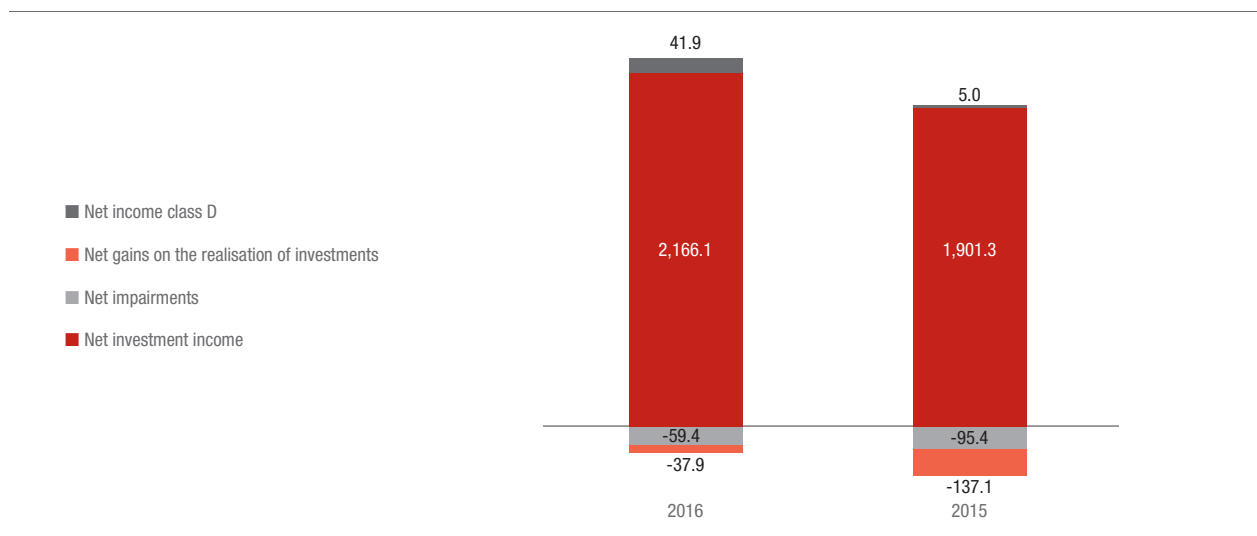
Financial result

Ordinary financial results include mainly the income from shares and other investments, net of related expenses, as well as net realized and unrealized gains and losses.

The results of the ordinary financial operations amount

to 2,110.7 million for the year and 1,673.8 million in the prior year. Investment return allocated to the technical accounts amounts to 735.9 for the year and 651.7 in the prior year.

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



The class D net income increases from 5 million in the previous year to 41.9 million. This year benefits mainly from greater interest on reinsurance deposits, which amounts to 26.4 million, compared to 9.8 million in the previous year, and higher net unrealized gains equal to 14.4 million, compared to -1.9 million in the previous year.

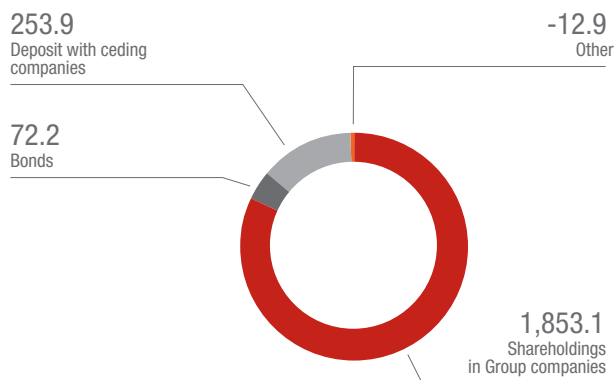
The write-down of investments, net of the gains and losses realized during the year, amounts to 59.4 million compared with 95.4 million in 2015. This balance is mainly influenced by write-downs in the equity portfolio (57.4 million) and in particular write-downs on the Lion River I (26.8 million), Fata Asigurari (8.9 million) and Generali Shared Service Scarl (7.3 million) shareholdings. In the previous year, equity portfolio write-downs totalled 67.3 million (of which 32.6 million relating to Generali Brasil de

Seguros and 17.9 million relating to Banca Popolare di Vicenza) and bond and real estate segment write-downs totalled 28.5 million.

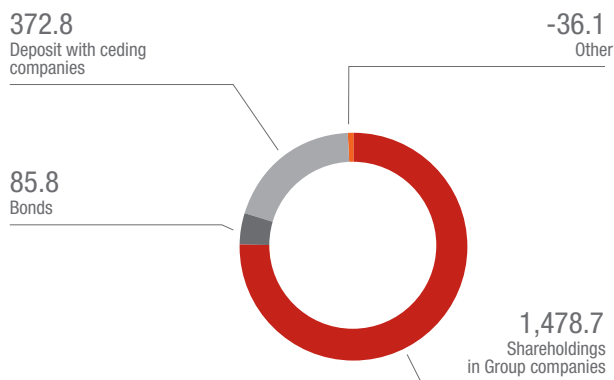
Net realized gains are negative for 37.9 million; in the previous year they were also negative for 137.1 million. In the current year, there were net realized losses deriving from the closure of certain derivative financial instrument positions (53.7 million), partially offset by realized gains from the disposal of mutual fund units (8.8 million) and shares and other investments (4.4 million). The previous year was negatively impacted by the realized loss from the transfer of Telecom Italia shares to UBS, in implementation of the forward sale agreements signed by the company between the end of 2014 and the start of 2015, for 161.4 million.

Details of the net income from investments, totalling 2,166.1 million (1,901.3 million in the previous year), are provided below.

Net investment income 2016



Net investment income 2015



The dividends received from the companies of the Group totalled 1,853.1 million, an increase of 374.3 million compared with the previous year (1,478.7 million). The main income from the shareholdings is the dividend received from Generali Italia, totalling 900 million (in line with the previous year). The increase with respect to the previous year is primarily attributable to the dividend of Generali CEE Holding BV equal to 230 million compared to 58.1 million in 2015 and the dividend of Generali France equal to 156.6 million, from which the Company received no dividend in 2015.

Net interest on reinsurance deposits amounts to 253.9 million, decreasing compared with the previous year (372.8 million). The contraction can be attributed primarily to the reinsurance acceptance from the subsidiary Generali Levensverzekering Maatschappij, which last

year benefitted from particularly positive financial profitability (decrease of 75.6 million), and that in run off of the subsidiary Alleanza Assicurazioni S.p.A. (decrease of 48.4 million).

Income from bonds is equal to 72.2 million (85.8 million in the previous year), of which 35.8 million deriving from government bonds (49.6 million in 2015) and 36.4 million deriving from corporate bonds (36.2 in 2015).

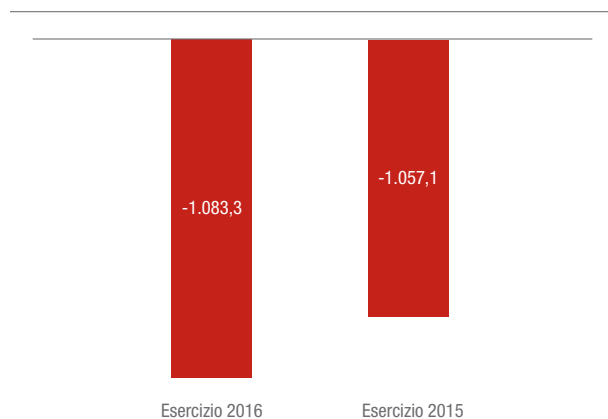
Other net income remains negative from -36.1 million to -12.9 million, due mainly to higher interest on loans with Group companies.

Ordinary return on investments¹, determined on the basis of the average rate of return, stands at 5.3%.

¹

The average rate of return on investments is the ratio of income for the period to half the sum of investments at book value at 31/12/2016 and 31/12/2015

Other ordinary income and charges



Other ordinary income and charges show a negative balance of 1,083.3 million, 26.2 million higher than the 1,057.1 million in the previous year.

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

| (in million euro) | 2016 | 2015 |
|--|-----------------|-----------------|
| Interest expenses on financial debt | -677.3 | -635.3 |
| Allocation to non technical provisions | -6.6 | 3.0 |
| Holding expenses | -352.1 | -346.2 |
| Amortisation of intangible assets | -20.3 | -10.6 |
| Other | -26.9 | -68.1 |
| Total | -1,083.3 | -1,057.1 |

The main components include interest expense on debt amounting to 677.3 million (635.3 million in 2015) and management and coordination costs of 352.1 million (346.2 million in 2015).

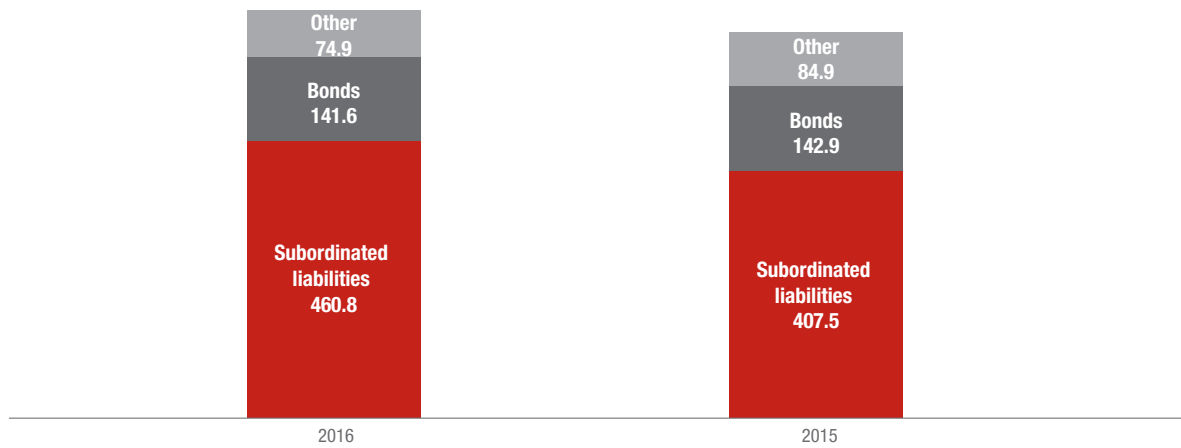
The balance of the allocation to non-technical provisions is -6.6 million. The most significant items which impacted the balance this year are future costs connected with voluntary retirement incentive plans equal to 11 million and withdrawals from tax provisions of 6.5 million.

Charges relating to the amortization of intangible assets amount to 20.3 million, an increase compared with 10.6 million of the previous year. The increase is linked mainly

to accelerated amortization relating to projects and systems inherent in the adoption of the new Solvency II regime.

The residual item has a negative balance of 26.9 million (68.1 million in 2015). The improvement of the item is associated mainly with the positive impact of the performance of exchange rates, that this year has entailed net income of 10.7 million, compared with the net cost of 17.6 million in 2015, therefore recording a positive change of 28.3 million, lower losses on receivables (+3.6 million) and lower interest expenses on financial debt deriving from reinsurance transactions (+4.5 million).

Interest expenses on financial debt



Interest expenses on financial debt of the Company amount to a total of 677.3 million, an increase from 635.3 million in 2015.

The increase relates to interest on subordinated liabilities of 460.8 million (407.5 million in the previous year). This increase is impacted primarily by the issue of two subordinated liabilities, of 1,250 million in October 2015 and 850 million in June 2016, respectively. The boost in interest on subordinated liabilities is partially offset by lower interest following the repayment of a subordinated liability of 468.1 million in June 2016.

Interest expenses on senior bond issues of 141.6 million were in line with the previous year (142.9 million).

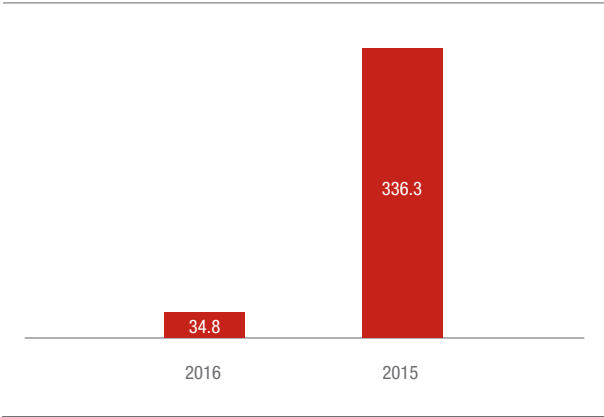
Interests from other loans decreased by 10 million compared to the previous year. The decrease derives mainly

from lower interest expenses on financial debt with respect to the subsidiary Generali Holding Vienna (-9.7 million), consistent with the contraction in debt in December 2015, against the set-off with the receivable that arose from the transfer of the shareholding in Generali Rückversicherung.

Holding expenses

Costs incurred by the Company for activities related to the management and coordination of the Group Companies amount to 352.1 million, up slightly compared to the prior year (346.2 million).

Extraordinary operations



The results from extraordinary operations are positive, at 34.8 million (336.3 million in the previous year).

Income taxes

Income taxes for the year show an overall income of 190.3 million (142 million in the previous year). They rose primarily due to IRES tax income, which increased from 172.6 million in the previous year to 217.7 million.

More specifically, IRES current income amounts to 205 million (211.5 million in the previous year), while the income for IRES deferred taxes totalled 12.8 million (the charge of 38.9 million last year included a negative component of 27.7 million due to the redetermination of the closing balances of pre-paid and deferred IRES taxes for a rate reduction from 27.5% to 24%, starting in 2017, as set forth in Law no. 208/2015).

This year's balance is mainly impacted by realized gains from the liquidation of the shares of Telco AG Srl (37.9 million), the disposal of shareholdings in Generali Insurance AD (8.9 million) and the disposal of Securis I Fund units (7.5 million).

Voluntary retirement incentive costs of 17 million also affected the results for the year.

The previous year was influenced by the positive effects of the transfer to Generali Holding Vienna of the shareholding in Generali Rückversicherung and the non-proportional demerger of Telco S.p.A., which entailed realized gains for respectively 249.5 million and 44 million.

Taxes also include an IRAP tax charge of 3.3 million (2.2 million in the previous year), a charge for taxes due in Italy on the income of certain Group Companies overseas (Controlled Foreign Companies – CFC) of 14.8 million (24 million last year) and lastly a charge for taxes paid abroad amounting to 9.4 million (4.4 million in the previous year).

Asset and financial management

Total asset and financial management

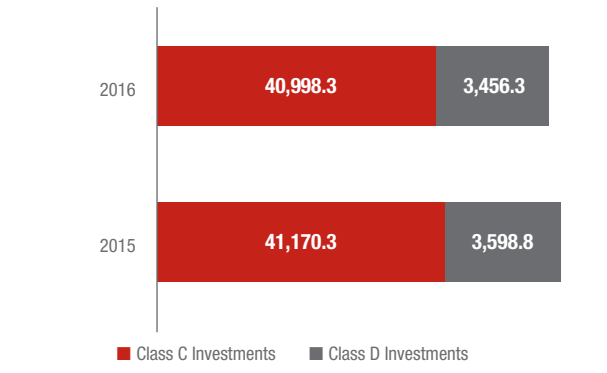
| (in million euro) | | 2016 | 2015 |
|--|----------|-----------------|-----------------|
| Intangible assets | | 33.2 | 37.3 |
| Investments | | 40,998.3 | 41,170.3 |
| Class D investments | | 3,456.3 | 3,598.8 |
| Reinsurers' share of technical provisions | Non-life | 518.0 | 536.0 |
| | Life | 396.2 | 356.9 |
| Total | | 914.2 | 892.9 |
| Debtors | | 1,759.8 | 1,281.1 |
| Other assets | | 913.1 | 776.0 |
| Accrued income and deferred charges | | 209.2 | 234.4 |
| TOTAL ASSETS | | 48,284.1 | 47,990.8 |
| Provisions for other risks and charges | | 113.3 | 106.7 |
| Deposits received from reinsurers | | 307.6 | 295.0 |
| Creditors and other liabilities | | 10,746.3 | 10,626.5 |
| Accrued expenses and deferred income | | 383.6 | 387.9 |
| Technical provisions non life | | 2,609.0 | 2,520.6 |
| Technical provisions life | class C | 8,909.9 | 8,897.2 |
| | class D | 3,454.1 | 3,595.2 |
| Total | | 12,364.0 | 12,492.4 |
| Subordinated liabilities | | 7,089.9 | 6,864.5 |
| Shareholders' funds | | 0 | 0 |
| Subscribed share capital or equivalent fund | | 1,559.9 | 1,556.9 |
| Reserves | | 12,014.2 | 12,208.8 |
| Profit for the year (a) | | 1,096.3 | 931.5 |
| Total | | 14,670.4 | 14,697.2 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | 48,284.1 | 47,990.8 |

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

Please note that following the adoption of Directive 2013/34/EC (the "Accounting Directive"), by means of

Legislative Decree 139/2015, IVASS, by Measure no. 53 of 6 December 2016, amended the financial statement layouts by eliminating own shares from the balance sheet assets, which are now recognized in a dedicated reserve in shareholders' fund. The comparative figure for 2015 was modified accordingly: total assets and liabilities are therefore 1.8 million lower than the figure published in last year's financial statements.

Investments



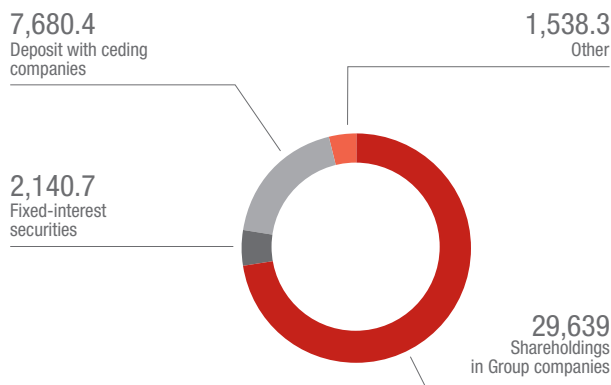
Total investments amounted to 44,454.6 million, compared to 44,769.1 million of the previous year.

Class C investments, i.e. the investments of the Company excluding those benefiting the life-insurance policyholders who bear the risk, show a decrease from 41,170.3 million to 40,998.3 million.

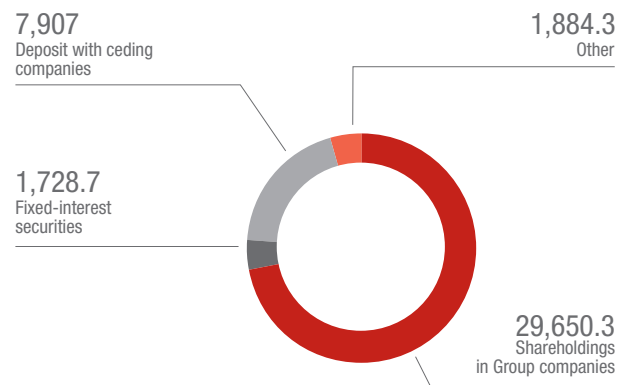
Class D investments, i.e. the investments of the Company benefiting the life-insurance policyholders who bear the risk, show a decrease from 3,598.8 million to 3,456.3 million.

Following are the changes, with comments, from the previous year in the components of the class C and D investments.

Investments 2016



Investments 2015



Shareholdings in Group companies decreased from 29,650.3 million to 29,639 million. This change was caused mainly by the liquidation of the shareholding in Telco AG S.r.l. (-56.7 million), the disposal of the shareholding in Generali Insurance A (-34.1 million) and the write-down on the shareholding in Lion River I (-26.9 million). These effects are mostly offset by the increase in the value of the shareholdings in Generali Brasil Seguros SA (+89.6 million), Generali Vietnam Life Insurance Ltd (+22.8 million) and Generali Companhia de Seguros S.A. (+17 million).

Reinsurance deposits decreased from 7,907 million to

7,680.4 million. Within the life line, reinsurance deposits decreased from 7,515.4 million to 7,275.9 million, due primarily to the ongoing contraction of the portfolio in run-off accepted by the subsidiary Alleanza Assicurazioni S.p.A. In the non-life line, reinsurance deposits amount to 404.5 million (391.6 million in the prior year) and refer for the most part to reinsurance agreements entered into by the UK branch with the Group Company Generali Iard, within the Global Corporate & Commercial segment.

The decrease of 346 million in the item "Other" (from 1,884.3 million of the previous year to 1,538.3 million) derives primarily from lower shares of mutual investment

funds for 703.4 million (related almost entirely to the disposal of shares of the Generali Money Market fund), partially offset by the issuance of a loan receivable of 381.1 million to Generali Finance.

Bond investments amount to 2,140.7 million, an increase from the previous year (1,728.7 million). The increase can be attributed to higher investments in government

bonds (222.6 million) and investments in corporate bonds (189.3).

Class D investments declined from 3,598.8 million to 3,456.3 million, primarily as a result of the reduction in reinsurance deposits received from the subsidiary Generali Paneurope. This reduction derives from the increase in surrenders seen this year for that reinsurance agreement.

Net technical Provisions

| (in million euro) | Amount | | Change | Incidence % | |
|---|-----------------|-----------------|-------------|--------------|--------------|
| | 2016 | 2015 | | 2016 | 2015 |
| Technical prov. of life business | 11,967.7 | 12,135.4 | -1.4 | 85.1 | 85.9 |
| Mathematical provision | 7,587.7 | 7,677.1 | -1.2 | 54.0 | 54.4 |
| Provision for claims outstanding | 815.4 | 746.5 | 9.2 | 5.8 | 5.3 |
| Provisions relating to contracts linked to investments funds and market index and relating to the adm. of pension funds | 3,454.1 | 3,595.2 | -3.9 | 24.6 | 25.5 |
| Other provisions | 110.5 | 116.6 | -5.2 | 0.8 | 0.8 |
| Technical prov. of non life business | 2,091.0 | 1,984.6 | 5.4 | 14.9 | 14.1 |
| Provision for unearned premiums | 317.3 | 270.9 | 17.1 | 2.3 | 1.9 |
| Provision for claims outstanding | 1,773.5 | 1,713.6 | 3.5 | 12.6 | 12.1 |
| Other provisions | 0.2 | 0.1 | 84.0 | 0.0 | 0.0 |
| Total life and non life business | 14,058.7 | 14,120.0 | -0.4 | 100.0 | 100.0 |

As regards Technical provisions of the Life business, the decrease in mathematical provisions (from 7,677.1 million to 7,587.7 million) is primarily due to:

- the reduction in reserves accepted for reinsurance by the Parent Company (233.8 million), influenced by the natural decrease tied to the portfolio in run-off by the subsidiary Alleanza Assicurazione S.p.A.;
- the reduction in reserves of the UK branch (88.2 million), primarily due to favourable pound/euro exchange rate trends;
- the increase in reserves of the Hong Kong branch (226 million), closely correlated with the development of new business.

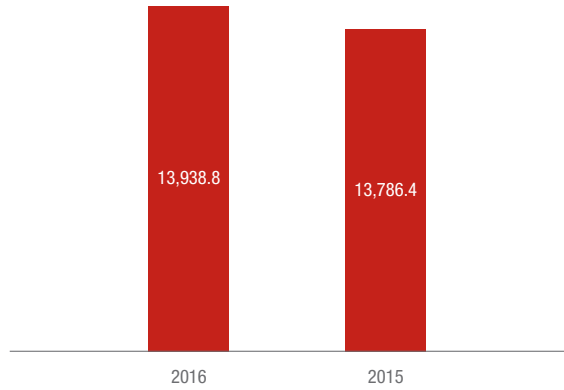
As regards the amounts to be paid, the growth (from 746.5 million to 815.4 million) is primarily affected by the

reinsurance accepted through the Generali Employee Benefits network.

The reduction in technical provisions tied to the management of internal funds (from 3,595.2 million to 3,454.1 million) derives, in particular, from the increase in surrenders inherent in the reinsurance acceptances of the subsidiary Generali Paneurope.

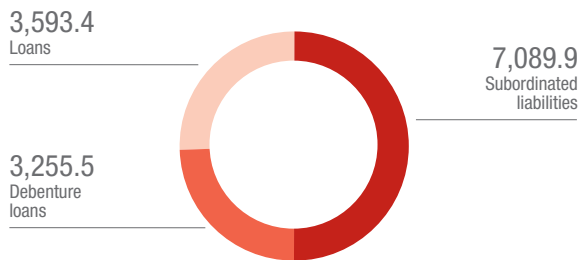
Non-life technical provisions rose from 1,984.6 million to 2,091 million. Growth was impacted by the provision for unearned premiums (from 270.9 million to 317.3 million) as well as the provision for claims outstanding (from 1,713.6 million to 1,773.5 million), consistent with business development and with the loss ratio performance described above.

Debt management

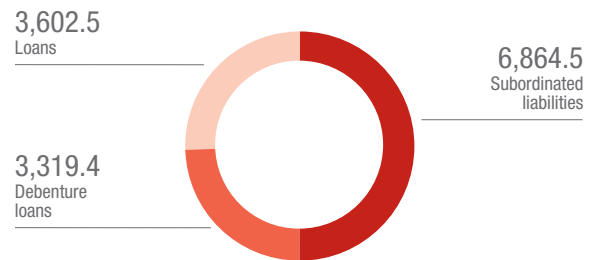


The total debt of the Company increased by 152.4 million, from 13,786.4 to 13,938.8 million.

Debt 2016



Debt 2015



As regards subordinated liabilities, the increase of 225.4 million is characterized by:

- a new issue in June 2016, with maturity in 2048 and call date in 2028 for 850 million;
- repayment of a subordinated debt in pounds for 468.1 million;
- a decrease of 156.5 million in equivalent value in euro of the remaining liabilities in pounds.

Loans declined slightly against the repayment of the loan from the subsidiary Caja de Ahorro y Seguro S.A. in the amount of 9.1 million.

Bond issues decreased with the payment of the annual portion of 63.9 million of the senior bond issued to fund the tax recognition of goodwill relating to Alleanza Assicurazioni S.p.A.

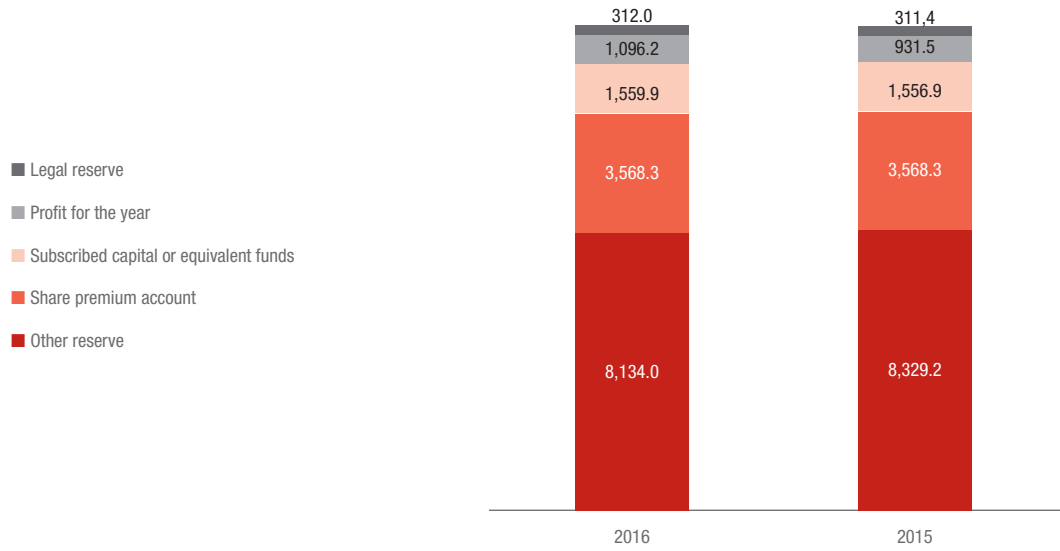
Subordinated liabilities

| Nominal interest rate | Nominal value | Currency | Book value | Issue date | Call | Expiration date |
|-----------------------|---------------|----------|------------|------------|------------|-----------------|
| 6.27% | 350.0 | GBP | 410.0 | 16/06/2006 | 16/06/2026 | PERP |
| 6.42% | 495.0 | GBP | 579.9 | 08/02/2007 | 08/02/2022 | PERP |
| 7.90% | 100.0 | EUR | 100.0 | 19/12/2008 | 19/12/2018 | PERP |
| 7.68% | 150.0 | EUR | 150.0 | 19/11/2008 | 19/11/2018 | PERP |
| 7.24% | 350.0 | EUR | 350.0 | 04/03/2009 | 04/03/2019 | PERP |
| 8.50% | 350.0 | EUR | 350.0 | 06/03/2009 | 06/03/2019 | PERP |
| 9.00% | 50.0 | EUR | 50.0 | 15/07/2009 | 15/07/2019 | PERP |
| 10.13% | 750.0 | EUR | 750.0 | 10/07/2012 | 10/07/2022 | 10/07/2042 |
| 7.75% | 1,250.0 | EUR | 1,250.0 | 12/12/2012 | 12/12/2022 | 12/12/2042 |
| 4.13% | 1,000.0 | EUR | 1,000.0 | 04/05/2014 | n.d | 02/05/2026 |
| 5.50% | 1,250.0 | EUR | 1,250.0 | 27/10/2015 | 27/10/2027 | 27/10/2047 |
| 5.00% | 850.0 | EUR | 850.0 | 08/06/2016 | 08/06/2028 | 08/06/2048 |

Debenture loans

| Nominal interest rate | Nominal value | Currency | Book value | Issue value | Expiration date |
|-----------------------|---------------|----------|------------|-------------|-----------------|
| 5.13% | 1,750.0 | EUR | 1,750.0 | 16/09/2009 | 16/09/2024 |
| EURIBOR 12M + 220 bps | 560.0 | EUR | 255.5 | 12/05/2010 | 14/12/2020 |
| 2.87% | 1,250.0 | EUR | 1,250.0 | 14/01/2014 | 14/01/2020 |

Shareholders' Fund



Shareholders' Fund amounts to 14,670.3 million compared with 14,697.2 million in the previous year.

The subscribed capital rose by 3 million following the assignment of Generali shares in favour of Group management on 21 April 2016, in implementation of the Long Term Incentive Plan 2013. The legal reserve rose by 0.6 million in order to reach the minimum level required by law.

The decrease in other reserves of 195.2 million (from 8,329.2 million to 8,134 million) reflects the withdrawals carried out to pay the dividend last year (192.2 million) and for the above-mentioned share capital increase (3 million).

Negative reserve for own shares held was introduced in implementation of the provisions of Legislative Decree no. 139 of 2015, resulting in the simultaneous adjustment of the comparative data of last year. The above-mentioned amendments indeed eliminated the recognition of own shares in the balance sheet assets, which are now deducted directly from shareholders' fund by means of a dedicated reserve.

In this regard, please note that the portfolio includes 107,256 own shares with a nominal value of 1 euro each.

Personnel organisation and social and environmental commitment

2,010

employees

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

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

As at 31 December 2016, the Company employs a workforce of 2,010 (2,138 units at 31 December 2015), including a total of 890 staff employed in the foreign branches (1,000 at 31 December 2015).

Our policy, named Generali People Strategy, is founded on four priorities:

- promoting engagement and empowerment;
- strengthening the skills of our leaders and talents;
- building a lean organisation and developing new skills;
- promoting a culture focused on the customer.

We believe that it is fundamental **to promote the engagement and empowerment of people** so that they can make sound decisions, demonstrate leadership and meet the customers' needs.

7,334

man-days
training

Training has always been a key priority involving all our employees.

With the objective of favouring the growth of our leaders and talents and investing in the improvement of their skills and expertise, training has been redeveloped based on different programmes which are international in scope and aim to enhance strategic thought and leadership capacities, provide management instruments and accelerate the shift from manager to leader (Global Leadership Programs).

In parallel, the New Managerial System project was also launched, meant to design and provide, starting in 2017, a managerial development programme to all Group managers in accordance with a shared and uniform model for all Group geographies and business units.

At the same time, with a view to boosting and updating managerial, transversal and technical skills, international training programmes have been confirmed and renewed for all company employees, on both technical (Generali Advanced Technical Excellence) and managerial (Managerial and Cross Functional Training) matters, addressed to managers, middle managers and professionals.



Generali Advanced Technical Excellence (GATE) is a long-term programme designed to support the consolidation, updating and innovation of technical capacities and the Group's insurance know-how by sharing best practices and experiences.

In 2016, the Global Graduate Program continued, an initiative that started in 2015 to promote cultural change, to develop Generali's international reputation as a top employer and to guarantee the leadership continuity line with the hiring of 20 young talented university graduates. In addition, to support organizational development processes, a new training initiative for all human resources managers has been created on the topic of Performance Management.

And there were also the usual training and refresher courses for the development of language skills, as well as initiatives to support the specialized knowledge of specific professional families, such as the topics addressed in the Internal Audit Programme.

In terms of compulsory training, courses continued regarding the security measures to be adopted in the processing of personal data (Legislative Decree 196/2003) and the control of aspects related to health and safety in the workplace (Legislative Decree 81/2008). For purposes of continuity, courses also continued with a view to favouring the dissemination and operational application of the "Organisational, management and control model" as required by Legislative Decree 231/2001 and knowledge of topics concerning the prevention of money laundering and terrorist financing, which were extended to broader portions of the company population.

With respect to training oriented towards regulatory updating, employees were required to participate in specific e-learning classes regarding the processing of privileged information (in compliance with the provisions set forth in the Group policy), while particular attention was dedicated to training and awareness-raising, through specific dedicated initiatives, on matters dealt with in the Code of Conduct.

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

In 2016, the average gross salary of administrative personnel amounted to 109,704 euro versus 101,834 euro in 2015. The average cost amounted to 156,881 euro (145,497 euro in 2015).

We also offer additional benefits including supplementary pension plans, death or permanent disability insurance, long term care insurance, discounted insurance coverage extendable also to family members and a company welfare plan. To reconcile work, personal and family commitments, our em-



In the beginning of 2016, a Performance Management training initiative was carried out for all human resources managers at the Group Head Office. This class, based on the results of the first Global Engagement Survey, which revealed the need to implement a solid performance assessment system for all employees, was based on the sharing of the company's performance management system process and instruments enabling the proper assessment and sharing of employee performance.

employees can also benefit from flexible hours, part-time work, unpaid leave of absence and child day-care.

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

As regards the **environment** we have been managing for years, on an on-going basis and adopting a structured methodology, our environmental impact, demonstrating even a stronger commitment after the success of the Paris agreement ratified in 2015 by the Conference of Parties to the Climate Convention (COP21), which officially entered into force in 2016. We intend to take an active role in supporting the transition toward a more sustainable economy and society. We will continue to monitor and reduce our direct impact and to favour any reduction in global warming under 2°C, through our products, services and investments, by dialoguing and cooperating

€ 109,704

gross average
remuneration

€ 156,881

average cost

with Governments and Associations, consistent with the content of our Group Policy **regarding Environment and Climate.**

To achieve the objectives contained in the Policy, we decided to implement an **Environmental Management System** aimed at the continuous improvement and reduction of risks related to the environment and climate. As regards direct impacts resulting from carrying out our activities, we have been committed for years to reduce our consumption of energy, water and paper, and to make the management of waste more efficient, as well as to improve inter-company mobility. For instance, we often intervene in our real estate assets, according to eco-efficiency criteria, using state of the art equipment and technologies. We give priority to the use of eco-sustainable resources, such as power provided by renewable energy sources, as well as the use of certified paper. All the electric power provided to our offices is certified with the guarantee of the renewable origins of the sources.

We are committed to reduce travelling and to enhance further the tools used for remote communication, by setting up video conference rooms, and the availability of dedicated tools for individual workstations.

Our vehicle policy provides for maximum limits in order to cut carbon dioxide emissions from the company's vehicles and our travel policy prefers the use of public transportation or car-pooling.

In the last few years, we have also invested significantly in waste collection and recycling, since we are aware that nothing should be wasted and everything should be recycled or reused. All our offices have available containers for waste collection, separating paper and cardboard, plastic, glass and aluminium. All our initiatives are focused on minimizing our **greenhouse gas emissions** and reaching our objective of a further **20% reduction by 2020.**



In order to increase the credibility of our reporting and the results obtained, starting in 2011 we have applied for and obtained from RINA (Organismo di Certificazione RINA Services S.p.A.) certification according to ISO 14064-1 about the direct emissions deriving from the combustion of fossil fuels purchased for heating, for the production of electrical and thermal energy, for the supply of the corporate fleet (Scope 1), and about the Indirect emissions deriving from energy consumption (Scope 2). The 2016 data is in the certification phase.

Furthermore, by adopting appropriate measures, we may be able to persuade, within our areas of influence, particularly our customers/consumers, suppliers and companies in which we invest, to adopt eco-sustainable behaviours. We are also aware of the importance of innovation and are committed to invest in research and studies in this area. For this reason we participate in several initiatives and work groups about environmental issues related to climate change. In particular, in 2016, we provided our contribution to the working group promoted by UNEP and the Ministry of the Environment for the production of the Financing the Future report, which identifies possible actions aimed at improving the integration of sustainability factors in decision-making strategies and processes in the Italian financial sector.



These and other social and environmental aspects are discussed in the Group's Sustainability Report 2016

Litigation

As at 31 December 2016, the Company was a party to 67 legal actions, for the most part as the defendant.

The lawsuits generated by the insurance activities of the Company totalled 29 units.

With reference to tax litigation, the contested amounts in the various proceedings concern indirect taxation, and are, in general, of a non-significant amount.

Shareholders, share performance and stock options

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

On the basis of article 36 of Consob resolution no. 16191/07, as subsequently amended, and article 2.6.2, paragraph 12, of Rules for the Markets organized and managed by Borsa Italiana S.p.A., it is hereby certified that in the Generali Group are met the "conditions for the

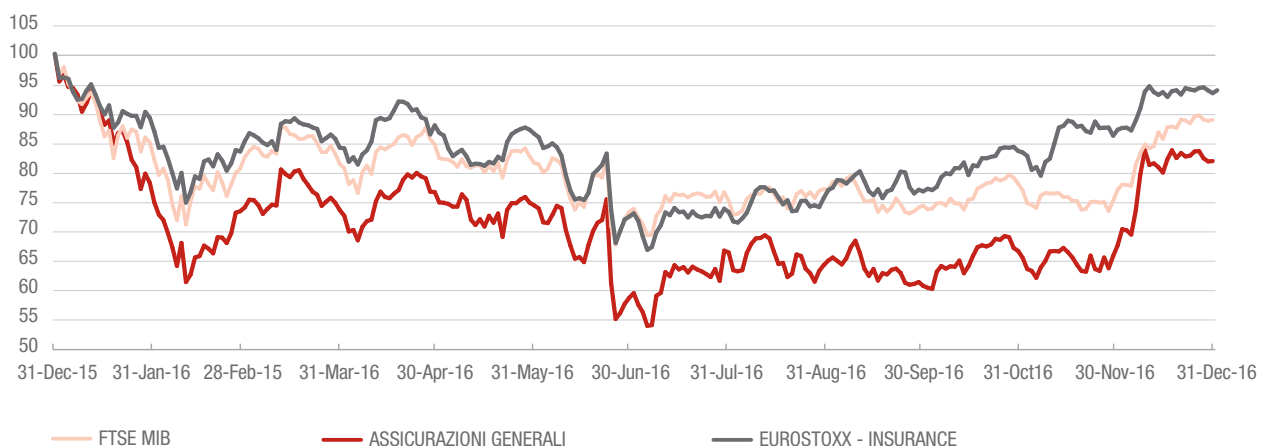
listing of shares of companies with control over companies established and regulated under the law of non-EU countries" and that adequate procedures have already been adopted to ensure full compliance with the foregoing regulation.

Direction and coordination

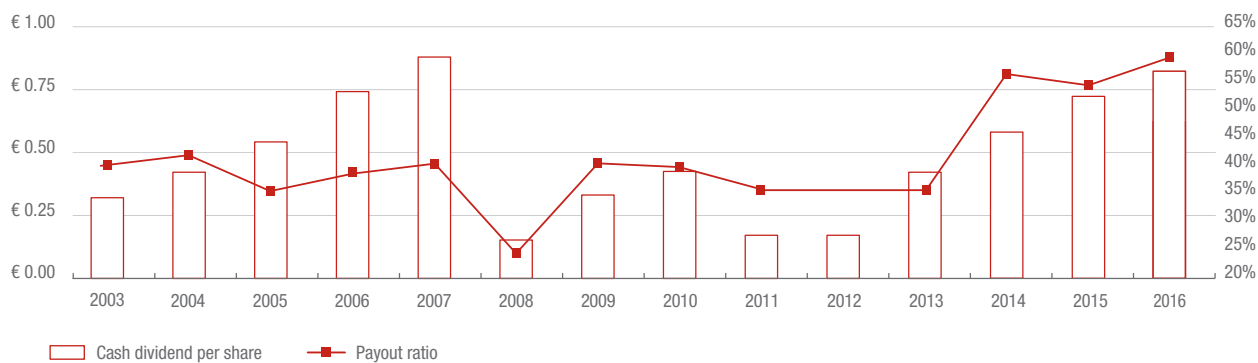
No legal or natural person, directly or indirectly, individually or jointly, holds a number of shares sufficient to give such person a controlling interest in the Company. Under the provisions introduced with the Reform of Company Law, the Company is not subject to the direction and coordination of any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

Stock performance

As at 30 December 2016, the closing price of Generali stock was € 14.12. Since the beginning of 2016, the stock reached its lowest level at € 9.83 on 7 July 2016 and its maximum of € 16.37 on 5 January 2016. The market capitalization at 31 December 2016 was € 20,026 million.



Dividend per share and payout ratio²



Main indicators per share

| | 2016 | 2015 |
|--|---------------|---------------|
| Per share informations | | |
| EPS | 1.34 | 1.30 |
| Operating earning per share | 1.64 | 1.64 |
| DPS | 0.80 | 0.72 |
| Payout ratio | 60% | 55.2% |
| Total dividend (in € million) | 1,249 | 1,121 |
| Share price information (in euro) | | |
| Share price | 14.12 | 16.92 |
| Minimum share price | 9.82 | 15.26 |
| Maximum share price | 16.37 | 19.07 |
| Average share price | 12.42 | 17.35 |
| Share volume information | | |
| Weighted average number of ordinary shares outstanding | 1,558,512,070 | 1,556,428,701 |
| Market capitalization (in € million) | 22,026 | 26,342 |
| Average daily number of traded shares | 9,962,523 | 7,603,419 |
| Total shareholders' return (*) | -11.60 | 2.95 |

* (total dividend + var.share price during the reference period)/share price at the beginning of the year

Stock option

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

²

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

Information regarding own shares

As at 31 December 2016, the Company held 107,256 own shares with a nominal value of 1 euro each, the same as the previous year.

Other information

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

Transactions with related parties

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

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

With regard to CONSOB communications 97001574 of 1997, 98015375 of 1998 and 6064293 of 2006 concerning transactions with related parties, the Company states that transactions with Group companies are conducted as part of its normal activity of coordination and are, moreover, subject to specific ISVAP (now IVASS) supervisory controls. No transactions carried out during the year were atypical with respect to normal business operations. The main intra-Group transactions, settled at fair market conditions or at cost, involved reinsurance and co-insurance, administration and management of the securities and property portfolio, claims management and settlement, IT services, loans and guarantees and

loans to employees. The above-mentioned transactions and contractual performances permitted operational functions to be rationalized and the level of services to be improved.

For further details, see the Explanatory Notes.

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

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

Article 30 paragraph 2 of the Law 03/24/2012 no.27 introduced the requirement for insurance companies authorized to operate in the motor vehicle liability line of business, to indicate an estimate of the reduction in charges for fraudulent, claims resulting in from independent fraud control and prevention activities. IVASS on 11 March 2014, in a letter, provided stringent and unique calculation rules to the entire market, including the obligation to publish the estimated savings in a report attached to the financial statements. Based on the above and on the calculations made by the Company, no amounts are to be disclosed for 2016.

Group highlights

Economic highlights

| (in million euro) | 2016 | 2015 |
|-------------------------------|--------|--------|
| Gross written premiums | 70,513 | 74,165 |
| Consolidated operating result | 4,830 | 4,785 |
| Operating return on equity | 13.5% | 14.0% |
| Result of the period | 2,081 | 2,030 |

Financial highlights

| (in million euro) | 2016 | 2015 |
|--|---------|---------|
| Total investments | 474,069 | 452,662 |
| Total third parties asset under management | 56,324 | 47,159 |
| Regulatory Solvency II | 177% | 171% |
| Economic Solvency II | 194% | 202% |

The Generali Group's consolidated financial statements as at 31 December 2016 were prepared taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606/2002, the Legislative Decree No. 58/1998 and Legislative Decree No. 209/2005, as amended by Legislative Decree No. 32/2007.

Consolidated entities were 428 as at 31 December 2016 compared to 435 as at 31 December 2015. In detail, entities consolidated line by line decreased from 394 to 393 and those valued at equity decrease to 35.

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

Significant events after 31 december 2016

- On 23 January 2017, the voting rights were acquired on 505 million shares of Intesa Sanpaolo S.p.A., amounting to 3.01% of the share capital, through a securities lending transaction.
- On 25 January 2017, the Board of Statutory Auditors decided to suspend the collaboration relationship with the General Manager and Group CFO Alberto

Minali and, after obtaining the favourable opinion of the Board of Statutory Auditors, appointed Luigi Lubelli as the new Group CFO. All first-level corporate functions that reported to the General Manager now report directly to the Group CEO Philippe Donnet.

- On 17 February 2017, 510 million ordinary shares were acquired, amounting to 3.04% of the share capital, and at the same time the procedure to end the securities lending transaction was launched. To protect from the economic risk connected to the acquisition of those shares, a hedging transaction was carried out using collateralized derivatives.

Conclusion and outlook for operations

The International Monetary Fund has forecast global growth of 3.4% in 2017, compared to 3.1% in 2016. In particular, the Eurozone, United Kingdom and Chinese economies are expected to slow down, while the US economy should accelerate and Russia and Brazil are expected to exit their recessions. In the Eurozone, GDP growth is expected to decline from 1.7% in 2016 to 1.4% in 2017, primarily as a result of weaker economic performance in Germany and Spain, while inflation in the Eurozone is expected to rise from 0.3% to 1.1%, driven by a modest recovery in some commodities. In this context

of economic weakness, the ECB will maintain an accommodating position, although towards the end of the year speculation will rise on the exit of the Central Bank from its quantitative easing programme. In 2017, US interest rates are expected to rise, driven by the Fed's gradual exit from quantitative easing, and long-term rates in the Eurozone should increase as well, especially towards the end of the year.

Combined with a high degree of uncertainty on the political front, these elements will once again create a challenging environment for investors. Forecasts point to a modest recovery in the Eurozone equity market and less brilliant performance than last year in the United States.

In 2017, within the insurance sector, the main countries of the Eurozone (Italy, Germany, France and Spain) are expected to show a good performance in 2017 in the P&C business, which should recover in Italy as well. The life segment, influenced by low interest rates, will show signs of difficulty once again in 2017, except in Italy, where life premiums are expected to improve compared to 2016.

To be noted is that the catastrophic events occurring all over the world in 2016 did not have a significant impact on the reinsurance industry. The continuing absence of economic impacts from significant catastrophic events has generated a prolonged reduction in reinsurance costs. Within a similar context, the Generali Group has benefited from the favourable market trend, obtaining competitive coverage renewals for the year 2017.

The results for the year of the Parent Company will be mainly influenced by the ability of the subsidiaries to distribute dividends, against limited growth of total costs for management and coordination and financial charges. Moderate growth for the result of the insurance activity is reasonably foreseeable, in particular for life insurance.

Based on the scenarios described above an increase in net profit is expected for the Company compared to 2016.

Part B – Risk report

Executive Summary

The purpose of the Risk Report is to provide an overview on the Company's Solvency Position and risk profile, as well as its risk management framework.

From January 1, 2016 Generali Group and the Company have to comply with Solvency II regulation, which requires capital to be held for all quantifiable risks.

Solvency II allows the use of internal models to calculate capital requirements to better reflect the risk profile. To this end, the Company requested to the Supervisory Authority the authorization for the use of its own Partial Internal Model³ (PIM) to calculate the Solvency Capital Requirement (SCR). In March 2016, the Supervisory Authority granted its approval. The PIM has become the cornerstone of the risk assessment and measurement framework, both at Group and at Company level, and its use is embedded in all risk and capital management related processes.

The Regulatory Solvency Ratio, estimated on the basis of preliminary data, amounts to 239.1%⁴.

The final Solvency Ratio and the impact of long term guarantees used will be disclosed according to the deadlines for the publishing of the Solvency and Financial Condition Report (SFCR).

Since Assicurazioni Generali S.p.A. is the Parent Company of the Generali Group, the participations in subsidiaries represents the main asset class within the Financial Statement. As a result, the main contribution to the risk profile is given by equity risk.

The level of liquidity risk is low, confirming the sound liquidity position and the effective coordination of the liquidity cash flows between the Parent Company and its subsidiaries.

The sound management of all risks is based on a structured risk management system, including clear risk governance, written risk policies and additional tools to strengthen risk management even in contingent severe events.

Within the direction and coordination role of the Group, the Recovery Plan, the Liquidity Risk Management Plan and the Systemic Risk Management Plan, defined following the Financial Stability Board (FSB) and the International Association of Insurance Supervisors (IAIS) standards, have been updated.

Compared to previous year, current Risk Report structure has been updated to better reflect Solvency II framework. In particular:

- Section B, provides for a brief description of the risk management system;
- Section C presents the Company solvency position and key elements of the capital management;
- Section D provides an overview of the risk profile of the Company.

Risk Management System

Risk Governance

Risk governance is a part of the broader internal control and risk management system.

The internal control and risk management system is the set of rules, procedures and structures that ensure the effective operation of the Company and enable it to identify, manage and monitor the main risks to which it is exposed. Key elements of the system are:

- Internal control environment and activities;
- Awareness and monitoring;
- Reporting duties;
- Roles and responsibilities that the Board of Directors (BoD) and its committees, the Senior Management, including the Chief Executive Officer (CEO), also acting as the Director in charge of the internal control and risk management system, and the Chief Financial Officer (CFO), appointed as Manager in charge of the preparation of the Company's financial reports, as well as risk owners and Control Functions must discharge within the internal control and risk management system.

³

The Internal Model is defined as Partial because it covers all risks except operational risk and because the approval has been provided for the main Generali Group companies at a first stage, with an extension plan to cover the other entities under implementation.

⁴

On the basis of IVASS Provvedimento n. 53, 2016 the SCR and MCR calculations to be disclosed in the Annual Report can rely on a preliminary estimate.

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

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

Internal Audit together with Actuarial, Compliance and Risk Management Functions represent the “Control Functions”.

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

- The BoD defines, with the Risk and Control Committee’s support, the guidelines of the internal control and risk management system and assesses its adequacy, effectiveness and functioning, at least once a year. It also defines the organizational set-up, appoints the heads of the Control Functions and defines their mandates, adopts Group risk policies, approves the ORSA results and based on them defines the risk appetite and tolerance limits;
- The Senior Management is then responsible for executing the defined strategy, implements the internal control system and keeps it suitable and effective;
- Control Functions are established at Group level and within the operating entities:
 - The Risk Management Function acts as a guarantor of the correct implementation of the risk man-

agement system and its integration into business processes and supports the BoD and the Senior Management in the main business decision-making processes;

- The Compliance Function grants the internal control system’s adequateness to manage compliance risks, thus contributing to maintain Group’s integrity and reputation;
- The Group Actuarial Function coordinates the technical provisions calculation and grants their adequacy of underlying methodologies, models and assumptions, and verifies the quality of the related data;
- The Internal Audit Function verifies business processes and the adequacy and effectiveness of controls in place. Its independence is granted by its direct reporting to BoD.

Heads of Control Functions report functionally to the BoD except the head of Group Internal Audit who reports hierarchically and functionally to the BoD.

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

Risk Management System

The principles defining the risk management system are provided in the Risk Management Policy⁵, which is the cornerstone of all risk-related policies and guidelines. The Risk Management Policy covers all risks the Company is exposed to, on a current and forward-looking basis.

⁵

The Group Risk Management Policy covers all Solvency II risk categories and, in order to adequately deal with each specific risk category and the underlying business processes, it is complemented by the following risk policies: Group Investment Governance Policy; Group P&C and Reserving Policy; Group Life and Reserving Policy; Group Operational Risk Management Policy; Group Liquidity Risk Management Policy and other risk-related policies, such as Group Capital Management Policy.

The Risk Management process is defined in the following phases:



1. Risk identification

The purpose of the risk identification is to ensure that all material risks to which the Company is exposed are properly identified. To this end, the Risk Management Function interacts with the main Business Functions in order to identify the main risks, assess their importance and ensure that adequate measures are taken to mitigate them according to a sound governance process. Within this process, emerging risks are also considered.

The categorization of identified risks is consistent with the structure foreseen by IVASS Regulation n. 20, March 26, 2008.

2. Risk measurement

Identified risks are then measured through their contribution to the capital requirement, complemented by other modelling techniques deemed appropriate and proportionate to better reflect the Company risk profile. Using the same metric for measuring the risks and the capital requirements ensures that each risk is covered by an adequate amount of capital that could absorb the loss incurred if the risk were to materialize.

The capital requirement is calculated by means of the Generali Group's Partial Internal Model (PIM) for financial, credit, life and non-life underwriting risks. Operational risks are measured by means of EIOPA Standard Formula complemented by quantitative and qualitative risk assessments. The PIM provides an accurate representation of the main risks to which the Company is exposed, measuring not only the impact of each risk taken individually but also their combined impact on the Company's Own Funds.

PIM methodology and governance are provided in section Solvency Position.

Risks not included in the capital requirement calculation, such as liquidity risk and other risks are evaluated based

on quantitative and qualitative techniques, models and additional stress testing or scenario analysis.

3. Risk management and control

Company risks are managed in line with the risk appetite set by the BoD within the Group Risk Appetite Framework (RAF). Within its coordination and direction role, the Company sets the risk strategy, which is then cascaded to Group companies. The RAF defines the level of acceptable risk in conducting business and thus provides the overall framework for embedding risk management into business processes.

The RAF statement is complemented by qualitative assertions (risk preferences) supporting the decision making processes as well as by risk tolerances providing quantitative boundaries, limiting excessive risk-taking.

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

4. Risk reporting

The purpose of risk monitoring and reporting is to keep Business Functions, Senior Management, BoD and the Supervisory Authority aware and informed on the development of the risk profile, on the risk trends and on the breaches of risk tolerances.

The Own Risk and Solvency Assessment Report (ORSA Report) is the main risk reporting process and is coordinated by the Risk Management Function. Its purpose is to provide the assessment of risks and of the overall solvency needs on a current and forward-looking basis. The ORSA process ensures an ongoing assessment of

the Solvency Position based on the Strategic Plan and on the Group Capital Management Plan, followed by a regular communication of ORSA results to the Supervisory Authority after BoD approval.

The ORSA process documents and properly assesses the main risks the Company is exposed to, on the basis of its Strategic Plan. It includes an assessment of the risks in scope of the SCR calculation, along with other risks that are not included in SCR calculation.

The ORSA Report is produced on an annual basis, at Company level and at Group level. After discussion and approval by the BoD, assisted by the Risk and Control Committee, both Reports are submitted to the Supervisory Authority.

Solvency Position

Solvency II Capital Position

Risk and capital management are closely integrated processes aimed at managing the Company's Solvency Position (or capital position) and risk profile.

The Solvency Position is defined, within Solvency II, as the ratio between Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).

In compliance with IVASS *Provvedimento* n. 53, issued in December 2016, the SCR and Minimum Capital Requirement (MCR) data hereby reported are based on a preliminary estimate.

Preliminary SCR Coverage⁶

| (€ milion) | SCR Coverage |
|------------------|--------------|
| EOF to cover SCR | 39,825.0 |
| SCR | 16,705.9 |
| Solvency Ratio | 238.4% |

EOF to cover SCR are derived starting from Net Equity and revaluing all assets and liabilities at market value. In respect of Net Equity following main adjustments are applied:

- Intangible assets are eliminated;
- Investments (incl. participations and bonds) are revaluated at fair value;
- Technical provisions (TPs) are accounted based on Solvency II rules, as a sum of best estimate of liabilities and risk margin ;
- Other non-technical provisions (i.e. financial and subordinated debt) are revaluated at fair value;
- Finally, net deferred taxes on above evaluations are applied and the amounts of foreseeable dividends and Company's own shares are deducted.

Subordinated debt (with specific features in terms of availability, sufficient duration and absence of incentives to redeem or encumbrances) eligible to cover the SCR amounts to €7.7 bn (more details on financial debt are presented in the Parent Company Balance sheet and Profit and Loss account).

Own Funds (OF) are classified into tiers, representing different levels of quality with respect to loss-absorbing capacity criteria.

OF classified as Tier 2 refer to subordinated debt, while Tier 3 OF refer to deferred taxes.

⁶ Preliminary figures, estimated considering a dividend proposed of €0.80 per share.

⁷ Solvency II Technical Provision reliability and adequacy are evaluated by the Actuarial Function.

⁸ To grant a high quality of capital available, the amounts of Tier 2 and Tier 3 items eligible to cover the SCR are subject to the following limits. The eligible amount of Tier 1 items shall be at least one half of the SCR; in case of admissible subordinated liabilities and preference shares, exceeding 20% of total Tier 1, it is downgraded towards Tier 2. The eligible amount of Tier 3 items shall be less than 15% of the SCR. The sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 50% of the SCR.

EOF a copertura del SCR

| (€ million) | Total | Tier 1 | Tier 1 (restricted) | Tier 2 | Tier 3 |
|-------------|----------|----------|------------------------|---------|--------|
| EOF | 39,825.0 | 31,540.8 | 2,309.6 | 5,406.5 | 568.0 |

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

In addition to SCR coverage, the Company calculates the Minimum Capital Requirement (MCR). Under Solvency II, the MCR calculation is required to determine

the minimum level of capital, under which the Company would be exposed to an unacceptable level of risk when allowed to continue its operations. The MCR remains within the corridor between 25% and 45% SCR. Moreover, to define MCR coverage, stricter OF eligibility rules are applied⁹. The MCR coverage ratio is presented in the following table.

Preliminary MCR Coverage

| (€ million) | Copertura MCR |
|------------------|---------------|
| EOF to cover MCR | 34,685.7 |
| MCR | 4,176.5 |
| Solvency Ratio | 830.5% |

The EOF to cover MCR are presented below:

Total EOF to meet the MCR

| (€ million) | Totale | Tier 1 | Tier 1 (restricted) | Tier 2 | Tier 3 |
|-------------|----------|----------|------------------------|--------|--------|
| EOF | 34,685.7 | 31,540.8 | 2,309.6 | 835.3 | 0.0 |

Group Partial Internal Model (Group PIM)

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

The Group PIM is structured around a specific Risk Map, which contains all quantifiable risks that Generali has identified as relevant to its business, allowing for the

calculation of the SCR at single risk level and at higher aggregation levels.

1. Group PIM Methodology

In implementing the Model, the Group has employed a Monte-Carlo approach with “proxy functions” to determine the full probability distribution (PDF) of the change in the Basic Own Funds over a 1-year horizon.

The Own Funds probability distribution allows to de-

⁹

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

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

2. Group PIM Governance

Governance and processes regarding the Internal Model are defined in the Internal Model Governance Policy to ensure:

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

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

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

The Group CRO defines the processes and controls to ensure the ongoing appropriateness of the design and operations of the Group PIM, so that it continues to appropriately reflect the Group risk profile. The Group CRO is also responsible for defining the methodology of each model component, on the basis of the Group Internal Model Committee proposals, as well as for the results production.

The Group CEO, within the Balance Sheet Committee,

is kept informed on key steps and results of the Internal Model Process. The BoD, assisted by the Risk and Control Committee, ensures the ongoing appropriateness of the design and operations, the ongoing compliance of the Group PIM and also that the Internal Model continues to appropriately reflect the risk profile of the Company.

3. Group PIM Validation

The Group PIM is subject to regular independent Validation on an ongoing basis, which aims to gain independent assurance of the completeness, robustness and reliability of the processes and results of the Internal Model as well as their compliance with the Solvency II regulatory requirements. In particular, the Validation output is designed to support Senior Management and BoD in understanding the appropriateness of the Internal Model, including areas of weaknesses and limitations, especially with regard to its use.

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

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

In order to warrant the appropriateness of the array of elements contained within the Internal Model, the Validation covers both the quantitative and qualitative aspects of the Model, and is therefore not limited to the calculation engine and methodology. Other important items such as Data Quality, documentation and uses of the Model are validated accordingly.

Risk Profile

Life Underwriting Risk

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

The life portfolio has a prevailing component of traditional savings business. The portfolio also includes some annuity portfolios, with the presence of longevity risk, pure risk

covers, with related mortality risk, and non-traditional business (unit-linked) accepted from Group companies.

Life and health underwriting risks include biometric and operating risks embedded in the life and health insurance policies. Biometric risks derive from the uncertainty in the assumptions regarding mortality, longevity, health, morbidity and disability rates taken into account in the insurance liability valuations. Operating risks derive from the uncertainty regarding the amount of expenses and the adverse exercise of contractual options by policyholders. The lapse of the policy is the most significant contractual option held by the policyholders, together with the possibility to reduce, suspend or partially redeem the insurance coverage.

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

Capital requirements for life underwriting risks are calculated on the basis of the difference between the Solvency II technical provisions before and after the application of the stress. Life underwriting risks are measured by means of the PIM.

Life underwriting risk contribution to the Company risk profile remains limited because of the high level of diversification with other risks.

Life underwriting risk management inherent to direct business, being less significant component of the portfolio, is based on the product pricing process. This process consists of setting product features and assumptions regarding expenses, biometric and policyholders' behaviour assumptions so as to allow the Company to withstand any adverse development in the realization of these assumptions.

To mitigate life underwriting risks, the Company reinsures part of its business to external reinsurers. The reinsurance program is updated on an annual basis and subject to the Life Actuarial Function opinion regarding its adequacy in accordance with the Group Actuarial Function Policy and related guidelines.

Non-Life Underwriting Risk

Given the Company acts as the main reinsurer of Generali Group companies, the P&C underwriting risks mostly derive from its indirect business. In terms of premium portfolio, the intragroup reinsurance accepted represents the most significant component.

The Company direct business covers retail, middle market and corporate & commercial segments. The Company underwrites mainly through UK branch and Generali Employee Benefits (GEB) network, respectively in corporate & commercial and employee benefit business. Outside Europe, the Company underwrites business through its branches based in New York, Panama, Hong Kong, Dubai and Tokyo.

Non-life underwriting risks arise in relation to the perils covered and the processes used in the conduct of the business model described above. They include the risk of underestimating the frequency and/or severity of the claims in defining pricing and reserves (respectively pricing risk and reserving risk), the risk of losses arising from extreme or exceptional events (catastrophe risk) and the risk of policyholders lapses:

- The pricing and catastrophe risks derive from the possibility that premiums are not sufficient to cover future claims, contracts expenses and extremely volatile events;
- The reserving risk relates to the uncertainty of the claims reserves' run-off around its expected value;
- The lapse risk arises from the uncertainty of the underwriting profits recognised in the premium provisions.

The non-life underwriting risks are measured by means of the Group PIM. For the majority of risks, the assessments are based on in-house developed models and external models which are primarily used to assess the catastrophic events, for which the broad market experience is considered beneficial.

The non-life underwriting risk contribution to the Company's risk profile remains limited, given the high level of diversification of the portfolio and with other risks.

Given the risks reinsured are written in a number of different regions and through the branches, the Company's underwriting profile presents a substantial level of diversification. Moreover, the Company monitors the level of risk concentration, mostly for catastrophe risks and commercial risks, coordinated at central level and representing the key source of concentration.

Reinsurance is the key risk mitigation technique for non-life portfolio. It aims at optimizing the use of risk capital by ceding part of the underwriting risk to selected counterparties simultaneously minimizing the credit risk associated with such operation. The P&C reinsurance strategy of the Company is strongly linked with the P&C reinsurance strategy of the Group and it is developed consistently with the risk appetite and the risk preferences defined in the Risk Appetite Framework, taking into account the reinsurance market cycle. The Company has historically preferred traditional reinsurance as a tool for mitigating P&C catastrophe risk. This has been achieved through a centralized approach where the Company accepts risks from its subsidiaries (allowing for few exceptions, when local regulation prevents it) and places part of these risks towards the market.

The reinsurance program is updated annually and is subject to the Actuarial Function opinion regarding its adequacy in accordance with the Group Actuarial Function Policy and related guidelines.

Due to the increasing weight of European windstorm exposures in the protected portfolio in the past years, part of these exposures have been carved out from the main reinsurance protection and placed in the Insurance-Linked Securities (ILS) market, keeping the dominant Italian exposure in the traditional reinsurance market with a consequent optimization of the overall pricing.

Alternative risk transfer solutions are continuously analyzed and options for the implementation of such tools are present in order to adopt more competitive reinsurance solutions. As an example, in addition to traditional reinsurance, a protection has been recently placed on the capital market to reduce the impact of a high Loss Ratio for what concerns the Group Motor liability portfolio.

Financial Risk and Credit Risk

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

Moreover, as a result of its insurance activity, the Company invests the collected premiums in a wide variety of financial assets, with the purpose of honoring future promises to policyholders and generating value for its shareholders. Therefore, the Company is exposed to the risk that invested assets do not perform as expected because of falling or volatile market prices and that cash of maturing bonds are reinvested at unfavourable market conditions, typically lower interest rates.

Financial risks are measured by means of the Group PIM.

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

To ensure a comprehensive management of the impact of financial and credit risks on assets and liabilities, the Strategic Asset Allocation (SAA) process needs to be liability-driven and strongly interdependent with the underwriting process. For this reason the Company has integrated the Strategic Asset Allocation (SAA) and the Asset Liability Management (ALM) within the same process. The aim of the SAA&ALM process is to define the most efficient combination of asset classes which, according to the "Prudent Person Principle" set out in the Solvency II Directive and related relevant implementation measures, maximizes the investment contribution to value creation, taking into account solvency, actuarial and accounting indicators. The aim is not just to mitigate risks but to define an optimal risk-return profile that satisfies both the return target and the risk strategy over the Business Planning period.

The asset portfolio is invested and rebalanced according to the asset class and duration weights. One of the main risk mitigation techniques used by the Company consists in liability driven management of the assets, which aims at granting a comprehensive management of assets taking into account the Company liabilities structure (e.g. interest rate and currency risk are mitigated when a movement observed on the asset side would correspond to an offsetting movement on the liability side of the balance sheet).

ALM&SAA activities aim at ensuring that the Company holds sufficient and adequate assets in order to reach defined targets and meet liability obligations. To that purpose, analyses of asset-liability relationship under a range of market scenarios and expected/stressed investment conditions are conducted.

Close interaction between the Investment, Finance, Actuarial, Treasury and Risk Management Functions is pursued in order to ensure that the ALM&SAA process remains consistent with the risk strategy, Strategic Planning and Capital Allocation processes.

The annual SAA proposal:

- Defines target exposure and limits for each relevant asset class;
- Embeds the deliberate ALM mismatches permitted and potential mitigation actions that can be enabled on the investment side.

Regarding specific asset classes such as (i) private equity, (ii) alternative fixed income, (iii) hedge funds, (iv) derivatives and structured products, the Company has centralized their management and monitoring. In particular:

- These kind of investments are subject to accurate due diligence in order to assess their quality, the level of risk related to the investment and its consistency with the defined liability-driven SAA;
- The extent and thoroughness of the analysis may vary according to criteria such as the investment structure under evaluation, the volume of investments and the regulatory framework.

The Company uses also derivatives with the aim of mitigating the risk of the asset or/and liability portfolios. The derivatives help the Company to improve the quality, liquidity and profitability of the portfolio, according to the Business Planning targets. Operations in derivatives are subject to a regular monitoring and reporting process, depending on their purpose of hedging/effective mana-

gement. Specific authorizations are to be requested before entry into derivatives transaction.

In addition to financial risk, the Company is exposed to credit risk.

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

The credit risks include:

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

Credit risk of the Company is mainly given by Company cessions to third parties. Further details on the amounts related to reinsurance recoverable are provided in the Parent Company Balance sheet and Profit and Loss account.

For the credit risk of fixed income securities, please refer to the volumes of bonds and receivables in the Parent Company Balance sheet and Profit and Loss account.

Credit risks are measured by means of the Group PIM. The SCR calculated based on Solvency II does not include the allowance for credit risk on sovereign bonds exposure. Nevertheless, the reduced volume of the Company's exposure to these, would not lead to substantial differences, given the balancing impact related to long term guarantees.

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

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

As envisaged in the Group Risk Guidelines (GRG), investments in securities with a high credit rating (investment grade) are preferred and diversification of risk is encouraged.

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

The most important strategy for the mitigation of credit risk used by the Company is, as for financial risks, the application of a liability-driven SAA, which can limit the impact of the market spread volatility. In addition, the Company is actively mitigating counterparty default risk by using a collateralisation strategy that strongly mitigates the losses that the Company might suffer because of the default of one or more of its counterparties.

The Company's investment risk monitoring relies on the:

- Group Risk Guidelines (GRG), which apply to all Group companies. The GRG include general principles, quantitative risk limits (with a strong focus on credit and market concentration), authorization processes and prohibitions. The Risk Management Function monitors the compliance with risk limits;
- Company Investment Policy, being specific for the Parent Company based on IVASS Regulation 24/2016. This Policy provides a set of classifications, principles and limits for investments.

The Risk Management Function informs on quarterly basis the BoD, assisted by the Risk and Control Committee, on the compliance with limits set and derivatives exposure.

Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. Losses from events such as fraud, litigation, damages to Generali premises, cyber-attack and failure to comply with regulations are therefore covered in the definition. It also includes financial reporting risk but excludes strategic and reputational risks.

Although the ultimate responsibility for managing the risk sits in the first line of defence, the so-called risk owners, the Risk Management Function with its methodologies and processes ensures an early identification of the most severe threats. In doing so, it provides management at all levels with a holistic view of the broad operational risk spectrum that is essential for prioritizing actions and allocating resources in the most critical areas.

The target is achieved by adopting methodologies and tools in line with industry best practices and by establishing a strong dialogue with the first line of defence.

Furthermore, since 2015, the Group has been exchanging operational risk data in an anonymized fashion through the "Operational Risk data eXchange Association (ORX)", a global association of operational risk practitioners with whom the main industry players also participate. The aim is to use the data to improve internal controls and to anticipate emerging trends. In addition, since losses are collected by the first line, this process contributes to creating awareness among the risk owners upon the risks that are actually hitting the company. In this sense, a primary role is played by Group-wide forward-looking assessments that aim to estimate the evolution of the operational risk exposure in a given time horizon, supporting in the anticipation of potential threats, in the efficient allocation of resources and related mitigation initiatives.

Based on the last assessments, the most relevant scenarios at Company level are related to cyber and compliance.

In particular, risks related to non-compliance are addressed by a dedicated and independent Group Compliance Function, that provides guidance to the local teams and monitors the execution of the Group Compliance Program.

To further strengthen the internal control systems and in addition to the usual risk owners' responsibilities for managing their risks, the Company established specialised units within the first line of defence with the scope of dealing with specific threats (e.g. cyber risk, fraud, financial reporting risk) and that act as a key partner for the Risk Management Function.

Another benefit from this cooperation is constituted by a series of risk-mitigating measures triggered across the Group as results of the controls testing, the assessments, and the collection of operational risk events.

An example is the creation of a dedicated unit for the management and coordination of the Group-wide IT Security that steers the evolution of the IT security strategy and operating model, ensuring a timely detection and fixing of the vulnerabilities that occasionally affect the business. This initiative helps the Group to better cope with the growing threat represented by cyber risk.

The contribution of operational risks to the SCR is defined according to EIOPA Standard Formula.

Other material risks

Liquidity Risk

Liquidity risk is defined as the uncertainty, emanating from business operations, investment or financing activities, over the ability to meet payment obligations in a full and timely manner, in a current or stressed environment. This could include meeting commitments only through accessing credit markets at unfavorable conditions or through the sale of financial assets, incurring in additional costs due to the illiquidity of (or difficulties in liquidating) the assets.

The liquidity risk profile of the Company is driven by cash flows stemming from its role as ultimate Parent Company of the Group, from its direct insurance business and from its reinsurance activities with the Group companies, which are partly ceded to external reinsurers.

The liquidity flows are related to operating, financing and investing activities.

Operating activities generate cash flows related to insurance business, administrative expenses and tax cash flows.

The liquidity sources of Assicurazioni Generali are composed by dividends received from the subsidiaries and by debt management. This produces also cash outflows through loans' redemptions and interest payments.

Main liquidity commitments are represented by payment of dividends to shareholders and by investment. Investing activities produce also incoming cash flows in the form of interests from loans and credits to the subsidiaries and other inflows from financial instruments.

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

All of the above dimensions are subject to a regular monitoring process, with systematic reporting of two dedicated forward-looking statements:

- The Annual Liquidity Forecast, which is a forecast of cash flows over a time period corresponding to the end of the calendar year, updated on a weekly basis and with a high level of specific detail for individual flows;
- The Three-year Liquidity Budget, which is a report with a three-year rolling time horizon, updated on an annual basis. The Budget is reviewed during the year in order to incorporate the changes occurring in the meantime.

The Company manages its financial resources according to sound and prudent management principles, based on the risk appetite established by the BoD.

The liquidity risk monitoring and management focuses on the overall Group perimeter in order to identify potential liquidity risks at Group companies level.

The Company plays a pivotal role in defining, managing and monitoring liquidity risk at Group level and coordinates the liquidity risk management process to be performed by Group companies, on the basis of the RAF.

Group companies regularly report on possible future liquidity issues, even under stressed scenarios. The Parent Company coordinates and monitors the centralized management of the Group available liquidity, and ensures the control and management of the Group treasury. The centralized cash pooling grants increased flexibility in transferring cash across business unit and reduces the potential risks related to short-term liquidity needs, both at company level and at Group level.

Reputational, Contagion and Emerging Risk

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

Reputational risk refers to potential losses arising from deterioration or a negative perception of the Company or among its customers, counterparties and Supervisory Authority.

Emerging risks arises from new trends or risks difficult to perceive and quantify, although typically systemic. These risks usually include changes to the internal or external environment, social trends, regulatory developments,

technological achievements, etc. For the identification and assessment of these risks, the Risk Management Function engages within a dedicated network, including specialist from Business Functions (e.g. Insurance, Investment, Actuarial, Corporate Social Responsibility, etc.). To strengthen its understanding and awareness of emerging risks, the Company is also part of the Emerging Risk Initiative. Within this working group emerging risks common to the insurance industry are discussed and specific studies are conducted.

Contagion risk is the risk inherent in the Group structure and refers to potential negative implications that events occurred within one Group company may negatively affect the other Group companies.

Result for the year and proposed Shareholders' resolutions

Dear Shareholders,

the profit for the year amounts to 1,096,260,539 euro.

The proposed allocation of the profit of the year and dividend distribution keeps into consideration the resolution of the Board of Directors of March 15, 2017. With such a resolution the Board of Directors has approved the assignment of Generali's shares in favor of the "Long Term Incentive Plan 2014" (LTI Plan 2014). For the purpose of assigning the shares to the management of the Group, the expected increase in Shareholders Capital amounts to 1,924,724 euro.

Considering such increase in Shareholders Capital, the profit for the year is allocated for the amount of maximum

384,945 euro to Legal Reserve, in accordance with Art. 2430 of the Italian Civil Code, and for the remaining part, equal to 1,095,875,594 euro, to dividend distribution.

The total proposed dividend for each share amounts to 0.80 euro, for a total maximum pay-out of 1,249,446,610 euro.

The amount of the dividend to the shares currently in the market is 1,247,821,026 euro with an additional amount of 1,539,779 euro relevant to the shares to be issued, after the authorization of IVASS pursuant to art. 5 of ISVAP Regulation No.14 dated 18 February 2008 and according to the above mentioned Board of Directors resolution of March 15, 2017.

The total amount of the dividend will be taken from the distributable profit for the year and, for the remaining part, from the Extraordinary Reserve formed by allocations of previous years retained earnings.

| (in euro) | 2016 |
|---------------------------------------|---------------|
| to dividend | 1,249,446,610 |
| profit distributable for the year | 1,095,875,594 |
| withdrawal from extraordinary reserve | 153,571,015 |

The dividend will be paid, net of applicable withholding taxes, as from 24 May 2017 at the appointed intermediaries by means of the Monte Titoli S.p.A. central deposi-

tory system. The ordinary shares of the Company will be negotiated, without the right to dividend and the allocation of earnings in kind, from 22 May, 2017.

Milan, March 15th 2017

The Board of Directors

Appendix to the

Report

Disclosures pursuant to Consob communication no. 6064293 dated July 28th 2006

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

In addition to the profit and loss and balance sheet statements required by regulations governing the sector, the Company also provides financial statements showing operating, balance sheet and cash flow performance for the year upon which the comments and comparative indicators used in the Report on Operations are based. The profit and loss account has been reclassified to combine the figures for life business with those for non-life, in addition to combining several other line items, and

provides a breakdown of extraordinary income by its principal components. The net underwriting balance has also been provided and is considered an alternative performance indicator as it is not expressly required in the standard financial statements. This indicator is the total of purely technical items, including operating expense and technical interest expense contractually due to life policyholders, and is considered more representative of the actual technical result for the sector as, unlike the "net technical result" required in the statutory reporting forms, it is not influenced by investment performance.

The structure of the presentation for the profit and loss account, balance sheet and cash flow statement is more simplified than the statutory financial statements as it is based on presentation of financial data grouped into "macro classes", rather than by individual line item and, therefore, allows for a more immediate analysis of the financial data, which is not reclassified.

| (in million euro) | | | 2016 | |
|------------------------------------|------|-----------------|---|----------------|
| Compulsory profit and loss account | | | Reclassified profit and loss account | |
| Item | Sign | Amount | Item | Amount |
| 105 | + | 905.9 | Result before taxation | 905.9 |
| 106 | - | -190.2 | Income tax | 190.3 |
| 107 | + | 1,096.2 | Profit for the year | 1,096.2 |
| 001 | + | 1,660.1 | | |
| 002 | - | 492.1 | | |
| 030 | + | 2,007.5 | | |
| 031 | - | 371.9 | | |
| Total | | 2,803.6 | Net premiums | 2,803.6 |
| 003 | - | 61.7 | | |
| 004 | + | 10.6 | | |
| 018 | - | 0 | | |
| 028 | - | 0.1 | | |
| 064 | - | -211.5 | | |
| Total | | 160.2 | Change in technical provisions | 160.2 |
| 017 | - | 763.6 | | |
| 019 | - | 0 | | |
| 051 | - | 1,792.4 | | |
| 065 | - | 66.7 | | |
| Total | | -2,622.8 | Claims, maturities and surrenders | -2,622.8 |
| 026 | - | 248.1 | | |
| 072 | - | 254.9 | | |
| Total | | -503.0 | Operating costs | -503.0 |
| 007 | + | 1.3 | | |
| 027 | - | 10.9 | | |
| 044 | + | 23.7 | | |
| 078 | - | 8.4 | | |
| Total | | 5.7 | Other technical income and changes | 5.7 |
| | | | Technical interests of the life segment | 353.9* |
| | | | Net underwriting balance | 197.6** |

(continues)

(continues)

| (in million euro) | | | | 2016 | |
|------------------------------------|------|----------|---|--------|----------|
| Compulsory profit and loss account | | | Riclassified profit and loss account | | |
| Item | Sign | Amount | Item | Amount | |
| 006 | + | 123.0 | | | |
| 042 | + | 1,357.4 | | | |
| 043 | + | 52.1 | | | |
| 076 | - | 104.1 | | | |
| 077 | - | 10.2 | | | |
| 079 | - | 682.4 | | | |
| Total | | 735.8 | | | |
| minus tech. int. life | - | 353.9 | | | |
| Total | | 382.0 | Allocated in vestment returns transferred to technical accounts | | 382.0 |
| 029 | + | 218.4 | | | |
| 080 | + | 361.3 | | | |
| Total | | 579.6 | Net technical result | | 579.6 |
| 042 | + | 1,357.4 | | | |
| 043 | + | 52.1 | | | |
| 076 | - | 104.1 | | | |
| 077 | - | 10.2 | | | |
| 092 | + | 1,018.2 | | | |
| 097 | - | 202.7 | | | |
| Total | | 2,110.7 | Financial result | | 2,110.7 |
| 006 | - | 123.0 | | | |
| 042 | - | 1,357.4 | | | |
| 043 | - | 52.1 | | | |
| 076 | + | 104.1 | | | |
| 077 | + | 10.2 | | | |
| 079 | + | 682.4 | | | |
| Total | | -735.9 | minus a located investment returns trasferred to technical accounts and technical interests | | -735.9 |
| 099 | + | 491.6 | | | |
| 100 | - | 1,574.8 | | | |
| Total | | -1,083.3 | Other ordinary income and changes | | -1,083.3 |
| 101 | + | 871.1 | Profit from ordinary operations | | 871.1 |
| 102 | + | 79.6 | Profits and losses on the realisation of other durable investments | | 54.7 |
| 103 | - | 44.8 | Other extraordinary income and changes | | -19.9 |
| Total | | 34.8 | Total | | 34.8 |

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

(**) Alternative indicator of performance.

Additional information on the preparation of the financial statements

The information contained in the reclassified financial statements and the alternative performance indicators presented pursuant to CONSOB recommendation of 28 July 2006 are intended to facilitate an improved understanding of the data and operating performance of the business to users of the financial statements. As such, we considered it appropriate to provide additional elements for evaluation of the Company's underwriting results by detailing the criteria used to calculate the principal technical performance ratios generally used by the Company in preparing the "Highlights" for 2014, which are calculated net of reinsurance.

Loss ratio of non-life segment

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

Expense ratio

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

Combined ratio of non-life segment

This ratio is the sum of the loss ratio and the total expense ratio. It is of fundamental importance in analyzing the technical performance of the non-life segment as it represents the percentage coverage of technical expenses (both claims and operating expenses) by premium income. The combined ratio is directly correlated to the "Net underwriting balance" as it is not influenced by investment income. The lower the combined ratio is, compared to 100%, the higher the "net underwriting balance" from the insurance business will be.

Performance indexes

| Compulsory profit and loss account | | | | |
|--|--|-------------------------|-----------------------|------------------|
| Item | Description | Amounts non-life bus | Amounts life busin | Total amounts |
| LOSS RATIO | | | | |
| Numerator | | | | |
| 017 | Claims incurred, net of recoveries and reinsurance | 763.6 | | |
| 019 | Premium refunds and profit sharing, net of reinsurance | 0 | | |
| Total | | 763.6 | | |
| Denominator | | | | |
| 005 | Earned premiums, net of reinsurance | 1,116.8 | | |
| 018 | Change in other technical provisions, net of reinsurance | 0 | | |
| 028 | Change in the equalisation provision | -0.1 | | |
| Total | | 1,116.7 | | |
| Index | | 68.4% | | |
| EXPENSE RATIO | | | | |
| Numerator | | | | |
| 026 / 072 | Operating expense | 248.1 | 254.9 | 503.0 |
| Denominator | | | | |
| 001 / 030 | Gross premiums written | 1,660.1 | 2,007.5 | 3,667.6 |
| 002 / 031 | (-) Outward reinsurance premiums | 492.1 | 371.9 | 864.0 |
| Total | | 1,168.0 | 1,635.6 | 2,803.6 |
| Index | | 21.2% | 15.6% | 17.9% |
| COMBINED RATIO | | | | |
| For the non-life business is the sum of the loss ratio and of the index of costs on premiums | | 89.6% | | |

The average rate of return on investments

The average rate of return on investments is the ratio of income from investments to the half the sum of investments of the current year and of those of the previous one.



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and Profit and Loss account**

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Parent Company

Financial

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on which revaluation have been**

Parent Company

Balance Sheet

and Profit and loss Account

Company

Assicurazioni Generali S.p.A.

| | | | |
|-------------------------|----------------------|--------------|----------------------|
| Subscribed capital euro | 1,559,883,538 | Paid up euro | 1,559,883,538 |
|-------------------------|----------------------|--------------|----------------------|

FINANCIAL STATEMENTS

Balance Sheet

Year **2016**

(Amounts in Euro)

**BALANCE SHEET
ASSETS**

Current Year

| | | | | | |
|--|----|----------------|-----------------|----------------|-------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | | 1 | 0 |
| of which called-up capital | | 2 | 0 | | |
| B. INTANGIBLE ASSETS | | | | | |
| 1. Acquisition commissions to be amortised | | | | | |
| a) life business | 3 | 0 | | | |
| b) non-life business | 4 | 0 | 5 | 0 | |
| 2. Other acquisition costs | | 6 | 0 | | |
| 3. Formation and development expenses | | 7 | 0 | | |
| 4. Goodwill | | 8 | 0 | | |
| 5. Other intangible assets | | 9 | 33,196,847 | 10 | 33,196,847 |
| C. INVESTMENTS | | | | | |
| I - Land and Buildings | | | | | |
| 1. Property used for own activities | | 11 | 8,796,059 | | |
| 2. Property used by third parties | | 12 | 105,783,816 | | |
| 3. Other properties | | 13 | 0 | | |
| 4. Other realty rights | | 14 | 0 | | |
| 5. Assets in progress and payments on account | | 15 | 1,696,197 | 16 | 116,276,072 |
| II - Investments in affiliated companies and other shareholdings | | | | | |
| 1. Interests in | | | | | |
| a) parent companies | 17 | 0 | | | |
| b) affiliated companies | 18 | 29,383,549,583 | | | |
| c) affiliates of parent companies | 19 | 0 | | | |
| d) associated companies | 20 | 234,883,629 | | | |
| e) other | 21 | 20,561,561 | 22 | 29,638,994,773 | |
| 2. Debt securities issued by | | | | | |
| a) parent companies | 23 | 0 | | | |
| b) affiliated companies | 24 | 634,063 | | | |
| c) affiliates of parent companies | 25 | 0 | | | |
| d) associated companies | 26 | 0 | | | |
| e) other | 27 | 0 | 28 | 634,063 | |
| 3. Loans to | | | | | |
| a) parent companies | 29 | 0 | | | |
| b) affiliated companies | 30 | 752,000,000 | | | |
| c) affiliates of parent companies | 31 | 0 | | | |
| d) associated companies | 32 | 0 | | | |
| e) other | 33 | 0 | 34 | 752,000,000 | 35 30,391,628,836 |
| | | | carried forward | | 33,196,847 |

Previous Year

| | | | | | | |
|-----|----------------|-----|-----------------|-----|----------------|------------|
| | | | | | 181 | 0 |
| | | 182 | 0 | | | |
| 183 | 0 | | | | | |
| 184 | 0 | 185 | 0 | | | |
| | | 186 | 0 | | | |
| | | 187 | 0 | | | |
| | | 188 | 0 | | | |
| | | 189 | 37,320,227 | | 190 | 37,320,227 |
| | | 191 | 8,721,078 | | | |
| | | 192 | 110,175,560 | | | |
| | | 193 | 0 | | | |
| | | 194 | 0 | | | |
| | | 195 | 1,731,741 | 196 | 120,628,379 | |
| 197 | 0 | | | | | |
| 198 | 29,366,925,072 | | | | | |
| 199 | 0 | | | | | |
| 200 | 244,672,148 | | | | | |
| 201 | 38,747,728 | 202 | 29,650,344,948 | | | |
| 203 | 0 | | | | | |
| 204 | 1,500,168 | | | | | |
| 205 | 0 | | | | | |
| 206 | 0 | | | | | |
| 207 | 0 | 208 | 1,500,168 | | | |
| 209 | 0 | | | | | |
| 210 | 370,900,000 | | | | | |
| 211 | 0 | | | | | |
| 212 | 0 | | | | | |
| 213 | 0 | 214 | 370,900,000 | 215 | 30,022,745,116 | |
| | | | carried forward | | | 37,320,227 |

BALANCE SHEET
ASSETS

Current Year

| | | | | brought forward | | 33,196,847 |
|---|----|---------------|----|-----------------|----|----------------|
| C. INVESTMENTS (follows) | | | | | | |
| III - Other financial investments | | | | | | |
| 1. Equities | | | | | | |
| a) quoted shares | 36 | 9,020,737 | | | | |
| b) unquoted shares | 37 | 12,595,378 | | | | |
| c) other interests | 38 | 5,308,254 | 39 | 26,924,369 | | |
| 2. Shares in common investment funds | | | 40 | 504,824,158 | | |
| 3. Debt securities and other fixed-income securities | | | | | | |
| a) quoted | 41 | 2,075,957,613 | | | | |
| b) unquoted | 42 | 40,048,395 | | | | |
| c) convertible bonds | 43 | 24,066,744 | 44 | 2,140,072,752 | | |
| 4. Loans | | | | | | |
| a) mortgage loans | 45 | 0 | | | | |
| b) loans on policies | 46 | 789,485 | | | | |
| c) other loans | 47 | 3,278,775 | 48 | 4,068,260 | | |
| 5. Participation in investment pools | | | 49 | 0 | | |
| 6. Deposits with credit institutions | | | 50 | 126,571,420 | | |
| 7. Other | | | 51 | 7,548,726 | 52 | 2,810,009,685 |
| IV - Deposits with ceding companies | | | | | 53 | 7,680,393,149 |
| | | | | | 54 | 40,998,307,742 |
| D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | | | | |
| I - Investments relating to contracts linked to investments funds and market index | | | | | | |
| | | | | | 55 | 3,456,300,016 |
| II - Investments relating to the administration of pension funds | | | | | | |
| | | | | | 56 | 0 |
| | | | | | 57 | 3,456,300,016 |
| REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS | | | | | | |
| I - NON-LIFE INSURANCE BUSINESS | | | | | | |
| 1. Provision for unearned | | | 58 | 94,515,251 | | |
| 2. Provision for claims | | | 59 | 423,510,605 | | |
| 3. Provision for profit sharing and premium refunds | | | 60 | 0 | | |
| 4. Other technical provisions | | | 61 | 0 | 62 | 518,025,856 |
| II - LIFE INSURANCE BUSINESS | | | | | | |
| 1. Mathematical provision | | | 63 | 34,280,924 | | |
| 2. Unearned premium provision for supplementary | | | 64 | 14,345,495 | | |
| 3. Provision for claims outstanding | | | 65 | 326,390,562 | | |
| 4. Provision for profit sharing and premium refunds | | | 66 | 21,178,860 | | |
| 5. Other provisions | | | 67 | 0 | | |
| 6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds | | | 68 | 0 | 69 | 396,195,841 |
| | | | | | 70 | 914,221,697 |
| | | | | carried forward | | 45,402,026,302 |

Previous Year

| | | | | | |
|-----|---------------|-----------------|---------------|-----|----------------|
| | | brought forward | | | 37,320,227 |
| 216 | 15,108,781 | | | | |
| 217 | 22,863,258 | | | | |
| 218 | 5,308,254 | 219 | 43,280,293 | | |
| | | 220 | 1,208,251,139 | | |
| 221 | 1,619,214,246 | | | | |
| 222 | 83,326,150 | | | | |
| 223 | 24,713,852 | 224 | 1,727,254,248 | | |
| 225 | 0 | | | | |
| 226 | 852,625 | | | | |
| 227 | 2,698,071 | 228 | 3,550,696 | | |
| | | 229 | 0 | | |
| | | 230 | 129,797,716 | | |
| | | 231 | 7,813,097 | 232 | 3,119,947,189 |
| | | | | 233 | 7,906,951,587 |
| | | | | 234 | 41,170,272,271 |
| | | | | | |
| | | | | 235 | 3,598,802,865 |
| | | | | 236 | 0 |
| | | | | 237 | 3,598,802,865 |
| | | 238 | 81,373,774 | | |
| | | 239 | 454,591,667 | | |
| | | 240 | 0 | | |
| | | 241 | 0 | 242 | 535,965,441 |
| | | 243 | 27,105,849 | | |
| | | 244 | 11,732,101 | | |
| | | 245 | 301,290,217 | | |
| | | 246 | 16,817,515 | | |
| | | 247 | 0 | | |
| | | 248 | 0 | 249 | 356,945,682 |
| | | carried forward | | 250 | 892,911,123 |
| | | | | | 45,699,306,486 |

BALANCE SHEET
ASSETS

Current Year

| | | brought forward | | | | 45,402,026,302 |
|---|---|-----------------|-------------|----|-------------|-----------------------|
| E. DEBTORS | | | | | | |
| I - Debtors arising out of direct insurance operations | | | | | | |
| 1. Policyholders | | | | | | |
| | a) for premiums - current year | 71 | 109,075,152 | | | |
| | b) for premiums - previous years | 72 | 9,426,147 | 73 | 118,501,299 | |
| | 2. Insurance intermediaries | | | 74 | 4,661,466 | |
| | 3. Current accounts with insurance companies | | | 75 | 1,919,049 | |
| | 4. Policyholders and third parties for recoveries | | | 76 | 6,134,842 | 77 |
| | | | | | | 131,216,656 |
| II - Debtors arising out of reinsurance operations | | | | | | |
| | 1. Reinsurance companies | | | 78 | 481,283,819 | |
| | 2. Reinsurance intermediaries | | | 79 | 6,433,082 | 80 |
| | | | | | | 487,716,901 |
| III - Other debtors | | | | | | |
| | | | | | | 81 |
| | | | | | | 1,140,847,274 |
| | | | | | | 82 |
| | | | | | | 1,759,780,831 |
| F. OTHER ASSETS | | | | | | |
| I - Tangible assets and stocks | | | | | | |
| | 1. Furniture, office equipment, internal transport vehicles | | | 83 | 3,143,950 | |
| | 2. Vehicles listed in public registers | | | 84 | 1,408,396 | |
| | 3. Equipment and appliances | | | 85 | 0 | |
| | 4. Stocks and other goods | | | 86 | 471,691 | 87 |
| | | | | | | 5,024,037 |
| II - Cash at bank and in hand | | | | | | |
| | 1. Bank and postal deposits | | | 88 | 654,976,074 | |
| | 2. Cheques and cash in hand | | | 89 | 88,950 | 90 |
| | | | | | | 655,065,024 |
| IV - Other | | | | | | |
| | 1. Deferred reinsurance items | | | 92 | 9,548,847 | |
| | 2. Miscellaneous assets | | | 93 | 243,500,246 | 94 |
| | | | | | | 253,049,093 |
| | | | | | | 95 |
| | | | | | | 913,138,154 |
| G. PREPAYMENTS AND ACCRUED INCOME | | | | | | |
| | 1. Interests | | | | | 96 |
| | | | | | | 36,790,712 |
| | 2. Rents | | | | | 97 |
| | | | | | | 658,019 |
| | 3. Other prepayments and accrued income | | | 98 | 171,789,059 | 99 |
| | | | | | | 209,237,790 |
| TOTAL ASSETS | | | | | | 100 |
| | | | | | | 48,284,183,077 |

Previous Year

| | | | | | |
|-----|------------|-----------------|-------------|-----|-----------------------|
| | | brought forward | | | 45,699,306,486 |
| 251 | 89,093,271 | | | | |
| 252 | 8,325,441 | | | | |
| | | 253 | 97,418,712 | | |
| | | 254 | 10,573,879 | | |
| | | 255 | 2,306,080 | | |
| | | 256 | 10,661,856 | 257 | 120,960,527 |
| | | 258 | 402,579,323 | | |
| | | 259 | 5,072,932 | 260 | 407,652,255 |
| | | | | 261 | 752,509,451 |
| | | | | 262 | 1,281,122,233 |
| | | 263 | 1,700,086 | | |
| | | 264 | 61,856 | | |
| | | 265 | 0 | | |
| | | 266 | 348,332 | 267 | 2,110,274 |
| | | 268 | 549,827,559 | | |
| | | 269 | 77,342 | 270 | 549,904,901 |
| | | 272 | 12,460,822 | | |
| | | 273 | 211,508,268 | 274 | 223,969,090 |
| | | | | 275 | 775,984,265 |
| | | | | 276 | 29,224,794 |
| | | | | 277 | 655,758 |
| | | | | 278 | 204,494,206 |
| | | | | 279 | 234,374,758 |
| | | | | 280 | 47,990,787,742 |

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' FUNDS

Current Year

| | | | | | |
|--|---|-----|---------------|-------------------|--------------------|
| A. SHAREHOLDERS' FUNDS | | | | | |
| I | - Subscribed capital or equivalent funds | | 101 | 1,559,883,538 | |
| II | - Share premium account | | 102 | 3,568,250,216 | |
| III | - Revaluation reserve | | 103 | 2,010,834,652 | |
| IV | - Legal reserve | | 104 | 311,976,708 | |
| V | - Statutory reserve | | 105 | 0 | |
| VI | - Reserve for parent company shares | | 400 | 0 | |
| VII | - Other reserve | | 107 | 6,126,219,679 | |
| VIII | - Profit or loss brought forward | | 108 | 0 | |
| IX | - Profit or loss for the financial year | | 109 | 1,096,260,539 | |
| X | - Negative reserve for own shares held | | 401 | 3,040,355 | 110 14,670,384,977 |
| B. SUBORDINATED LIABILITIES | | | | | 111 7,089,925,023 |
| C. TECHNICAL PROVISIONS | | | | | |
| I - NON-LIFE INSURANCE BUSINESS | | | | | |
| 1. | Provision for unearned premiums | 112 | 411,783,738 | | |
| 2. | Provision for claims outstanding | 113 | 2,197,022,180 | | |
| 3. | Provision for profit sharing and premium refunds | 114 | 0 | | |
| 4. | Other provisions | 115 | 0 | | |
| 5. | Equalisation provision | 116 | 198,029 | 117 2,609,003,947 | |
| II - LIFE INSURANCE BUSINESS | | | | | |
| 1. | Mathematical provision | 118 | 7,622,002,404 | | |
| 2. | Unearned premium provision for supplementary coverage | 119 | 28,469,320 | | |
| 3. | Provision for claims outstanding | 120 | 1,141,830,705 | | |
| 4. | Provision for profit sharing and premium refunds | 121 | 99,293,677 | | |
| 5. | Other provisions | 122 | 18,304,576 | 123 8,909,900,682 | 124 11,518,904,629 |
| D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | | | |
| I | - Provisions relating to contracts linked to investments funds and market index | | 125 | 3,454,111,172 | |
| II | - Provisions relating to the administration of pension funds | | 126 | 0 | 127 3,454,111,172 |
| | carried forward | | | | 36,733,325,801 |

Previous Year

| | | | | | | |
|--|-----------------|---------------|---------------|---------------|----------------|----------------|
| | | 281 | 1,556,873,283 | | | |
| | | 282 | 3,568,250,216 | | | |
| | | 283 | 2,010,834,652 | | | |
| | | 284 | 311,374,657 | | | |
| | | 285 | 0 | | | |
| | | 286 | 0 | | | |
| | | 287 | 6,321,401,948 | | | |
| | | 288 | 0 | | | |
| | | 289 | 931,468,960 | | | |
| | | 501 | 3,040,355 | 290 | 14,697,163,361 | |
| | | | | 291 | 6,864,544,468 | |
| | | | | | | |
| | 292 | 352,307,667 | | | | |
| | 293 | 2,168,230,872 | | | | |
| | 294 | 0 | | | | |
| | 295 | 0 | | | | |
| | 296 | 107,611 | 297 | 2,520,646,150 | | |
| | | | | | | |
| | 298 | 7,704,211,481 | | | | |
| | 299 | 29,430,681 | | | | |
| | 300 | 1,047,813,197 | | | | |
| | 301 | 94,240,735 | | | | |
| | 302 | 21,466,927 | 303 | 8,897,163,021 | 304 | 11,417,809,171 |
| | | | | | | |
| | | | 305 | 3,595,159,572 | | |
| | | | 306 | 0 | 307 | 3,595,159,572 |
| | carried forward | | | | 36,574,676,572 | |

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' FUNDS

Current Year

| | | | | | |
|-------------|---|-----------------|-----------------|-------------------|--------------------|
| | | brought forward | | | 36,733,325,801 |
| E. | PROVISIONS FOR OTHER RISKS AND CHARGES | | | | |
| 1. | Provision for pensions and similar obligations | | 128 | 0 | |
| 2. | Provisions for taxation | | 129 | 84,962,279 | |
| 3. | Other provisions | | 130 | 28,335,717 | 131 113,297,996 |
| F. | DEPOSITS RECEIVED FROM REINSURERS | | | | 132 307,642,223 |
| G. | CREDITORS | | | | |
| I | - Creditors arising out of direct insurance operations | | | | |
| 1. | Insurance intermediaries | 133 | 8,193,874 | | |
| 2. | Current accounts with insurance companies | 134 | 3,451,377 | | |
| 3. | Premium deposits and premiums due to policyholders | 135 | 7,709,042 | | |
| 4. | Guarantee funds in favour of policyholders | 136 | 0 | 137 19,354,293 | |
| II | - Creditors arising out of reinsurance operations | | | | |
| 1. | Reinsurance companies | 138 | 192,253,076 | | |
| 2. | Reinsurance intermediaries | 139 | 37,598,573 | 140 229,851,649 | |
| III | - Debenture loans | | | 141 3,255,539,146 | |
| IV | - Amounts owed to credit institutions | | | 142 838,961,655 | |
| V | - Loans guaranteed by mortgages | | | 143 0 | |
| VI | - Other financial liabilities | | | 144 3,593,359,166 | |
| VII | - Provisions for severance pay | | | 145 5,228,750 | |
| VIII | - Other creditors | | | | |
| 1. | Premium taxes | 146 | 3,868,844 | | |
| 2. | Other tax liabilities | 147 | 36,611,906 | | |
| 3. | Social security | 148 | 4,692,939 | | |
| 4. | Sundry creditors | 149 | 2,223,967,198 | 150 2,269,140,887 | |
| IX | - Other liabilities | | | | |
| 1. | Deferred reinsurance items | 151 | 6,162,346 | | |
| 2. | Commissions for premiums in course of collection | 152 | 14,141,319 | | |
| 3. | Miscellaneous liabilities | 153 | 514,609,330 | 154 534,912,995 | 155 10,746,348,541 |
| | | | carried forward | | 47,900,614,561 |

Previous Year

| | | | |
|-----------------|-----------------|-----|----------------|
| brought forward | | | 36,574,676,572 |
| | | 308 | 0 |
| | | 309 | 91,460,771 |
| | | 310 | 15,232,512 |
| | | 311 | 106,693,283 |
| | | 312 | 295,046,205 |
| 313 | 4,627,640 | | |
| 314 | 3,311,236 | | |
| 315 | 6,752,929 | | |
| 316 | 0 | 317 | 14,691,805 |
| 318 | 157,370,701 | | |
| 319 | 13,350,833 | 320 | 170,721,534 |
| | | 321 | 3,319,423,932 |
| | | 322 | 998,270,205 |
| | | 323 | 0 |
| | | 324 | 3,602,478,778 |
| | | 325 | 5,614,602 |
| 326 | 1,387,581 | | |
| 327 | 19,030,119 | | |
| 328 | 4,292,357 | | |
| 329 | 2,099,732,382 | 330 | 2,124,442,439 |
| 331 | 10,098,627 | | |
| 332 | 12,811,900 | | |
| 333 | 367,933,188 | 334 | 390,843,715 |
| | carried forward | 335 | 10,626,487,010 |
| | | | 47,602,903,070 |

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' FUNDS
Current Year

| | | | | |
|--|-----------------|-------------|-----|-----------------------|
| | brought forward | | | 47,900,614,561 |
| H. ACCRUALS AND DEFERRED INCOME | | | | |
| 1. Interests | 156 | 275,358,285 | | |
| 2. Rents | 157 | 1,958,017 | | |
| 3. Other accruals and deferred income | 158 | 106,252,214 | 159 | 383,568,516 |
| TOTAL LIABILITIES AND SHAREHOLDERS' | | | 160 | 48,284,183,077 |

Previous Year

| | | | |
|-----------------|-------------|-----|-----------------------|
| brought forward | | | 47,602,903,070 |
| 336 | 275,801,197 | | |
| 337 | 1,953,242 | | |
| 338 | 110,130,233 | 339 | 387,884,672 |
| | | 340 | 47,990,787,742 |

Company

Assicurazioni Generali S.p.A.

| | | | |
|-------------------------|----------------------|--------------|----------------------|
| Subscribed capital euro | 1,559,883,538 | Paid up euro | 1,559,883,538 |
|-------------------------|----------------------|--------------|----------------------|

FINANCIAL STATEMENTS

Profit and Loss Account

Year **2016**

(Amounts in Euro)

PROFIT AND LOSS ACCOUNT

Current Year

| I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS | | | |
|---|--|----------------------------|----------------------------------|
| 1. | EARNED PREMIUMS, NET OF REINSURANCE: | | |
| | a) Gross premiums written | ¹ 1,660,093,461 | |
| | b) (-) Outward reinsurance premiums | ² 492,109,373 | |
| | c) Change in the gross provision for unearned premiums | ³ 61,746,693 | |
| | d) Change in the provision for unearned premiums, reinsurers' share | ⁴ 10,581,874 | ⁵ 1,116,819,269 |
| 2. | (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III. 6) | | ⁶ 123,006,432 |
| 3. | OTHER TECHNICAL INCOME, NET OF REINSURANCE | | ⁷ 1,279,620 |
| 4. | CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE | | |
| | a) Claims paid | | |
| | aa) Gross amount | ⁸ 897,466,109 | |
| | bb) (-) Reinsurers' share | ⁹ 194,412,641 | ¹⁰ 703,053,468 |
| | b) Recoveries net of reinsurance | | |
| | aa) Gross amount | ¹¹ 3,492,844 | |
| | bb) (-) Reinsurers' share | ¹² 1,186,040 | ¹³ 2,306,804 |
| | c) Change in the provision for claims outstanding | | |
| | aa) Gross amount | ¹⁴ 32,329,356 | |
| | bb) (-) Reinsurers' share | ¹⁵ -30,501,829 | ¹⁶ 62,831,185 |
| 5. | CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE | | ¹⁷ 763,577,849 |
| 6. | CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE | | ¹⁸ 0 |
| 6. | PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE | | ¹⁹ 28,460 |
| 7. | OPERATING EXPENSES | | |
| | a) Acquisition commissions | ²⁰ 225,667,409 | |
| | b) Other acquisition costs | ²¹ 26,676,703 | |
| | c) Change in commissions and other acquisition costs to be amortised | ²² 0 | |
| | d) Collecting commissions | ²³ 599,521 | |
| | e) Other administrative expenses | ²⁴ 52,551,709 | |
| | f) (-) Reinsurance commissions and profit sharing | ²⁵ 57,422,653 | ²⁶ 248,072,689 |
| 8. | OTHER TECHNICAL CHARGES, NET OF REINSURANCE | | ²⁷ 10,896,148 |
| 9. | CHANGE IN THE EQUALISATION PROVISION | | ²⁸ 90,418 |
| 10. | BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS | | ²⁹ 218,439,757 |

Previous Year

| | | | | | | |
|--|-----|-------------|---------------|-------------|--------------------|-------------|
| | | | | | | |
| | | 111 | 1,393,693,670 | | | |
| | | 112 | 457,244,980 | | | |
| | | 113 | 19,416,648 | | | |
| | | 114 | 2,416,465 | 115 | 919,448,507 | |
| | | | | 116 | 61,191,949 | |
| | | | | 117 | 608,948 | |
| | | | | | | |
| | 118 | 763,692,053 | | | | |
| | 119 | 208,133,240 | 120 | 555,558,813 | | |
| | | | | | | |
| | 121 | 15,930,385 | | | | |
| | 122 | 6,532,191 | 123 | 9,398,194 | | |
| | | | | | | |
| | 124 | 52,395,611 | | | | |
| | 125 | 17,697,121 | 126 | 34,698,490 | 127 | 580,859,109 |
| | | | | 128 | 0 | |
| | | | | 129 | 107,965 | |
| | | | | | | |
| | | 130 | 167,651,399 | | | |
| | | 131 | 27,454,224 | | | |
| | | 132 | 0 | | | |
| | | 133 | 40,270 | | | |
| | | 134 | 42,576,396 | | | |
| | | 135 | 50,705,472 | 136 | 187,016,817 | |
| | | | | 137 | 14,231,128 | |
| | | | | 138 | 39,819 | |
| | | | | 139 | 198,994,566 | |

PROFIT AND LOSS ACCOUNT

Current Year

| II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS | | | |
|--|--|-----------------------------|-----------------------------|
| 1. PREMIUMS WRITTEN, NET OF REINSURANCE | | | |
| a) Gross premiums written | | ³⁰ 2,007,507,065 | |
| b) (-) Outward reinsurance premiums | | ³¹ 371,896,319 | ³² 1,635,610,746 |
| 2. INVESTMENT INCOME: | | | |
| a) From participating interests | | ³³ 959,805,546 | |
| | (of which, income from Group companies | ³⁴ 956,621,389) | |
| b) From other investments | | | |
| aa) income from land and buildings | ³⁵ 0 | | |
| bb) from other investments | ³⁶ 377,511,985 | ³⁷ 377,511,985 | |
| | (of which, income from Group companies | ³⁸ 255,916,629) | |
| c) Value re-adjustments on investment | | ³⁹ 8,833,865 | |
| d) Gains on the realisation of investments | | ⁴⁰ 11,290,197 | |
| | (of which, income from Group companies | ⁴¹ 0) | ⁴² 1,357,441,593 |
| 3. INCOME AND UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | |
| | | | ⁴³ 52,097,322 |
| 4. OTHER TECHNICAL INCOME, NET OF REINSURANCE | | | |
| | | | ⁴⁴ 23,650,803 |
| 5. CLAIMS INCURRED, NET OF REINSURANCE | | | |
| a) Claims paid | | | |
| aa) gross amount | ⁴⁵ 1,990,944,445 | | |
| bb) (-) reinsurers' share | ⁴⁶ 264,643,701 | ⁴⁷ 1,726,300,744 | |
| b) Change in the provision for claims outstanding | | | |
| aa) gross amount | ⁴⁸ 86,170,897 | | |
| bb) (-) reinsurers' share | ⁴⁹ 20,052,328 | ⁵⁰ 66,118,569 | ⁵¹ 1,792,419,313 |
| 6. CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE | | | |
| a) Provisions for policy liabilities | | | |
| aa) gross amount | ⁵² -67,287,413 | | |
| bb) (-) reinsurers' share | ⁵³ 3,936,870 | ⁵⁴ -71,224,283 | |
| b) Change in the provision for claims outstanding | | | |
| aa) gross amount | ⁵⁵ -287,435 | | |
| bb) (-) reinsurers' share | ⁵⁶ 2,860,654 | ⁵⁷ -3,148,089 | |
| c) Other provisions | | | |
| aa) gross amount | ⁵⁸ -530,219 | | |
| bb) (-) reinsurers' share | ⁵⁹ 0 | ⁶⁰ -530,219 | |
| d) Provisions for policies where the investment risk is borne by the shareholders and relating to the administration of pension funds | | | |
| aa) gross amount | ⁶¹ -136,597,303 | | |
| bb) (-) reinsurers' share | ⁶² 0 | ⁶³ -136,597,303 | ⁶⁴ -211,499,894 |

Previous Year

| | | | | | |
|--|-----|-----|---------------|-----|---------------|
| | | 140 | 1,719,366,307 | | |
| | | 141 | 365,745,707 | 142 | 1,353,620,600 |
| | | 143 | 860,684,106 | | |
| (of which, income from Group companies | | 144 | 860,684,106) | | |
| | 145 | | 0 | | |
| | 146 | 147 | 529,095,269 | | |
| (di cui: provenienti da imprese del gruppo | | 148 | 367,000,200) | | |
| | 149 | | 116,580 | | |
| | 150 | | 3,966,391 | | |
| (of which, income from Group companies | | 151 | 0) | 152 | 1,393,862,346 |
| | | | | 153 | 22,310,111 |
| | | | | 154 | 26,795,315 |
| | 155 | | 1,993,520,277 | | |
| | 156 | 157 | 235,542,250 | | |
| | | | 1,757,978,027 | | |
| | 158 | | 85,525,295 | | |
| | 159 | 160 | 40,436,857 | 161 | 1,803,066,465 |
| | | | 45,088,438 | | |
| | 162 | | -434,168,598 | | |
| | 163 | 164 | -7,680,296 | | |
| | | | -426,488,302 | | |
| | 165 | | 8,410,041 | | |
| | 166 | 167 | 4,028,538 | | |
| | | | 4,381,503 | | |
| | 168 | | -802,303 | | |
| | 169 | 170 | 0 | | |
| | | | -802,303 | | |
| | 171 | | 38,356,572 | | |
| | 172 | 173 | 0 | 174 | -384,552,530 |
| | | | 38,356,572 | | |

PROFIT AND LOSS ACCOUNT

Current Year

| | | | | | |
|-----------------------------------|---|----|-------------|----|--------------------|
| 7. | PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE | | | 65 | 66,744,136 |
| 8. | OPERATING EXPENSES | | | | |
| | a) Acquisition commissions | 66 | 278,275,329 | | |
| | b) Other acquisition costs | 67 | 13,897,329 | | |
| | c) Change in commissions and other acquisition costs to be | 68 | 0 | | |
| | d) Collecting commissions | 69 | 90 | | |
| | e) Other administrative expenses | 70 | 31,982,186 | | |
| | f) (-) Reinsurance commissions and profit sharing | 71 | 69,276,080 | 72 | 254,878,854 |
| 9. | INVESTMENT CHARGES | | | | |
| | a) Investment administration charges, including interest | 73 | 92,788,980 | | |
| | b) Value adjustments on investments | 74 | 10,941,199 | | |
| | c) Losses on the realisation of investments | 75 | 326,964 | 76 | 104,057,143 |
| 10. | EXPENSES AND UNREALISED LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | 77 | 10,171,022 |
| 11. | OTHER TECHNICAL CHARGES, NET OF REINSURANCE | | | 78 | 8,362,316 |
| 12. | (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4) | | | 79 | 682,392,630 |
| 13. | BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS | | | 80 | 361,274,944 |
| III. NON TECHNICAL ACCOUNT | | | | | |
| 1. | BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10) | | | 81 | 218,439,757 |
| 2. | BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item II. 13) | | | 82 | 361,274,944 |
| 3. | BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item I.13) | | | | |
| | a) From participating interests | 83 | 897,629,056 | | |
| | (of which, income from Group companies | 84 | 896,430,868 |) | |
| | b) From other investments | | | | |
| | aa) income from land and buildings | 85 | 4,983,264 | | |
| | bb) from other investments | 86 | 81,707,207 | 87 | 86,690,471 |
| | (of which, income from Group companies | 88 | 24,156,766 |) | |
| | c) Value re-adjustments on investment | 89 | 19,747,139 | | |
| | d) Gains on the realisation of investments | 90 | 14,098,807 | | |
| | (of which, income from Group companies | 91 | 1,998,648 | 92 | 1,018,165,473 |

Previous Year

| | | | | |
|--|-----|-------------|-----|--------------------|
| | | | 175 | 48,777,178 |
| | | | | |
| | 176 | 229,652,464 | | |
| | 177 | 13,594,916 | | |
| | | | | |
| | 178 | 0 | | |
| | 179 | 0 | | |
| | 180 | 29,621,844 | | |
| | 181 | 62,642,293 | 182 | 210,226,931 |
| | | | | |
| | 183 | 117,146,879 | | |
| | 184 | 34,944,530 | | |
| | 185 | 454,554 | 186 | 152,545,963 |
| | | | | |
| | | | 187 | 17,323,573 |
| | | | 188 | 4,248,304 |
| | | | 189 | 655,886,748 |
| | | | 190 | 289,065,740 |
| | | | | |
| | | | 191 | 198,994,566 |
| | | | 192 | 289,065,740 |
| | | | | |
| | 193 | 619,236,570 | | |
| (of which, income from Group companies | 194 | 613,532,650 | | |
| | | | | |
| | 195 | 4,916,233 | | |
| | 196 | 66,668,681 | 197 | 71,584,914 |
| (di cui: provenienti da imprese del gruppo | 198 | 3,672,008 | | |
| | | | | |
| | 199 | 10,247,970 | | |
| | 200 | 21,406,462 | | |
| (of which, income from Group companies | 201 | 7,181,040 | 202 | 722,475,916 |

PROFIT AND LOSS ACCOUNT

Current Year

| | | | | |
|-----|---|----|-----|----------------------|
| 4. | (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM | | 93 | 682,392,630 |
| 5. | INVESTMENT CHARGES FOR NON-LIFE BUSINESS | | | |
| | a) Investment administration charges, including interest | 94 | | 62,708,650 |
| | b) Value adjustments on investments | 95 | | 77,019,753 |
| | c) Losses on the realisation of investments | 96 | | 63,014,916 |
| 6. | (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I. 2) | | 97 | 202,743,319 |
| 7. | OTHER INCOME | | 98 | 123,006,432 |
| 8. | OTHER CHARGES | | 99 | 491,555,833 |
| 9. | RESULT FROM ORDINARY ACTIVITY | | 100 | 1,574,802,738 |
| 10. | EXTRAORDINARY INCOME | | 101 | 871,276,148 |
| 11. | EXTRAORDINARY CHARGES | | 102 | 79,589,920 |
| 12. | EXTRAORDINARY PROFIT OR LOSS | | 103 | 44,817,401 |
| 13. | RESULT BEFORE TAXATION | | 104 | 34,772,519 |
| 14. | INCOME TAXES | | 105 | 906,048,667 |
| 15. | PROFIT (LOSS) FOR THE YEAR | | 106 | -190,211,872 |
| | | | 107 | 1,096,260,539 |

Previous Year

| | | | |
|--|-----|-----|--------------------|
| | | 203 | 655,886,748 |
| | | | |
| | 204 | | 62,170,526 |
| | 205 | | 70,830,571 |
| | 206 | 207 | 162,007,487 |
| | | 208 | 61,191,949 |
| | | 209 | 398,464,069 |
| | | 210 | 1,455,545,895 |
| | | 211 | 453,140,611 |
| | | 212 | 373,027,388 |
| | | 213 | 36,745,978 |
| | | 214 | 336,281,410 |
| | | 215 | 789,422,021 |
| | | 216 | -142,046,939 |
| | | 217 | 931,468,960 |

Notes to the Parent Company

Financial

Statements

Foreword

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

The financial statements were drawn up in compliance with Legislative Decree No. 209 dated September 7th 2005 (Code of the Private Insurance), in force at the reference date as well as with Legislative Decree No. 173 dated 26 May 1997, as amended by the Legislative Decree No. 139 dated 18 August 2015 and by the Legislative Decree No. 58 dated 24 February 1998 of the Italian Finance Consolidation Act (TUF), amended and integrated. In addition, the provisions of which at the ISVAP (now IVASS) Regulation No. 22 dated 4 April 2008 are applied with the amendments and integrations, and relative ISVAP (now IVASS) Regulations No. 53 dated 6 December 2016, the

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

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

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

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

Parte A – Summary of significant accounting policies

Outline of the significant accounting policies

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

Intangible assets

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

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

Development costs are amortized over their residual period of use.

Other deferred charges are amortized over a maximum period of five years.

Land and buildings

Land and buildings are recognized on the basis of purchase or construction cost and additional acquisition costs, net of accumulated depreciation and impairment losses. The costs of improvements and renovations with the aim of increasing the value of the assets and extending the remaining useful life are also capitalised. The cost is also increased on the basis of revaluations made in accordance with legislation introduced by special laws.

The cost of tangible fixed assets whose use is limited in time is depreciated annually based on the useful life of the asset.

Lands are not subject to regular depreciation.

If at closing date, the value of fixed assets is deemed permanently lower than the book value, as determined above, appropriate adjustments are made. Write-downs are maintained in subsequent years until they remain justified.

The value of land and buildings is determined on the basis of an appraisal by an independent expert. Both the appraisal report and the independent expert meet the re-

quirements of ISVAP Regulation (now IVASS) n. 22/2008, and subsequent amendments and integrations.

Financial investments

Financial investments are subdivided into current securities which remain permanently held by the Company, and fixed securities, which are used for trading; their classification, which also applies to own shares, is based on the criteria specifically set by the Board of Directors, in line with the requirements of ISVAP (now IVASS) Regulation No. 24 dated 6 June 2016.

With regards to the classification in current securities investments classified in item C.II, and the outline of the most significant positions, see part B Section 2.2 of the Notes to the accounting policies.

The classification of the securities portfolio is defined under Art. 23-quinquies and 23-sexies of the ISVAP regulation (now IVASS) No. 22/2008, as amended by IVASS Provision No. 53 dated 6 December 2016.

Fixed securities are valued at the weighted average cost less adjusted for any write-down considered permanent and in the case of fixed interest securities, net of the adjustments for the positive or negative difference between the acquisition cost and the redemption value accrued in the financial year.

Current securities are carried at the lower of the purchase cost and the realisable value estimated from market trends, which, for listed securities is the price quoted on the last trading day of the financial year and for unlisted securities is the estimated realisable value. The cost of fixed interest securities is adjusted by considering the issuing difference that has matured over the year, equal to the positive or negative difference between the issue price and the redemption value.

The acquisition cost includes ancillary costs, usually consisting of banking and financial intermediation costs, directly attributable consulting fees, or fees and stamp duties (Tobin Tax on Italian securities excluded).

The original cost of durable and fixed securities is partially or fully restored whenever the reasons for the write-downs cease to exist.

If, in situations of an exceptional nature, it is necessary to make a transfer of securities from one category to an-

other, the value of the securities transferred is the amount resulting from the application of the assessment criteria of the portfolio of origin.

For participations in subsidiaries and associated companies, higher book values than those resulting from the corresponding share of the shareholders' equity is referable to the actual value of the company. With reference to the securities portfolio, the comparison between the current values at year-end and the book values, shows a net gain of 2,150,656 thousand. This amount consists of net unrealized gain of 1,982,250 thousand on durable securities and an un-realized gain of 167,806 thousand on non-durable securities.

Derivatives

The use of derivatives is consistent with the principles of sound and prudent management of the Company, as provided for in the investment policy adopted by the Board of Directors with respect to ISVAP Regulation (now IVASS) n. 24 dated 6 June 2016.

The evaluation criteria, in accordance with the provisions of Art. 23-septies of ISVAP regulation (now IVASS) n. 22/2008, as amended by IVASS Provision No. 53 dated 6 December 2016, it differs depending on the purpose for which is set up with the financial transaction.

Hedging transactions are those carried out in order to protect the Company from financial risks related to the value of individual assets or liabilities, groups of assets, liabilities or future operations and cash flows. For example hedging transactions protect the Company from the volatility of interest rates, exchange rates and market prices. Derivative financial instruments aimed at risk reduction are valued according to the "matching principle". In particular gains and losses on the valuation of these derivatives are charged to the profit and loss statement in line with the corresponding gain or loss of the underlying asset or liability.

In the cases where transactions are not classifiable as hedging transactions, only the fair value losses of the derivative are recorded in the income statement.

The value of derivatives is determined by referring to their respective market value quotations, and, if these are not available, on the basis of a prudent valuation of the probable realisable value using calculation methodologies adopted by the market.

Loans

Loans are recorded at nominal value which, given their characteristics, corresponds to their estimated realizable value.

Deposits with ceding companies

The item includes deposits with ceding undertakings in relation to reinsurance risks, and are recorded at nominal value.

Investment commitments relating to investment funds and market indexes and investments deriving from the management of pension funds

Such investments are considered at current value. The current value of the assets, established by contractual conditions, is as follows:

- a) for investments traded on regulated liquid and active markets, by the value at the last trading day of the year;
- b) for investments in non-regulated markets, by the estimated realization value at the year-end;
- c) for other financial investments, other assets and liabilities and cash at hand, by the respective nominal value.

Receivables

Receivables from policyholders include premiums accrued but not yet collected. Commissions payable to intermediaries for premiums in the course of collection are recorded in other liabilities in the balance sheet.

Receivables from brokers include the amounts to be paid to agents, brokers and other insurance intermediaries.

Current accounts with insurance companies include receivables from co-insurance relationships and relationships with insurance companies for services.

Policyholders and third parties for recoveries include receivables for liability excesses and right of offset following the payment of insurance benefits.

Receivables arising out of reinsurance operations include current receivables from insurance and reinsurance com-

panies related to both accepted and ceded business. The account also includes receivables from reinsurance intermediaries.

Other receivables are recognised at their nominal value which, given their characteristics, corresponds to their estimated realizable value.

Tangible assets and stocks

All assets have been recorded at acquisition cost net of specific depreciation.

Newly purchased electronic equipment has been amortised over their remaining useful life.

Current purchases of furniture, office equipment and goods listed in public registers have been entirely amortised over the financial year, in view of the fact that are constantly replaced.

Cash at bank and in hand

The account includes demand deposits and deposits that provide for withdrawals subject to a time limit of less than 15 days, bank cheques and drafts, cash and stamps, recorded at nominal value.

Other Assets

The account Includes assets not included in the previous items. The account includes the sum of the differences due to rounding of balance sheet items as well as the valuation offset from unrealised gains on hedging options and swaps.

The item also includes the suspense account for balances between the life and non-life segment.

Subordinated liabilities

Liabilities in this category are recorded at their nominal value.

Technical items

The Company has classified its Italian and foreign port-

folio based on the rules set by the Legislative Decree No. 209/2005 Art. 1, paragraph 1, letters pp) and qq), as modified by Legislative Decree No. 56/2008.

The Italian direct business portfolio includes contracts entered into by the Company (as an Italian insurance company), comprising contracts stipulated by subsidiary branches in EU member countries; the Italian indirect business portfolio includes contracts wherever stipulated by the Company if the ceding company is Italian, or is established in Italy having its registered office in another state.

In the Notes to the Accounts, reference to the Italian portfolio is to be interpreted in this sense.

Technical items relating to inward and outward insurance are accounted for in the year of actual competence, in accordance with ceding company agreements and on the basis of timely communication.

For non-Group companies and only in cases where information received from ceding companies is not sufficient to precisely determine the economic result for the year at the reporting date, technical income items regarding inward and outward reinsurance are accounted for in the subsequent financial year.

In the current financial year, such technical items are included in reinsurance asset and liability offset accounts as a counter entry to the ceding companies current accounts. Further information is provided in Part B, paragraphs 6.3 and 13.7.

Non-life provisions

The technical provisions for non-life business are made according to the provisions of Art. 23 - ter and 23 - quater of Regulation No. 22 dated 4 April 2008, as amended by IVASS Provision No. 53 dated 6 December 2016 (hereinafter Regulation No. 22 dated 4 April 2008), in Annexes 15, 15 bis and 16 of the same Regulation.

The Italian direct business portfolio includes the provision for unearned premiums, the provisions for outstanding claims, the equalisation provisions.

The provision for unearned premiums includes:

- a) the provision for premium instalments calculated, for all lines of business, using the analytical method “*pro rata temporis*” with reference to Credit contracts

signed or renewed before or on 31 December 1991, the calculation criteria set by attachment 1 of the specific above-mentioned Regulation No. 15-bis have been applied;

- b) additional provisions to the provision for premium instalments, regarding the peculiarities of certain risks (hail and other natural disasters as earthquakes, seaquakes, volcanic eruptions and related phenomena, risks deriving from the use of nuclear energy, risks included in the suretyship lines of business) are determined in line with the provisions of paragraph 1 Sec. III of the specific above-mentioned Regulation.

The provision for outstanding claims is determined by a prudent assessment of claims made on the basis of objective and prospective considerations of all predictable charges. The provision is considered adequate to cover the payment of damages and the settlement costs of claims related to accidents that have occurred during the year even if not yet reported.

The methodology consists in the analytical evaluation of the ultimate cost of each claim in all lines of business and in the verification of the results achieved through the application of statistical and actuarial methodology. The exception is damage to property in the civil liability motor sector managed by the Company, reported in the last ninety days of the financial year, which are valued according to the "average cost" of homogenous groups of claims.

Claims incurred but not yet reported are estimated prudently on the basis of previous experience regarding both the frequency and average cost of late claims by line of business.

The equalisation provisions, are established with the objective of equalising the rate fluctuations of future claims or in order to cover particular risks such as credit risk, natural disasters or risks deriving from the use of nuclear energy. The provisions are determined in accordance with the attachment 1 of the above-mentioned Regulation No.15.

The calculation principles, the valuations made and the declaration that technical provisions are sufficient to guarantee the obligations undertaken by the Company for the civil liability motor and marine sectors, are presented, for the Italian portfolio, in the report of the appointed Actuary, pursuant to paragraph 3 of Art. 23-ter of Regulation No. 22 dated 4 April 2008.

For indirect business accepted through offices located in EU Member States, the technical provisions are determined, with relation to the commitments made, on the basis of the information provided by the ceding companies, appropriately integrated on the basis of independent evaluation to meet the commitments arising from contracts acquired pursuant to Annex 16 of Regulation No. 22 dated 4 April 2008.

The provision for unearned premium includes the provision for premium instalments, calculated analytically on a "pro rata temporis" basis, and the provision for unexpired risks, which is calculated using the empirical method. The provision for premium instalments is integrated by additional provisions covering risks arising from natural disasters as earthquakes, seaquakes, volcanic eruptions and related phenomena.

The provision for outstanding claims is determined on the basis of the information given by the ceding companies. The methods of determination and the results of the analysis of the technical provisions of the reinsurance business are the subject of a technical report of the Actuarial Function, as provided by Par. 4 of Art. 23-quarter of the Regulation No. 22 dated 4 April 2008.

The provisions for outstanding claims relative to cessations and retrocessions are set up in accordance to the reinsurance contractual agreement, the provisions for unearned premiums are calculated consistently to the methods adopted for gross business.

For the portfolio underwritten in non-EU branches, the technical provisions are made in accordance with Art. 43 of Legislative Decree No. 209/2005, under the laws of the countries where branches operate.

Life provisions

The technical provisions of the life segment, related to the Italian direct business, are determined according to the provisions set by Art. 23-bis and 23-quarter of ISVAP (now IVASS) Regulations No. 22 dated 4 April 2008, as amended by the IVASS Provision No. 53 dated 6 December 2016 (hereinafter Regulation No. 22 dated 4 April 2008). The provisions are set up, gross of reinsurance, in respect of the application rules identified in Annexes 14 and 16 of Regulation No. 22 dated 4 April 2008; they are analytically calculated on a contract by contract basis and on the basis of the prudent actuarial assumptions appropriate with each type of signed contract, with the aim to

guarantee the commitments accepted by the Company. For the Italian direct business portfolio, the provisions include:

- a) the mathematical provision, which includes unearned premiums, the provision for health and professional additional premiums;
- b) the reserve of the complementary insurance, calculated using the methods provided by Paragraph 18 of Annex 14 to Regulation No. 22 dated 4 April 2008, mentioned above;
- c) the provision for sums to be paid, is adequate to cover the payment of capitals, annuities, redemptions, claims incurred but not yet paid at the end of the year;
- d) the provision for future expenses;
- e) the provisions for profit sharing, representing the amounts to be accrued to the policyholders or to the beneficiaries of the contracts, such as technical profit sharing, which are not considered in the mathematical provision.

The Company, in the calculation of the mathematical reserves, follows the provisions set out in paragraphs 13 and 14 of Annex 14 to Regulation No. 22 dated 4 April 2008, and operates a cautious assessment on the basis of best estimate and a reasonable margin for adverse deviation of the factors considered. In particular, consistent with paragraph 19 of Annex 14 to Regulation No. 22 dated 4 April 2008 mentioned above, the Company makes use of the same technical bases that have been adopted for the calculation of the premium, for almost all of the technical provisions whose corresponding assets are valued according to the purchase price. In any case, the amount of the mathematical reserves cannot be lower than that calculated one with reference to the minimum conditions or guaranteed surrender value, if required.

With specific reference to the technical provisions of the unit linked and index linked contracts, the following provisions have been made where applicable:

- mathematical provisions for “unit-linked” contracts are calculated according to the principles set by paragraph 39 of Annex 14 to Regulation No. 22 dated 4 April 2008 and represented, with the maximum approximation, by the value of the units of Undertakings for Collective Investments (UCI, OICR) or by the value of assets included in the Company’s internal funds at year’s end;
- mathematical provisions for “index-linked” contracts were calculated according to the principles set by paragraph 40 of Annex 14 to Regulation No. 22 dated 4 April 2008 and represented, with the maximum approximation, by the quota representing

the reference value at year end; the provisions take into account all risk factors that might affect the level of security and marketability of the assets intended for their coverage.

Considering the presence of additional guarantees on “unit-linked” contracts, pursuant paragraph 4 of Art. 41 of the Legislative Decree No. 209/2005, additional technical provisions have been established, in accordance with actuarial principles and rules provided by paragraph 41 of Annex 14 to Regulation No. 22 dated 4 April 2008.

The calculation principles, the valuations made and the declaration that technical provisions are sufficient to guarantee the obligations undertaken by the Company, are presented, for the Italian portfolio, in the report of the appointed Actuary, pursuant to paragraph 3 of Art. 23 - bis 14 of the Regulation No. 22 dated 4 April 2008.

Technical provisions for the indirect portfolio, accepted by branches in EU countries, are accounted for on the basis of the information provided by the ceding companies, integrated, where necessary, on the basis of objective assessments with the underlying commitments pursuant to Annex 16 of the Regulation No. 22 dated 4 April 2008.

The methods of determination and the results of the analysis of the technical provisions of the indirect business are the subject of a technical report of the Actuarial Function, as provided by paragraph 4 of Art. 23-quarter of the Regulation No. 22 dated 4 April 2008.

The provisions for cessions and retrocessions are set up in accordance to the underlying reinsurance contract agreement and are calculated consistently with the methods adopted for gross business, pursuant to Art. 36 paragraph 6 of the Legislative Decree No. 209/2005 and pursuant to Annex 16 of the Regulation No. 22 dated 4 April 2008.

Provisions for risks and charges

Provisions for risks and charges include provisions to cover losses or debts of a predetermined nature, of a certain or probable existence, for which, however, at year-end either the amount or date of occurrence are indeterminate.

Deposits received from reinsurers

The account includes payables towards reinsurers for deposits issued under reinsurance agreements. They are recorded at their nominal value.

Payables and other liabilities

Payables, debenture loans and other liabilities

Payables in this category are recorded at their nominal value.

Other liabilities include payables not included in other items, such as, premiums received but temporarily suspended due to mismatching. The account includes the sum of the differences due to rounding of balance sheet items as well as the valuation offset from unrealised losses on hedging options and swaps. The item also includes the suspense account for balances between the life and non-life segment.

Provisions for severance pay

The severance indemnity is determined pursuant Art. 2120 of the Civil Code, as well as Law dated 27 December 2006, No. 296 and the labour agreements in force at the balance sheet date; the liability is considered appropriate and corresponds to the total of the single indemnities due to employees at that date.

Accrued expenses and deferred income

Accrued expenses and deferred income are recorded to ensure compliance with the principle of accrual of costs and revenue, in transactions involving a period of consecutive financial years. The discounts or premiums relating to financial liabilities are amortized over the residual duration of the liabilities.

Profit and loss items

Gross premiums written

Gross premiums written are accounted for in accordance with the ISVAP (now IVASS) Regulation n. 22/2008

amended and supplemented, gross of reinsurance premiums ceded. In particular, premiums are accounted together with the accessory premiums at the expiry date of each premium. The cancellations of a technical nature of premiums written during the year are directly deducted from premiums, whilst cancellations resulting from assessments by the Company on premiums receivable and annulments related to premiums written in previous years cannot be deducted, but are recognized within other insurance expenses.

Allocation of investment return

The transfer of the quota of investment return to the technical account for non-life business and to the non-technical account for life business is made on the basis of the principles set by Art. 22 and 23 of ISVAP (now IVASS) Regulation n. 22/2008 amended and supplemented.

Other profit and loss items

Costs and income are accounted in the year on an accrual basis. In particular, for items relating to insurance operations, the principle applied was that of "the regulations applicable to the profit and loss account" pursuant to Legislative Decree No. 173/1997 and in compliance with ISVAP (now IVASS) ruling No. 22/2008, modified and completed.

Taxes

Current taxes are determined based on the current tax law; the company has opted, as a consolidating company, for the Group taxation regime, pursuant to Title II, Chapter II, Section II of the Income Tax Code TUIR (Arts. 117-129).

Deferred tax assets and liabilities express taxation related to costs and incomes that contribute to taxable income in a tax period other than that in which they are charged to the profit and loss account; they are determined based on the rates that are expected to be in force the year in which such income components will constitute taxable income; activities for deferred taxes are recognized, in accordance with the principle of prudence, when there is a reasonable certainty of their future recovery.

Allocation of costs and revenues common to both the life and non-life segments

The Company is authorised to operate insurance and reinsurance business both in the Life and Non-life segments.

Pursuant Art. 7 of ISVAP (now IVASS) Regulation dated 11 March 2008, No. 17, which implements Art. 11 paragraph 3 and 348 of Legislative Decree dated 7 September 2005, No. 209, general expenses are charged to the relevant segment, when they are directly attributable to that segment, based on the information relative to the cost centre, reflecting the organization of the Company.

“Common” costs and revenues that are not immediately attributable to Non-life or Life segment, are recognised based on their cost centre, and then correctly and timely allocated in their reference segment pursuant to Art. 8 and Art. 9 of the above-mentioned Regulation.

Criteria for the allocation of general expenses and any revenues “common” to both segments (Non-life and Life) are based on specific parameters, structured with the

aim to obtain a consistent attribution with the operations carried out for each segment, as specified by the Resolution of the Board of Directors.

Conversion of entries in foreign currency

The Company deals systematically in foreign currency and therefore uses multi-currency accounting, in compliance with the disposals set out in Art. 89, paragraph 2 of Legislative Decree No. 209/2005. All the items in the balance sheet and the profit and loss account are converted into euro at the exchange rates at the year-end closing date. The difference emerging from the conversion is recorded in the profit and loss account.

A list of the exchange rates, supplied by Bloomberg, adopted for the conversion of currencies into euro, applied to currencies of particular significance of the Company, along with percentage changes with respect to the previous financial year is provided below.

| | Exchange in euro | | Change (%) |
|-----------------|------------------|-----------|------------|
| | 2016 | 2015 | |
| American Dollar | 1,05475 | 1,0863 | 2.9% |
| Brazilian Real | 3,4329 | 4,29765 | 20.1% |
| British Pound | 0,8536 | 0,73705 | -15.8% |
| Argentine Peso | 16,69145 | 14,06215 | -18.7% |
| Japanese Yen | 123,0208 | 130,67645 | 5.9% |

Parte B – Information on the Balance Sheet and the Profit and Loss account

The breakdown of the balance sheet between the life and non-life lines of business is presented in attachments 1 and 2 to the Notes to the Accounts.

The breakdown of non-life and life results is as follows (*attachment 3*).

| (in thousand euro) | Non Life | Life | Totale |
|--|----------------|------------------|------------------|
| Technical result | 218,440 | 361,275 | 579,715 |
| (+) Investment income | 1,018,165 | 0 | 1,018,165 |
| (-) Investment charges | 202,743 | 0 | 202,743 |
| (+) Quotas of investments profit transferred from the life technical account | 0 | 682,393 | 682,393 |
| (-) Quotas of investments profit transferred to the non-life technical account | 123,006 | 0 | 123,006 |
| Income taxes for the year | 910,856 | 1,043,668 | 1,954,524 |
| (+) Other income | 266,020 | 225,535 | 491,555 |
| (-) Other charges | 1,057,874 | 516,928 | 1,574,802 |
| (+) Extraordinary income | 40,155 | 39,434 | 79,589 |
| (-) Extraordinary charges | 39,850 | 4,967 | 44,817 |
| Result before taxation | 119,307 | 786,742 | 906,049 |
| (-) Income taxes for the year | -173,753 | -16,459 | -190,212 |
| Result for the year | 293,060 | 803,201 | 1,096,261 |

Balance sheet

Summary

| (in thousand euro) | 2016 | 2015 | Change |
|--|-------------------|-------------------|-----------------|
| Technical result | | | |
| Intangible assets | 33,197 | 37,320 | -4,123 |
| Investments | | | |
| Land and buildings | 116,276 | 120,628 | -4,352 |
| Investments in Group companies and other shareholdings | 30,391,629 | 30,022,745 | 368,884 |
| Other financial investments | 2,810,009 | 3,119,947 | -309,938 |
| Deposits with ceding companies | 7,680,393 | 7,906,952 | -226,559 |
| Total | 40,998,307 | 41,170,272 | -171,965 |

(forward)

(forward)

| <i>(in thousand euro)</i> | 2016 | 2015 | Change |
|---|-------------------|-------------------|----------------|
| Class D investments | 3,456,300 | 3,598,803 | -142,503 |
| Reinsurers' share of technical provisions | | | |
| Non-life | 518,026 | 535,965 | -17,939 |
| Life | 396,196 | 356,946 | 39,250 |
| Total | 914,222 | 892,911 | 21,311 |
| Debtors | 1,759,781 | 1,281,122 | 478,659 |
| Other assets | | | |
| Cash at hand | 655,065 | 549,905 | 105,160 |
| Other | 258,073 | 226,079 | 31,994 |
| Total | 913,138 | 775,984 | 137,154 |
| Accrued income and deferred charges | 209,238 | 234,375 | -25,137 |
| TOTAL ASSETS | 48,284,183 | 47,990,787 | 293,396 |
| LIABILITIES AND SHAREHOLDERS' FUNDS | | | |
| Shareholders' funds | | | |
| Subscribed share capital or equivalent fund | 1,559,883 | 1,556,873 | 3,010 |
| Reserves | 12,014,241 | 12,208,821 | -194,580 |
| Profit for the year | 1,096,261 | 931,469 | 164,792 |
| Total | 14,670,385 | 14,697,163 | -26,778 |
| Subordinated liabilities | 7,089,925 | 6,864,544 | 225,381 |
| Technical provisions | | | |
| Non-life | 2,609,004 | 2,520,646 | 88,358 |
| Life | 8,909,901 | 8,897,163 | 12,738 |
| Total | 11,518,905 | 11,417,809 | 101,096 |
| Technical provisions for investment and pension funds | 3,454,111 | 3,595,160 | -141,049 |
| Provisions for other risks and charges | 113,298 | 106,693 | 6,605 |
| Deposits received from reinsurers | 307,642 | 295,046 | 12,596 |
| Creditors and other liabilities | 10,746,348 | 10,626,487 | 119,861 |
| Accrued expenses and deferred income | 383,569 | 387,885 | -4,316 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | 48,284,183 | 47,990,787 | 293,396 |

Balance sheet – Asset

Section 1 – Intangible assets – *Item B*

The account refers to the multi-year charges.

1.1 Changes to intangible assets over the year – (attachment 4)

| (in thousand euro) | | 2016 |
|-------------------------------|---------------------------|----------------|
| Gross initial amount | | 201,037 |
| Increase for the year for: | acquisitions or increases | 16,136 |
| | reversal value | 0 |
| | revaluation | 0 |
| | other changes | 10 |
| | Total | 16,146 |
| Decreases for the year for: | sales or decreases | 0 |
| | long-term devaluations | 0 |
| | other changes | 0 |
| | Total | 0 |
| Gross final amount (a) | | 217,183 |
| Depreciations | | |
| Gross initial amount | | 163,717 |
| Increases for the year for: | amortisation quotas | 20,262 |
| | other changes | 7 |
| | Total | 20,269 |
| Decreases for the year for: | reductions from sales | 0 |
| | other changes | 0 |
| | Total | 0 |
| Gross final amount (b) | | 183,986 |
| Book value (a - b) | | 33,197 |

Increases refer to the new activations made during the year for software costs related to Group projects in the Risk Management and Group Reporting areas.

Section 2 – Investments – *Item C*

The current value indicated in the Notes to the Accounts as the reference value for assets in classes C.II and C.III is as follows:

- for investments in regulated markets, the value is that of the last trading day of the year;
- for investments in non-regulated markets, the value is that deriving from a prudent estimation of their probable realisable value at year end, with the exception of unlisted participations in subsidiaries and companies in which a significant interest is held, for which

the current reference value is equal to the value of the shareholders' fund calculated in accordance with the international accounting standards IAS/IFRS.

2.1 Land and buildings – *Item C.I*

The item includes property used for own use and properties rented for use by third parties. The depreciation rate for buildings is equal to 1%.

The variation of the year for land and buildings is provided in *attachment 4*.

2.1.1 Variations in land and buildings over the year – (*attachment 4*)

| (in thousand euro) | | 2016 |
|-------------------------------------|---------------------------------|----------------|
| Gross initial amount | | 124,732 |
| Increases for the year for: | acquisitions or increments | 223 |
| | reversal value | 0 |
| | revaluation | 0 |
| | other changes | 0 |
| | Total | 223 |
| Decreases for the year for: | sales or decrements | 230 |
| | long-term devaluations | 0 |
| | other changes | 3,298 |
| | Total | 3,528 |
| Gross final amount (a) | | 121,427 |
| Depreciations | | |
| Initial amount | | 4,103 |
| Increases for the year for: | depreciation quota for the year | 1,209 |
| | other changes | 0 |
| | Total | 1,209 |
| Decreases for the year for: | reductions from sales | 12 |
| | other changes | 149 |
| | Total | 161 |
| Depreciated final amount (b) | | 5,151 |
| Book value (a - b) | | 116,276 |

2.1.2 Leased property and operations carried out with Group companies and companies in which a significant interest is held

There are no leased assets and there were no financial leasing operations implemented with regards to real estate or other assets.

2.1.3 Determination of the market value of land and buildings

Market values of land and buildings have been determined based on the principles set out by Title III, Paragraph I, of ISVAP (now IVASS) Regulation No. 22/2008 amended and integrated. In particular, with reference to

the properties for own use, valuation criteria alternatively used for the assessment of the market value are the following:

- income method
- sales comparison method.

2.2 Investments in Group companies and other companies in which a significant interest is held – *Item C.II*

Certain investments in Group companies and other companies in which a significant interest is held for a total amount of 206,548 thousand are considered non-durable since there is no permanent intention to hold these investments. The most significant are:

| | Quantity | (thousand euro) |
|---------------------|----------|-----------------|
| Bonds | | |
| Generali Finance BV | 650,000 | 634 |
| Shares | | |
| Lion River NV | 173,092 | 186,999 |
| Perils AG | 25 | 373 |

2.2.1 Equities – *Item C.II.1*

2.2.1 a) Variation in equities over the year – (*attachment 5*)

| (in thousand euro) | | 2016 |
|-----------------------------|---|-------------------|
| Gross initial amount | | 29,650,345 |
| Increases for the year for: | acquisitions, subscriptions or payments | 124,170 |
| | reversal value | 6,072 |
| | revaluations | 0 |
| | other changes | 301,912 |
| | Total | 432,154 |
| Decreases for the year for: | sales or redemptions | 94,611 |
| | devaluations | 58,003 |
| | other changes | 290,890 |
| | Total | 443,504 |
| Book value | | 29,638,995 |

The increases mainly include:

- participation to the capital increase of Generali Brasil Seguros for 76,394 thousand;
- participation to the capital increase of Generali Vietnam Life Insurance Ltd. Liability Co. for 21,681 thousand;

- the value recovery of shares Lion River (class C and D) for a total of 6,072 thousand.

The decreases mainly include:

- the transfer of the participation in Generali Insurance AD to Generali CEE Holding for 34,141 thousand;

- the final settlement of Telco AG S.r.l. for 56,723 thousand;
- the value adjustment of Lion River shares for 32,940 thousand;
- the devaluation of the participation in Fata Assigurari for 8,874 thousand;
- the devaluation of the participation in Generali Shared Services S.c.a.r.l. for 7,316 thousand.

2.2.1 b) Information on companies in which a significant interest is held

Provided in *attachment 6* of the Notes to the Accounts.

2.2.1 c) Detailed movement schedule

Provided in *attachment 7* of the Notes to the Accounts.

In addition, the other changes in increase and decrease include the movement of 254,288 thousand linked to the merge of Flandria Participations Financières S.A. in Participatie Maatschappij Graafschap Holland N.V..

2.2.2 Changes in bonds issued by companies over the year - *Item C.II.2 (attachment 5)*

| (in thousand euro) | | 2016 |
|-----------------------------|---------------------------------------|------------|
| Gross initial amount | | 1.500 |
| Increases for the year for: | acquisitions, subscriptions, payments | 0 |
| | reversal value | 5 |
| | other changes | 0 |
| | Total | 5 |
| Decreases for the year for: | sales or redemptions | 752 |
| | devaluations | 0 |
| | other changes | 119 |
| | Total | 871 |
| Book value | | 634 |
| Section C.II.2 includes | listed bonds | 634 |
| | non listed bonds | 0 |
| | book value | 634 |
| | of which convertible bonds | 0 |

Decreases of the year refer to the early repayment of a debenture loan issued by Generali Finance for 751.8 thousand. The value of the bond was reduced during

the year for 118.9 thousand, due to the unfavorable exchange rate of the pound sterling.

2.2.3 Changes in loans to companies over the year - *Item C.II.3*

| (in thousand euro) | | 2016 |
|-----------------------------|---------------------------------------|----------------|
| Gross initial amount | | 370,900 |
| Increases for the year for: | acquisitions, subscriptions, payments | 381,100 |
| | reversal value | 0 |
| | appreciations | 0 |
| | other changes | 0 |
| | Total | 381,100 |
| Decreases for the year for: | sales or redemptions | 0 |
| | devaluations | 0 |
| | other changes | 0 |
| | Total | 0 |
| Book value | | 752,000 |

The increase is mainly related to the loan granted to Generali Finance B.V. for an amount equal to 381,100 thousand.

2.2.4 a) Detailed outline of the most significant bonds issued by companies - *Item C.II.2*

The most significant bonds issued by Group companies amounted to 634 thousand and are related to issues by Generali Finance B.V.

2.2.4 b) Detailed outline of the most significant loans to companies - *Item C.II.3*

The total amount of 752,000 thousand includes the loan granted to Generali Beteiligungs for 370,900 thousand and to Generali Finance for 381,100.

2.3 Other financial investments - *Item C.III*

There are no shareholdings that exceed one tenth of the capital or one tenth of the voting rights that can be exer-

cised during the Ordinary General Meeting, classified in this category in the financial statements.

2.3.1 Breakdown on the basis of the durable or non-durable utilisation of the assets included in the equities items – *Item C.III.1*, units in common investment funds – *Item C.III.2*, bonds and other fixed-interest securities – *Item C.III.3*, participation in investment pools – *Item C.III.5* other financial investments – *Item C.III.7 (attachment 8)*

Apart from the investments in Group companies and other companies in which a significant interest is held, durable investments are those that remain permanently held by the Company, namely:

- shares, listed and non-listed, that are considered related to the insurance operations;
- other debt securities, listed and non-listed, which are designed for medium/long-term commitments.

All other assets included in these items are considered non-durable.

| (in thousand euro) | Durable | | Non-durable | | Total | |
|--|----------------|----------------|----------------|------------------|------------------|------------------|
| | Book value | Current value | Book value | Current value | Book value | Current value |
| Non life | | | | | | |
| 1) Equities of companies | | | | | | |
| a) listed shares | 3,678 | 3,785 | 5,343 | 7,608 | 9,021 | 11,393 |
| b) unlisted shares | 6,412 | 6,607 | 1,247 | 1,651 | 7,659 | 8,258 |
| c) units | 577 | 11,556 | 0 | 0 | 577 | 11,556 |
| Total | 10,667 | 21,948 | 6,590 | 9,259 | 17,257 | 31,207 |
| 2) Units in common investment funds | 0 | 0 | 468,070 | 469,855 | 468,070 | 469,855 |
| 3) Bonds and other fixed-interest securities | | | | | | |
| a1) listed government bonds | 27,968 | 30,736 | 529,834 | 532,871 | 557,802 | 563,607 |
| a2) other listed securities | 0 | 0 | 153,599 | 157,686 | 153,599 | 157,686 |
| b1) unlisted government bonds | 9,525 | 9,915 | 5,912 | 6,081 | 15,437 | 15,996 |
| b2) other unlisted securities | 4,114 | 4,231 | 1,566 | 1,758 | 5,680 | 5,989 |
| c) convertible bonds | 23,685 | 23,685 | 0 | 0 | 23,685 | 23,685 |
| Total | 65,292 | 68,567 | 690,911 | 698,396 | 756,203 | 766,963 |
| 5) Participation in investment pools | 0 | 0 | 0 | 0 | 0 | 0 |
| 7) Other investments | 0 | 0 | 7,549 | 7,554 | 7,549 | 7,554 |
| Life | | | | | | |
| 1) Equities of companies | | | | | | |
| a) listed shares | 0 | 0 | 0 | 0 | 0 | 0 |
| b) unlisted shares | 1,157 | 41,181 | 3,780 | 3,800 | 4,937 | 44,981 |
| c) units | 4,731 | 6,002 | 0 | 0 | 4,731 | 6,002 |
| Total | 5,888 | 47,183 | 3,780 | 3,800 | 9,668 | 50,983 |
| 2) Units in common investment funds | 0 | 0 | 36,754 | 36,754 | 36,754 | 36,754 |
| 3) Bonds and other fixed-interest securities | | | | | | |
| a1) listed government bonds | 183,186 | 218,616 | 395,817 | 427,926 | 579,003 | 646,542 |
| a2) other listed securities | 262,470 | 275,226 | 523,083 | 571,916 | 785,553 | 847,142 |
| b1) unlisted government bonds | 10,827 | 17,544 | 0 | 0 | 10,827 | 17,544 |
| b2) other unlisted securities | 1,835 | 1,895 | 6,269 | 6,422 | 8,104 | 8,317 |
| c) convertible bonds | 0 | 0 | 382 | 405 | 382 | 405 |
| Total | 458,318 | 513,281 | 925,551 | 1,006,669 | 1,383,869 | 1,519,950 |
| 5) Participation in investment pools | 0 | 0 | 0 | 0 | 0 | 0 |
| 7) Other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | | | | | |
| 1) C.III.1 Equities of companies | 16,555 | 69,131 | 10,370 | 13,059 | 26,925 | 82,190 |
| 2) C.III.2 Units in common investment funds | 0 | 0 | 504,824 | 506,609 | 504,824 | 506,609 |
| 3) C.III.3 Bonds and other fixed-interest securities | 523,610 | 581,848 | 1,616,462 | 1,705,065 | 2,140,072 | 2,286,913 |
| 4) C.III.5 Participation in investment pools | 0 | 0 | 0 | 0 | 0 | 0 |
| 5) C.III.7 Other investments | 0 | 0 | 7,549 | 7,554 | 7,549 | 7,554 |

With reference to bonds and other fixed interest securities in item C.III.3, the most significant items at book value are:

| (in thousand euro) | 2016 |
|--|---------|
| Securities issued by the Italian government | 602,257 |
| Securities issued by the American government | 127,316 |
| Securities issued by the Panama government | 128,581 |
| Securities issued by the U.K. government | 66,338 |

The other items individually considered refer to sums under 50,000 thousand.

The issue and trading differences inherent to the bonds and other fixed interest securities in items C.II.2 and C.III.3 are as follows:

| (in thousand euro) | Positive | Negative | Balance |
|---------------------|--------------|--------------|------------|
| Issuing differences | 1,699 | 285 | 1,414 |
| Trading differences | 127 | 1,421 | -1,294 |
| Total | 1,826 | 1,706 | 120 |

2.3.2 Variations over the year to durable assets included in the items as in point 2.3.1 (attachment 9)

| (in thousand euro) | | Equities | Units in com. invest. Funds | Bonds | Participation | Other |
|--------------------|--|---------------|-----------------------------|----------------|---------------|----------|
| | | C.III.1 | C.III.2 | C.III.3 | C.III.5 | C.III.7 |
| Initial amount | | 27,488 | 4,603 | 335,875 | 0 | 0 |
| Increases for: | acquisitions | 0 | 0 | 159,181 | 0 | 0 |
| | reversal value | 0 | 0 | 0 | 0 | 0 |
| | transfers from the non-durable portfolio | 0 | 0 | 53,126 | 0 | 0 |
| | other changes | 1,085 | 138 | 3,428 | 0 | 0 |
| | Total | 1,085 | 138 | 215,735 | 0 | 0 |
| Decreases for: | sales | 7,343 | 4,741 | 446 | 0 | 0 |
| | devaluations | 4,638 | 0 | 0 | 0 | 0 |
| | transfers to the non-durable portfolio | 0 | 0 | 13,333 | 0 | 0 |
| | other changes | 38 | 0 | 14,220 | 0 | 0 |
| | Total | 12,019 | 4,741 | 27,999 | 0 | 0 |
| Book Value | | 16,554 | 0 | 523,611 | 0 | 0 |

The main changes of the shares not owned by the Group in the durable segment, are mainly due to the transfer of the shareholding in Argentario S.p.A. for 7,330 thousand, to the write-down of Banca Popolare di Vicenza for 3,432 thousands and Veneto Banca for 953 thousand.

The value of the common investment funds registered in the durable segment, were set to zero during the year

due to the redemption of units of the Fund Securis CL A held in the durable segment.

In the bond portfolio, increases are mainly due to net purchases for 158,734 thousand of corporate equities. During the year, the Company has provided to the reclassification from the non-durable to the durable portfolio and vice versa for a net countervalue of 39,793 thousand.

2.3.3 Changes in loans over the year – *Item C.III.4* and in deposits with credit institutions – *Item C.III.6* (*attachment 10*)

| (in thousand euro) | | Loans | Deposits with credit |
|--------------------|----------------|--------------|------------------------|
| | | C.III.4 | institutions - C.III.6 |
| Initial amount | | 3,551 | 129,798 |
| Increases for: | payments | 668 | 602,408 |
| | reversal value | 0 | 0 |
| | other changes | 105 | 0 |
| | Total | 773 | 602,408 |
| Decreases for: | redemptions | 162 | 605,635 |
| | devaluations | 72 | 0 |
| | other changes | 22 | 0 |
| | Total | 256 | 605,635 |
| Book value | | 4,068 | 126,571 |

2.3.4 a) Detailed outline of significant guaranteed loans – *Item C.III.4.a*.

No guaranteed loans are posted in the financial statements.

2.3.4 b) Detailed outline of significant other loans – *Item C.III.4.c*.

The item refers to other loans for a total amount of 3,279 thousand, of which 2,031 thousand relative to loans granted from the Panama branch and 1,248 thousand granted from the Hong Kong branch.

2.3.5 Breakdown of the duration of deposits with credit institutions – *Item C.III.6*

| (in thousand euro) | 2016 |
|--------------------|----------------|
| Less than 3 months | 61,588 |
| More than 3 months | 64,983 |
| Total | 126,571 |

2.3.6 Breakdown of other financial investments by type – *Item C.III.7*

The item includes options on indexes for a counter value of 7,549 thousand.

2.4 Deposits with ceding companies – *Item C.IV*

Deposits with ceding companies amount to 7,680,393 thousand (7,906,952 thousand at 31 December 2015). Information regarding transactions with Group companies is provided in *attachment 16*, deposits with subsidiaries include deposits with:

- Alleanza Assicurazioni S.p.A. for 4,149,890 thousand;
- Generali Levensverzekering Maatschappij N.V. for 1,294,409 thousand;
- Generali Deutschland Holding AG for 684,907 thousand.

2.4.1 Impairment on deposits with ceding companies over the year

There are no impairments on deposits with ceding companies over the year.

Section 3 – Investments for the benefit of life- assurance policyholders who bear the investment risk and relating to the administration of pension funds – *Item D*

3.1 Overview of operations related to contracts linked to investment funds and market indexes – *Item D.I (attachment 11)*

| (in thousand euro) | Current value | | Acquisition costs | |
|--|------------------|------------------|-------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Land and buildings | 0 | 0 | 0 | 0 |
| Investments in Group comp. and comp. in which a significant interest is held | | | | |
| Equities | 0 | 0 | 0 | 0 |
| Bonds | 0 | 0 | 0 | 0 |
| Loans | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| Units in common investment funds | 126,671 | 90,477 | 123,626 | 91,655 |
| Equities | 203 | 196 | 187 | 191 |
| Bonds and other fixed-interest securities | 51,397 | 51,618 | 39,732 | 50,051 |
| Deposits with credit institutions | 0 | 0 | 0 | 0 |
| Other investments | 0 | 0 | 0 | 0 |
| Total | 51,600 | 51,814 | 39,919 | 50,242 |
| Other assets | 617 | 538 | 617 | 539 |
| Cash at hand | 2,033 | 2,291 | 2,033 | 2,291 |
| Other liabilities | -1,114 | -1,174 | -1,114 | -1,174 |
| Deposits with ceding companies | 3,276,493 | 3,454,857 | 3,276,493 | 3,454,857 |
| Total | 3,456,300 | 3,598,803 | 3,441,574 | 3,598,410 |

The investments relative to the various types of managed products are described in detail in *attachments 11*. Within deposits with ceding companies 2,850,940 thousand are attributable to the reinsurance deposit relating to Generali PanEurope and for the remaining part of the portfolio redefinition accepted by some Group companies, by virtue of which part of the mathematical reserves have been recognized in the technical provisions where the investment risk is borne by policyholders, with consequent treatment, from the asset side, of the relative deposits with ceding companies.

3.2 Overview of operations relative to contracts linked to pension funds – *Item D.II (attachment 12)*

No investments relative to contracts linked to pension funds have been recorded.

3.3 Transfers of investments from class C to class D and vice versa

No transfers were made during the year.

Section 4 - Reinsurers' share of technical provisions - *Item D bis*

4.1 a) Breakdown of Other technical provisions – non-life business - *Item D bis I.4*

No other non-life business technical provisions were written in the financial statements to be charged to reinsurers.

4.1 b) Breakdown of Other technical provisions – Life business - *Item D bis II.5*

No other life business technical provisions were written in the financial statements to be charged to reinsurers.

Section 5 - Receivables - *Item E*

Item E includes, among other things, receivables arising out of reinsurance operations. These amounted to 487,717 thousand and refer mainly to receivables from insurance and reinsurance companies (481,284 thousand). This amount is relative to the non-life business for 158,777 thousand and to the life business for 322,507 thousand. Overall, the debtors counterparts are mainly other Group Companies.

5.1 Write downs carried out over the year

Write down of receivables from policyholders for premiums was carried out over the year. It was charged to the technical accounts and amounted to 340 thousand.

The following table provides a detailed description of the write down per line of business

| (in thousand euro) | 2016 |
|--------------------------|------------|
| Accident | 3 |
| Health | 0 |
| Fire | 66 |
| Property other than fire | 55 |
| Motor TPL | 0 |
| General Liability | 202 |
| Other LOB | 14 |
| Total | 340 |

5.2 Details of other receivables – *Item E.III*

| (in thousand euro) | 2016 |
|---|------------------|
| Credits due from Group Companies | 489,342 |
| Credits for pre-paid taxes | 221,824 |
| Sums due from Financial Administration | 213,578 |
| Credits for securities and coupons sold or purchased to be adjusted | 66,420 |
| Credits for entries to be adjusted with credit institutions | 45,058 |
| Credits due from subsidiaries for fiscal consolidation | 44,576 |
| Others credits | 60,049 |
| Total | 1,140,847 |

Credits due from Group Companies refer almost exclusively to relations of Direct Cash Pooling. The most significant amount relates to the counterparty Generali Italia for an amount of 251,864 thousand.

Among receivables towards the Tax Authorities, receivables for advance tax on insurance equal to 58,291 thousand is particularly significant, IRES receivable equal to 48,932 thousand, receivables for the advance payment

of income tax by various foreign subsidiaries for 45,560 thousand and the IRAP receivable equal to 25,912 thousand.

Receivables for pre-paid taxes refer to items that from a fiscal point of view are recognized in years other than that in which they are accounted for in the profit and loss account net of the provision for deferred taxes.

Section 6 - Other assets - Item F

6.1 Variations to durable assets in class F.I over the year

| (in thousand euro) | 2015 | Increases | Decreases | 2016 |
|--|--------------|--------------|--------------|--------------|
| Furniture, office equipment, internal transport vehicles | 1,700 | 5,500 | 4,056 | 3,144 |
| Movables listed in public registers | 62 | 1,477 | 131 | 1,408 |
| Equipments and appliances | 0 | 135 | 135 | 0 |
| Inventories | 348 | 124 | 0 | 472 |
| Total | 2,110 | 7,236 | 4,322 | 5,024 |

6.3 Deferred reinsurance items - Item F.IV.1

Deferred reinsurance items, amounting to 9,548 thousand, include the negative income values of a technical

nature that are to be entered in the profit and loss accounts in the following year.

Details of the items are illustrated in the following table.

| (in thousand euro) | Non-Life | Life | Total |
|--|--------------|--------------|--------------|
| Premiums | 0 | 0 | 0 |
| Claims | 5,232 | 3,246 | 8,478 |
| Commissions | 570 | 237 | 807 |
| Profit portfolio on provisions and other technical items | 263 | 0 | 263 |
| Total | 6,065 | 3,483 | 9,548 |

6.4 Details of miscellaneous assets - Item F.IV.2

Miscellaneous assets, amounting to 243,500 thousand, mainly refer to the linkage account which recorded a credit of life sector towards non-life sector.

Section 7 - Prepayments and accrued income - Item G

7.1 Details of prepayments and accrued income

| (in thousand euro) | Accrued income | Deferred charges | Total |
|---|----------------|------------------|----------------|
| Interests | 36,791 | 0 | 36,791 |
| Rents | 485 | 173 | 658 |
| Other accrued income and deferred charges | 51,911 | 119,878 | 171,789 |
| Total | 89,187 | 120,051 | 209,238 |

7.2 Breakdown of other accrued income and deferred charges – Item G.3

| (in thousand euro) | Accrued income | Deferred charges | Total |
|--|----------------|------------------|----------------|
| Deferred charges for disagio on bond issues | 0 | 62,289 | 62,289 |
| Deferred charges for disagio on loans | 0 | 0 | 0 |
| Accrued income and deferred charged on derivatives | 47,186 | 52,475 | 99,661 |
| Other | 4,725 | 5,114 | 9,839 |
| Total | 51,911 | 119,878 | 171,789 |

7.3 Breakdown of multi-year accruals and deferrals and those with a duration of over five years

The deferred charges with a residual duration of over one year are:

- disagio on bond issues, subordinated liabilities and loans for 53,286 thousands;
- derivatives hedging the variations in exchange rate, relative to the loans issued in previous years, for 3,369 thousand;
- derivatives hedging the variations in interest rate, relative to the loans issued in previous years, for 39,709 thousand.

Furthermore, the deferred charges that have a residual duration of over five years are:

- disagio on bond issues, subordinated liabilities and loans for 22,546 thousands;
- derivatives hedging the variations in exchange rate, relative to the loans issued in previous years, for 1,059 thousand;
- derivatives hedging the variations in interest rate, relative to the loans issued in previous years, for 6,022 thousand.

Subordinated assets

Subordinated assets classified under items C.II.2 and C.III.3, are indicated based on their level of subordination, in accordance with international practice.

| Issuing entity | Nominal value in thousand euro | Currency of denomination | Type of interest rate | Due date | Early paym. Clause | Subordination level |
|-------------------------------|--------------------------------|--------------------------|-----------------------|-----------|--------------------|---------------------|
| Allianz Finance II BV | 2,000 | EUR | fixed | perpetual | yes | Tier II |
| Allianz SE | 3,792 | USD | fixed | perpetual | yes | Tier II |
| Aquarius Plus Investments Plc | 311 | EUR | fixed | 02/10/43 | yes | Tier II |
| Aviva Plc | 200 | EUR | fixed | 22/05/38 | yes | Tier II |
| Axa SA | 4,000 | EUR | fixed | 16/04/40 | yes | Tier II |
| Axa SA | 7,521 | GBP | fixed | 15/12/20 | no | Tier II |
| Axa SA | 1,896 | USD | fixed | 15/12/30 | no | Tier II |
| Bank of America Corp | 664 | USD | fixed | 29/01/37 | yes | Other clauses |
| Barclays Bank Plc | 5,858 | GBP | fixed | perpetual | yes | Tier II |
| Belfius Financing | 6,033 | GBP | variable | 09/02/17 | yes | Tier II |
| Bnp Paribas | 379 | USD | fixed | perpetual | yes | Tier I |
| Citigroup Inc | 1,500 | EUR | variable | 30/11/17 | yes | Tier II |
| Citigroup Inc | 3,515 | GBP | fixed | 12/12/18 | no | Tier II |
| Clerical Medical Finance Plc | 4,686 | GBP | fixed | perpetual | yes | Tier II |

| Issuing entity | Nominal value in thousand euro | Currency of denomination | Type of interest rate | Due date | Early paym. Clause | Subordination level |
|--------------------------------------|--------------------------------|--------------------------|-----------------------|-----------|--------------------|---------------------|
| CNP Assurances | 1,000 | EUR | fixed | 14/09/40 | yes | Tier II |
| Cooperatieve Rabobank U.A | 995 | USD | fixed | 01/12/43 | no | Other clauses |
| Credit Suisse Group Finance (Us) Inc | 1,757 | GBP | fixed | 05/10/20 | no | Tier II |
| Delta Lloyd NV | 1,500 | EUR | fixed | perpetual | yes | Tier II |
| Eddystone Finance Plc | 879 | GBP | variable | 19/04/21 | yes | Other clauses |
| EDF SA | 3,500 | EUR | fixed | perpetual | yes | Tier II |
| EDF SA | 7,147 | GBP | fixed | perpetual | yes | Tier II |
| Enel S.p.A. | 1,172 | GBP | fixed | 10/09/75 | yes | Tier II |
| Enel S.p.A. | 237 | USD | fixed | 24/09/73 | yes | Tier II |
| Engie SA | 600 | EUR | fixed | perpetual | yes | Tier II |
| Ge Capital Trust II | 1,000 | EUR | fixed | 15/09/67 | yes | Tier II |
| Generali Electric | 500 | EUR | fixed | 15/09/67 | yes | Tier II |
| Generali Electric | 2,929 | GBP | fixed | 15/09/67 | yes | Tier II |
| Generali Finance BV | 650 | EUR | fixed | perpetual | yes | Other clauses |
| Goldman Sachs Group Inc | 4,100 | GBP | fixed | 12/10/21 | yes | Tier II |
| Goldman Sachs Group Inc | 2,929 | GBP | fixed | 14/05/17 | yes | Tier II |
| Haven Funding (32) Plc | 3,515 | GBP | fixed | 30/11/32 | yes | Other clauses |
| Hsbc Bank Plc | 1,172 | GBP | fixed | 07/07/23 | no | Tier II |
| Hsbc Bank Plc | 5,858 | GBP | fixed | 24/03/46 | no | Tier II |
| Hsbc Holdings Plc | 534 | EUR | fixed | 10/01/24 | yes | Tier II |
| Hsbc Holdings Plc | 4,686 | GBP | fixed | 20/12/27 | no | Tier II |
| Hsbc Holdings Plc | 474 | USD | fixed | 01/06/38 | no | Tier II |
| Ing Bank NV | 50 | EUR | fixed | 29/05/23 | yes | Tier II |
| Lloyds Bank Plc | 1,172 | GBP | fixed | 06/04/23 | no | Tier II |
| Lloyds Banking Group Plc | 382 | GBP | fixed | perpetual | yes | Tier I |
| Muenchener Rueckversicherungs AG | 1,500 | EUR | fixed | 26/05/41 | yes | Tier II |
| Muenchener Rueckversicherungs AG | 1,757 | GBP | fixed | 26/05/42 | yes | Tier II |
| National Westminster Bank Plc | 3,515 | GBP | fixed | perpetual | yes | Tier II |
| Nordea Bank Ab | 907 | EUR | fixed | 26/03/20 | no | Tier II |
| Postevita S.p.A. | 1,479 | EUR | fixed | 30/05/19 | no | Tier II |
| Prudential Plc | 1,757 | GBP | fixed | 19/12/31 | no | Tier II |
| Royal Bank of Scotland Plc | 1,054 | GBP | fixed | perpetual | yes | Tier II |
| Santander UK Plc | 2,929 | GBP | fixed | perpetual | yes | Tier I |
| Santander UK Plc | 5,354 | GBP | fixed | 04/01/17 | yes | Tier II |
| Societe Generale SA | 284 | USD | fixed | 17/01/24 | no | Tier II |
| Standard Chartered Plc | 2,362 | EUR | fixed | 21/10/25 | yes | Tier II |
| Standard Chartered Plc | 758 | USD | fixed | 09/01/43 | no | Other clauses |
| Tennet Holdings BV | 50 | EUR | fixed | perpetual | yes | Tier II |
| Wells Fargo & Co | 9,313 | GBP | fixed | 29/11/35 | no | Tier II |
| Wells Fargo & Co | 1,707 | USD | fixed | 02/11/43 | no | Other clauses |

Balance Sheet – Liabilities

Section 8 – Shareholders' funds - *Item A*

8.1 Changes to shareholders' funds over the year

| (in thousand euro) | 2015 | Increases | Decreases | 2016 |
|--------------------------------------|-------------------|------------------|------------------|-------------------|
| Subscribed share capital | 1,556,873 | 3,010 | 0 | 1,559,883 |
| Share premiums reserve | 3,568,250 | 0 | 0 | 3,568,250 |
| Revaluation reserves | 2,010,835 | 0 | 0 | 2,010,835 |
| Legal reserve | 311,375 | 602 | 0 | 311,977 |
| Reserve for parent company shares | 0 | 0 | 0 | 0 |
| Other reserves | 6,321,401 | 0 | 195,182 | 6,126,219 |
| Negative reserve for own shares held | 3,040 | 0 | 0 | 3,040 |
| Income carried forward | 0 | 0 | 0 | 0 |
| Profit for the previous year | 931,469 | 0 | 931,469 | 0 |
| Profit for the year | 0 | 1,096,261 | 0 | 1,096,261 |
| Total | 14,697,163 | 1,099,873 | 1,126,651 | 14,670,385 |

8.2 Share capital – *Item A.I*

The share capital at 31 December 2016 was 1,559,883 thousand, divided into ordinary shares with a nominal value of 1 euro each.

The item shows an increase of 3,010 thousand consequent to the capital increase carried out for the allocation of shares to the management of the Group, as required by the long-term incentive plan “Long Term Incentive Plan 2013”.

8.3 a) Share premiums reserve – *Item A.II*

The reserve remains unchanged compared to the previous year.

8.3 b) Details of the revaluation reserves – *Item A.III*

The total of the revaluation reserves, amounting to 2,010,835 thousand include:

- revaluation Reserve pursuant to Law 413/1991 for 802,314 thousand;

- revaluation Fund for fixed assets pursuant to Law 168/1982 for 153,474 thousand;
- revaluation Fund pursuant to Law 904/1977 for 20,123 thousand;
- revaluation Reserve pursuant to Law 266 dated 23 December 2005 for 793,054 thousand;
- revaluation Reserve pursuant to Law Decree 185/2008 converted with the Law No. 2 dated 28 January 2009 for 92,676 thousand;
- revaluation Reserve pursuant to Law 576/75 for 30,425 thousand;
- revaluation Reserve pursuant to Law 72/83 for 118,769 thousand.

8.3 c) Legal reserve – *Item A.IV*

The increment of the reserve equal to 602 thousand is due to the capital increase.

8.4 a) Reserves for own shares and those of the Parent Company – *Item A.VI* and detail of the other reserves – *Item A.VII* and the negative reserve for own shares – *Item A.X*

The negative reserve for own shares, constituted as provided by the amended Regulation No. 22/2008 amounted to 3,040 thousand. Pursuant to the new OIC 28, own shares are recorded at a value corresponding to their cost of purchase and possible effects are applied

retroactively. The retroactive application of the new accounting policy implies, as provided by the OIC 29, for comparative purposes only, the redetermination of the effects that would have occurred in the comparative financial statements as if it always had been applied the new accounting standard. The actual changes occurring for the establishment of this reserve is highlighted from the following table 8.4 c) which summarizes the changes in shareholders' funds over the last three financial years.

8.4 b) Details of the other reserves – *Item A.VII*

| (in thousand euro) | 2015 | Increases | Decreases | 2016 |
|-------------------------|------------------|-----------|----------------|------------------|
| Merger residual reserve | 4,147,612 | 0 | 0 | 4,147,612 |
| Extraordinary reserve | 2,173,789 | 0 | 195,182 | 1,978,607 |
| Total | 6,321,401 | 0 | 195,182 | 6,126,219 |

The change in decrease of 195,182 thousand is due to the 2015 dividend distribution for 192,172 thousand as approved by the Shareholders' Meeting on 21 April 2016, and for 3,010 thousand to the capital increase.

The extraordinary reserve consists of tax suspension for 170,928 thousand corresponding to the sum of the realignment of the real estate fiscal values during the 2006 financial year as required by Law No. 266/2005, net of substitute taxation.

The merger residual reserves at the end of the period included:

- for 3,998,607 thousand from the revenue reserves deriving from the merger of Alleanza Assicurazioni S.p.A.;
- for 149,005 thousand from the capital reserves deriving from the merger of Alleanza Assicurazioni S.p.A..

8.4 c) Outline of changes to shareholders' funds over the last three years

(in thousand euro)

| | Share Capital | Share premiums reserve | Reserve for own shares | Negative reserve for own shares held | Revaluation reserve L. 266 23/12/2005 | Revaluation reserve L.D. 185/2008 |
|--|------------------|------------------------------|---------------------------|---|--|---|
| Initial amount of the 2014 financial year | 1,556,873 | 3,568,250 | 2,996 | | 793,055 | 92,676 |
| Constitution of the new negative reserve for own shares held | | | | -1,815 | | |
| Own shares reclassification for new legislation | | | -2,996 | -1,225 | | |
| Distribution of previous year result | | | | | | |
| to dividends (0.45 euro per share) | | | | | | |
| Withdrawal from extraordinary reserve | | | | | | |
| Result for the 2014 financial year | | | | | | |
| Final amount of the 2014 financial year and initial amount of the 2015 financial year | 1,556,873 | 3,568,250 | 0 | -3,040 | 793,055 | 92,676 |
| Distribution of previous year result | | | | | | |
| to dividends (0.60 euro per share) | | | | | | |
| Withdrawal from extraordinary reserve | | | | | | |
| Result for the 2015 financial year | | | | | | |
| Final amount of the 2015 financial year and initial amount of the 2016 financial year | 1,556,873 | 3,568,250 | 0 | -3,040 | 793,055 | 92,676 |
| Capital increase | 3,010 | | | | | |
| Distribution of previous year result | | | | | | |
| legal reserve adjustment | | | | | | |
| to dividends (0.72 euro per share) | | | | | | |
| Withdrawal from extraordinary reserve | | | | | | |
| Result for the 2016 financial year | | | | | | |
| Final amount of the 2016 financial year | 1,559,883 | 3,568,250 | 0 | -3,040 | 793,055 | 92,676 |

| Revaluation reserve L. 413 30/12/1991 | Revaluation reserve L. 576/75 | Revaluation reserve L. 72/83 | Revaluation reserve L. 904 16/12/1977 | Provision for revaluation of long-term assets | Merger residual reserve | Extraordinary reserve | Legal reserve | Profit for the year | Total |
|---------------------------------------|-------------------------------|------------------------------|---------------------------------------|---|-------------------------|-----------------------|---------------|---------------------|------------|
| 802,313 | 30,425 | 118,769 | 20,123 | 153,474 | 4,147,612 | 2,497,042 | 311,375 | 569,364 | 14,664,349 |
| | | | | | | | | | -1,815 |
| | | | | | | 4,221 | | | 0 |
| | | | | | | | | | |
| | | | | | | | | -569,364 | -569,364 |
| | | | | | | -131,181 | | | -131,181 |
| | | | | | | | | 737,767 | 737,767 |
| 802,313 | 30,425 | 118,769 | 20,123 | 153,474 | 4,147,612 | 2,370,082 | 311,375 | 737,767 | 14,699,756 |
| | | | | | | | | | |
| | | | | | | | | -737,767 | -737,767 |
| | | | | | | -196,293 | | | -196,293 |
| | | | | | | | | 931,469 | 931,469 |
| 802,313 | 30,425 | 118,769 | 20,123 | 153,474 | 4,147,612 | 2,173,789 | 311,375 | 931,469 | 14,697,163 |
| | | | | | | | | | |
| | | | | | | -3,010 | | | 0 |
| | | | | | | | | | |
| | | | | | | | 602 | -602 | 0 |
| | | | | | | | | -930,867 | -930,867 |
| | | | | | | -192,172 | | | -192,172 |
| | | | | | | | | 1,096,261 | 1,096,261 |
| 802,313 | 30,425 | 118,769 | 20,123 | 153,474 | 4,147,612 | 1,978,607 | 311,977 | 1,096,261 | 14,670,385 |

8.4 d) Breakdown, opportunities for use and actual use of shareholders' funds over the last three years

| Natura / descrizione | Amount | Possibility of utilisation ⁽¹⁾ | Available quota | Summary of utilisations carried out during the previous three years | |
|---|-------------------|---|-------------------------|---|----------------------|
| | | | | Losses cov. | Other ⁽⁶⁾ |
| Capital | 1,559,883 | | | | |
| Capital reserves | | | | | |
| Share premiums reserve | 3,568,250 | A,B,C | 3,568,250 ²⁾ | | |
| Merger residual reserve | 149,005 | A,B,C | 149,005 | | |
| Revaluation reserve pursuant to Law 413 - 30.12.1991 | 802,313 | A,B,C | 802,313 ³⁾ | | |
| Revaluation reserve pursuant to Law 904 - 16.12.1977 | 20,123 | A,B,C | 20,123 ³⁾ | | |
| Revaluation reserve pursuant to Law 266 - 23.12.2005 | 793,055 | A,B,C | 793,055 ³⁾ | | |
| Revaluation reserve pursuant to Law 2 - 28.1.2009 (DL 185/2008) | 92,676 | A,B,C | 92,676 | | |
| Revaluation reserve pursuant to Law 576/75 | 30,425 | A,B,C | 30,425 ³⁾ | | |
| Revaluation reserve pursuant to Law 72/83 | 118,769 | A,B,C | 118,769 ³⁾ | | |
| Reserve for revaluation of long-term assets | 153,474 | A,B,C | 153,474 | | |
| Negative reserve for own shares held | -3,040 | | -3,040 ⁶⁾ | | |
| Revenue reserves | | | | | |
| Legal reserve | 311,977 | B | | | |
| Merger residual reserve | 3,998,607 | A,B,C | 3,998,607 | | |
| Extraordinary reserve | 1,978,607 | A,B,C | 1,978,607 ⁴⁾ | | 519,646 |
| Total | 13,574,124 | | 11,702,264 | | |
| Of which: | | | | | |
| Non distributable quota | | | 0 | | |
| Distributable residual quota | | | 11,702,264 | | |

1) Key: A = for capital increase, B = for hedging, C = for distribution to shareholders.

2) In compliance with art. 2431 of the Italian Civil Code, the entire amount of this reserve can only be distributed if the legal reserve has reached the limit set out in art. 2430 of the Civil Code (20% of the share capital).

3) Taxable in case of distribution.

4) The amount of 170.928 thousand euro is taxable in case of distribution.

5) The reserves were aimed to the distribution of dividends.

6) It is a negative reserve for own shares held. This reserve has been recorded as a deduction of shareholders' funds, in compliance with the modified Regulation 22/2008. The negative reserve for own shares is unavailable.

Section 9 - Subordinated liabilities - *Item B*

Subordinated liabilities amount to 7,089,925 thousand and consist of:

- bond issue denominated in pound sterling, worth 410,028 thousand Euro, with the following characteristics:
 - expiry date is equal to the duration of the company;
 - early repayment option for the Company from the 16 June 2026;
 - fixed rate until 16 June 2026, first date of the early repayment option;
 - variable interest after 16 June 2026;
 - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
 - suitable to cover the solvency requirements of Solvency II;
- a hybrid bond issue denominated in pound sterling, worth 579,897 thousand Euro, with the following characteristics:
 - expiry date equal to the duration of the company;
 - early repayment option for the Company from the 8 February 2022;
 - fixed rate until 8 February 2022, first date of the early repayment option;
 - variable interest after 8 February 2022;
 - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
 - suitable to cover the solvency requirements of Solvency II;
- hybrid bond issues private placement, for a total of 1,000,000 thousand Euro, with the following characteristics in common:
 - expiry date equal to the duration of the company;
 - early repayment option for the Company starting from the tenth year of issue;
 - fixed rate until the first date of the early repayment option;
 - variable interest after the first date of the early repayment option;
 - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
 - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 750,000 thousand Euro with the following characteristics:
 - due on 10 July 2042;
 - early repayment option for the Company from 10 July 2022;
 - fixed rate until 10 July 2022, first date of the early repayment option;
 - variable interest after 10 July 2022, until due date;
 - subordinated towards all the non-subordinated debtors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 1,250,000 thousand Euro with the following characteristics:
 - due on 12 December 2042;
 - early repayment option for the Company from 12 December 2022;
 - fixed rate until 12 December 2022, first date of the early repayment option;
 - variable interest after 12 December 2022, until due date;
 - subordinated towards all the non-subordinated debtors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 1,000,000 thousand Euro with the following characteristics:
 - due on 4 May 2026;
 - fixed rate until due date;
 - subordinated towards all the non-subordinated debtors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 1,250,000 thousand Euro with the following characteristics:
 - due on 27 October 2047;
 - early repayment option for the Company from 27 October 2027;
 - fixed rate until 27 October 2027, first date of the early repayment option;
 - variable interest after 27 October 2027, until due date;
 - subordinated towards all the non-subordinated debtors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- a bond issue of 850,000 thousand Euro with the following characteristics:

- due on 8 June 2048;
 - early repayment option for the Company from 8 June 2028;
 - fixed rate until 8 June 2028, first date of the early repayment option;
- variable interest after 8 June 2028, until due date;
 - subordinated towards all the non-subordinated debtors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II.

Section 10 - technical provisions – *Item C.I for the non-life business and C.II for the life business*

10.1 Changes over the year to the provision for unearned premiums – *Item C.I.1* – and to the provision for outstanding claims – *Item C.I.2 non-life business (attachment 13)*

| (in thousand euro) | 2016 | 2015 | Change |
|---|------------------|------------------|---------------|
| Provision for unearned premiums | | | |
| Provision for premium instalments | 406,226 | 348,705 | 57,521 |
| Provision for unexpired risks | 5,558 | 3,603 | 1,955 |
| Book value | 411,784 | 352,308 | 59,476 |
| Provisions for outstanding claims | | | |
| Provision for refunds and direct expenses | 1,487,984 | 1,414,997 | 72,987 |
| Provision for claim settlement costs | 46,914 | 46,331 | 583 |
| IBNR provision | 662,124 | 706,903 | -44,779 |
| Book value | 2,197,022 | 2,168,231 | 28,791 |

Provision for unearned premiums

The following table illustrates the provision for unearned premiums by line of business.

| (in thousand euro) | Direct business | | Indirect Business | | Total |
|--------------------------|--------------------|-----------------------------|--------------------|-----------------------------|----------------|
| | Premium instalment | Premiums in course of coll. | Premium instalment | Premiums in course of coll. | |
| Accident | 19,789 | 0 | 17,840 | 247 | 37,876 |
| Health | 8,858 | 0 | 28,124 | 5,312 | 42,294 |
| Motor material damage | 17,713 | 0 | 1,700 | 0 | 19,413 |
| Hull transport (trains) | 106 | 0 | 0 | 0 | 106 |
| Hull aviation | 139 | 0 | 5,884 | 0 | 6,023 |
| Hull marine | 855 | 0 | 2,991 | 0 | 3,846 |
| Cargo | 3,564 | 0 | 2,656 | 0 | 6,220 |
| Fire | 37,104 | 0 | 61,166 | 0 | 98,270 |
| Property other than fire | 28,782 | 0 | 56,469 | 0 | 85,251 |
| TPL Motor | 3,226 | 0 | 172 | 0 | 3,398 |
| TPL Aviation | 814 | 0 | 7,631 | 0 | 8,445 |
| TPL Marine | 744 | 0 | 11 | 0 | 755 |
| General liability | 27,687 | 0 | 25,738 | 0 | 53,425 |
| Credit | 1 | 0 | 29 | 0 | 30 |
| Suretyship | 3,174 | 0 | 13,050 | 0 | 16,224 |
| Pecuniary losses | 4,386 | 0 | 25,726 | 0 | 30,112 |
| Legal protection | 1 | 0 | 0 | 0 | 1 |
| Assistance | 95 | 0 | 0 | 0 | 95 |
| Total | 157,038 | 0 | 249,187 | 5,559 | 411,784 |

The methodologies used for the evaluation of the provision for unearned premiums are indicated in the part A – Summary of significant accounting policies of the Notes to the Accounts.

Provision for premium instalment and additional reserves

The additional reserves are calculated by applying the provisions of paragraphs 4 and 5 of Annex 15 of ISVAP regulation (now IVASS) No.22 / 2008 amended and supplemented.

In detail:

- Suretyship risks: integrations are allocated by applying different rates to premiums issued over the past five years, separately for the various classes of risk;
- Natural disaster risks: the premium reserve for each business is integrated with an additional allocation in an amount equal to the sum of 35% of premiums of the year and 70% of premiums of previous years. The obligation to make this allocation ceases when the integration has reached an amount equal to 100 times the total premiums for the year. The additional reserve is used upon occurrence of the ensured events, when the cost of claims for the financial year exceeds gross premiums recognized in the year. During the year has been allocated to this reserve an amount of 2,381 thousand in direct insurance and 5,542 thousand in indirect business.

Provision for unexpired risks

During the year the reserve for unexpired risks for direct business has not been established, as shown in the below table:

| (in thousand euro) | % Loss ratio expected | Amount of Claims expected | Provision for premium inst.+ inst.to be due | Excess/lack of the provision |
|--------------------------|-----------------------|---------------------------|---|------------------------------|
| Accident | 71% | 963 | 1,356 | 393 |
| Health | 75% | 10,473 | 13,964 | 3,491 |
| Motor material damage | 78% | 4,079 | 5,229 | 1,150 |
| Hull transport (trains) | 0% | 0 | 106 | 106 |
| Hull aviation | 57% | 228 | 400 | 172 |
| Hull Marine | 92% | 1,479 | 1,608 | 129 |
| Cargo | 68% | 2,095 | 3,081 | 986 |
| Fire | 74% | 11,401 | 15,407 | 4,006 |
| Property other than fire | 40% | 5,683 | 14,208 | 8,525 |
| TPL Motor | 52% | 9 | 17 | 8 |
| TPL Aviation | 28% | 148 | 529 | 381 |
| TPL Marine | 0% | 0 | 0 | 0 |
| General liability | 49% | 21,070 | 42,999 | 21,929 |
| Credit | 0% | 0 | 1 | 1 |
| Suretyship | 0% | 0 | 2,645 | 2,645 |
| Pecuniary losses | 13% | 583 | 4,484 | 3,901 |
| Legal protection | 0% | 0 | 1 | 1 |
| Assistance | 0% | 0 | 95 | 95 |
| Total | 55% | 58,211 | 106,130 | 47,919 |

During the year the provision for unexpired risks has been set up for the indirect business for an amount of 5,558 thousand.

Provisions for outstanding claims

The methodologies adopted for the valuation of the provision for outstanding claims are indicated in part A – Summary of significant accounting policies of the Notes to the Accounts.

The actuarial statistical methods adopted in the analytical valuation of the provisions for outstanding claims in the main lines of business can be classified into the following types:

1. Chain Ladder on paid amount (or “chain“ method). In its traditional version, this method is based on the analysis of the accumulated payments, assuming that the progression of payments remains constant over time. The provisions for outstanding claims for each generation therefore depend exclusively on payments accumulated at the time of valuation and on this rule. There are also diverse variations in the calculation of model parameters, known as Link Ratio methods.
2. Link Ratio on “incurred”. This method is the same as the traditional Chain Ladder method, but analyses and projects the development of the “incurred” rather than the “paid”. “Incurred” for a given generation of claims at a specific year, correspond to payments accumulated over the year and the reserve at end of year.
3. Bornhütter-Ferguson method. This method is substantially based on the Link Ratio method (on “paid” or “incurred”), but also uses a series of loss ratios per generation, which is used as an “advance hypothesis” of the last generation cost, so that the estimated reserve is a weighted average between this “advance hypothesis” and the estimate obtained using the link ratio method. Amongst the input data, it is necessary to specify a series of factors (premiums or risk exposure) to be associated with each generation of claims.

IBNR provision

The IBNR provision for claims that have incurred but not yet been reported at year-end is determined on the basis of the experience acquired during previous years with regards to the frequency and average cost of late claims reported and the average cost of claims reported during the year. Claims exceeding a given threshold are excluded when determining average cost in order to exclude events of an exceptional nature.

The compatibility of the estimated values is also verified with elements derived from late claims received at the moment in which the provision is valued.

Provision for profit sharing and premium refunds

There are no contracts with the characteristics indicated in the paragraph 45 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented

10.2 Other non-life technical provisions – *Item C.1.4* – by provision type and line of business

There are no contracts with the characteristics indicated in the paragraph 42 and 43 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented.

10.3 Compulsory and non-compulsory equalisation provisions – *Item C.I.5*

| (in thousand euro) | 2016 |
|---|------------|
| Equalisation provision: | |
| Accident | 1 |
| Fire | 190 |
| Pecuniary losses | 7 |
| Total | 198 |
| Compensation provision for the credit sector | 0 |
| Total equalisation provision | 198 |

The equalisation provisions is determined according to the paragraph from 37 to 41 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and sup-

plemented. There are no non-compulsory equalisation provisions in the financial statements.

10.4 Changes during the year to the mathematical provisions – *Item C.II.1* – and the provision for profit-sharing and premium refunds – *Item C.II.4 (attachment 14)*

| (in thousand euro) | 2016 | 2015 | Change |
|---|------------------|------------------|----------------|
| Mathematical provision for pure premiums | 6,933,683 | 7,211,229 | -277,546 |
| Premiums brought forward | 189,382 | 79,388 | 109,994 |
| Provision for death risks | 0 | 0 | 0 |
| Additional provisions | 498,937 | 413,594 | 85,343 |
| Book value | 7,622,002 | 7,704,211 | -82,209 |
| Provision for profit sharing and premium refunds | 99,294 | 94,241 | 5,053 |

The decrease in mathematical reserves is due, in particular, to the natural contraction linked to the portfolio in run-off with the subsidiary Alleanza Assicurazioni S.p.A and, to a lesser extent, to the decrease in the London branch reserves mainly due to the favorable performance of the pound sterling/euro exchange rate. The increase in integration reserves is attributable for 88,708 thousand to inward relating to treaty with General Levensverzekering Maatschappij N.V..

10.5 Other life technical provisions – *Item C.II.5* – by provision type and line of business

Other life technical provisions, amounted to 18,305 thousand, were entirely made of the provision for future costs set by paragraph 17 of the Annex 14 of the Regulation No. 22 dated 4 April 2008 as amended by the IVASS Provision No. 53 dated 6 December 2016. It refers for 15,509 thousand to Line of business I, for 1,702 thousand to Line of business III, for 1,090 thousand to Line of business IV and for 4 thousand to Line of business V.

Section 11 – technical provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds – *Item D*

11.1 Overview of provisions relative to contracts linked to investment funds or market indexes – *Item D.I*

| (in thousand euro) | 2016 |
|-------------------------|------------------|
| Managed Funds | 4,741 |
| Indirect business | 3,276,493 |
| Unit vision choice | 123,177 |
| AG European Equity Fund | 271 |
| Lifetime income bond | 49,429 |
| Book value | 3,454,111 |

The amount of indirect business worth 3,276,493 is mainly attributable for 2,850,939 thousand to the reinsurance treaty subscribed during the year with General PanEurope, and for the residual part, to the redefinition of the portfolio accepted by some of the Group companies by virtue of as part of the mathematical reserves have been recognized in technical provisions where the investment risk is borne by policyholders.

11.2 Outline of provisions deriving from the administration of pension funds – *Item D.II*

No provisions deriving from the administration of pension funds are accounted for in the financial statements.

Section 12 – Provisions for other risks and charges – *Item E*

12.1 Changes to the provisions for other risks and charges over the year (*attachment 15*)

| (in thousand euro) | Funds for retirement and similar obligations | Tax Fund | Other provisions |
|-----------------------------|--|---------------|------------------|
| Initial amount | 0 | 91,461 | 15,233 |
| Sums set aside for the year | 0 | 3,244 | 26,110 |
| Other increases | 0 | 0 | 0 |
| Withdrawals | 0 | 9,743 | 13,007 |
| Other decreases | 0 | 0 | 0 |
| Book value | 0 | 84,962 | 28,336 |

The “tax fund” includes the amount of 58,438 thousand to cover the tax for the transfers of real property that will be due in the next financial years in Germany, following the repurchase operation of the minority participations in the subsidiary Generali Deutschland Holding AG. During the year the fund was utilized for an amount of 8,963 thousand.

Such fund also includes provisions for tax risks.

12.2 Details of other provisions (*Item E.3*)

Allocations of the year mainly consist of estimated future charges relating to early retirement of employees and existing disputes.

Uses of other provisions relate for 10,500 thousand to the withdrawals consequent to payments to outgoing staff, prudently set aside in previous years.

Section 13 – Payables – *Item G*

13.1 Bond issues - *Item G.III*

Not convertible bond issues, amounting to 3,255,539 thousand, comprise “Senior September 2024” bond issues for 1,750,000 thousand, “Senior 2014-2020” bond issue for 1,250,000 thousand and the bond issue “Senior 2020” for 255,539 thousand.

13.2 Details of liabilities to banks and other financial institutions – *Item G.IV*

Liabilities to banks and other financial institutions, amount to 838,962 thousand, refer mainly to loans granted from Deutsche Bank and BNP Paribas for 836,323 thousand relative to the Group indirect pooling.

13.3 Details of guaranteed loans – *Item G.V*

Guaranteed loans are not accounted for in the financial statements.

13.4 Breakdown of other loans and other financial liabilities – *Item G.VI*

The most significant components of the account, amounting to 3,593,359 thousand, refer to loans granted from:

| (in thousand euro) | 2016 |
|---|------------------|
| Participatie Maatschappij Graafschap Holland N.V. | 2,958,778 |
| Generali Holding Vienna | 484,501 |
| Generali Investments SpA | 55,000 |
| Transocean Holding Corporation | 40,000 |
| UMS Immobiliare Genova S.p.A. | 27,000 |
| Generali Versicherung Ag | 18,080 |
| Redoze Holding | 10,000 |
| Book value | 3,593,359 |

13.5 Changes to Provisions for severance pay over the year – *Item G.VII – (attachment 15)*

| (in thousand euro) | 2016 |
|-----------------------------|--------------|
| Initial amount | 5,615 |
| Sums set aside for the year | 15 |
| Other increases | 948 |
| Withdrawals | 669 |
| Other decreases | 680 |
| Book value | 5,229 |

The changes in increase are due to the revaluations, the uses refer to payments and advance payments, the other changes in decrease are relative to the transfer to the pension fund.

13.6 Details of other creditors – Item G.VIII.4

| (in thousand euro) | 2016 |
|---|------------------|
| Sums due to Cash pooling | 1,851,853 |
| Other sums due to Group companies | 41,728 |
| Sums due to suppliers and professionals | 127,819 |
| Sums due to credit institutions for entries to be adjusted | 66,254 |
| Sums due to subsidiaries companies for fiscal consolidation | 52,443 |
| Sundry creditors for staff | 29,365 |
| Others | 54,505 |
| Total | 2,223,967 |

The other sums due to Group companies refer almost exclusively to cash pooling. The most significant amounts relate to counterparties Generali Beteiligungs-GmbH

for an amount equal to 450,862 thousand, Graafschap Holland N.V. for 391,150 thousand and Generali CEE Holding B.V. for 287,122 thousand.

13.7 Deferred reinsurance items – Item G.IX.1

Deferred reinsurance items, amounting to 6,162 thousand, include the positive technical values that are to be entered in the profit and loss accounts in the following

year.

The items are illustrated in detail in the following table.

| (in thousand euro) | Non-Life | Life | Total |
|--|--------------|--------------|--------------|
| Premiums | 2,265 | 3,897 | 6,162 |
| Claims | 0 | 0 | 0 |
| Commissions | 0 | 0 | 0 |
| Profit portfolio on provisions and other technical items | 0 | 0 | 0 |
| Total | 2,265 | 3,897 | 6,162 |

13.8 Details of miscellaneous liabilities – Item G.IX.3

| (in thousand euro) | 2016 |
|---|----------------|
| Linkage account between Life and Non-Life | 183,786 |
| Operations on derivatives | 282,373 |
| Other liabilities | 48,450 |
| Total | 514,609 |

The item “Operations on Derivatives” refers mainly to the valuation difference from hedging transactions covering risks deriving from exchange rates and interest rates on medium/long-term subordinated liabilities denominated in pound sterling, based on the “principle of coherent valuation” with the underlying position.

Miscellaneous liabilities mainly refer to the reinstatement premiums related to the outward reinsurance.

Section 14 – Accrued expenses and deferred income – *Item H*

14.1 Details of accrued expenses and deferred income

| (in thousand euro) | Accrued income | Deferred charges | Total |
|--|----------------|------------------|----------------|
| Interests | 275,357 | 2 | 275,359 |
| Rents | 418 | 1,540 | 1,958 |
| Other accrued expenses and deferred income | 71,407 | 34,845 | 106,252 |
| Total | 347,182 | 36,387 | 383,569 |

14.2 Breakdown of other accrued expenses and deferred income – *Item H.3*

| (in thousand euro) | Accrued income | Deferred charges | Total |
|---|----------------|------------------|----------------|
| Accrued expenses and deferred income on derivatives | 65,123 | 34,845 | 99,968 |
| Others | 6,284 | 0 | 6,284 |
| Total | 71,407 | 34,845 | 106,252 |

14.3 Breakdown of accruals and deferred income and those with a duration of over five years

Deferred income that has a residual duration of over one year relates to:

- derivatives hedging the change in exchange rates relative to loans issued in previous years, for 2,667 thousand;
- derivatives hedging the change in interest rates relative to loans issued in previous years, for 28,796 thousand.

Furthermore, deferred income that has a residual duration of over five years relates to:

- derivatives hedging the change in exchange rates relative to loans issued in previous years, for 851 thousand;
- derivatives hedging the change in interest rates relative to loans issued in previous years, for 19,127 thousand.

Section 15 – Assets and liabilities relating to Group companies and other companies in which a significant interest is held

15.1 Details of the assets and liabilities relating to Group companies and other companies in which a significant interest is held – (attachment 16)

| (in thousand euro) | Parent companies | Subsidiaries | Filiates | Associates | Others | Total |
|---|------------------|-------------------|----------|----------------|---------------|-------------------|
| Assets | | | | | | |
| Equities | 0 | 29,383,550 | 0 | 234,884 | 20,561 | 29,638,995 |
| Bonds | 0 | 634 | 0 | 0 | 0 | 634 |
| Loans | 0 | 752,000 | 0 | 0 | 0 | 752,000 |
| Deposits with ceding companies | 0 | 7,066,905 | 0 | 479 | 0 | 7,067,384 |
| Investments relating to contracts linked to investment funds and market indexes | 0 | 3,267,390 | 0 | 0 | 0 | 3,267,390 |
| Investments relating to the administration of pension funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Credits arising from direct insurance operations | 0 | 389 | 0 | 0 | 0 | 389 |
| Credits arising from reinsurance operations | 0 | 288,288 | 0 | 1,893 | 0 | 290,181 |
| Sundry credits | 0 | 555,761 | 0 | 1 | 0 | 555,762 |
| Bank and postal deposits | 0 | 4,289 | 0 | 0 | 0 | 4,289 |
| Other assets | 0 | 49,034 | 0 | 0 | 0 | 49,034 |
| Total | 0 | 41,398,240 | 0 | 237,257 | 20,561 | 41,656,058 |
| of which subordinated assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Liabilities | | | | | | |
| Subordinated liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Deposits from reinsurers | 0 | 9,710 | 0 | 0 | 0 | 9,710 |
| Creditors arising from direct insurance operations | 0 | 4,085 | 0 | 0 | 0 | 4,085 |
| Creditors arising from reinsurance operations | 0 | 103,488 | 0 | 18 | 0 | 103,506 |
| Amounts due to banks and financial institutions | 0 | 0 | 0 | 0 | 0 | 0 |
| Other loans and financial debts | 0 | 3,593,359 | 0 | 0 | 0 | 3,593,359 |
| Other creditors | 0 | 1,663,477 | 0 | 0 | 0 | 1,663,477 |
| Sundry liabilities | 0 | 13 | 0 | 0 | 0 | 13 |
| Total | 0 | 5,374,132 | 0 | 18 | 0 | 5,374,150 |

Section 16 – Receivables and Payables

16.1 Duration of receivables and payables

With regards to receivables in items C and E of assets, 2,850 thousand may be collected after the next financial year and 8,400 thousand after five years.

With regards to payables in items F and G of liabilities, the following bond issue has a residual duration of over 5 years:

- “Senior September 2024” amounting to 1,750,000 thousand.

The following loans have a residual duration of over one year:

- Graafschap Holland N.V. equal to 2,958,778 thousand;
- Generali Investments equal to 55,000 thousand;
- Transocean Holding equal to 40,000 thousand;
- UMS Immobiliare equal to 27,000 thousand;
- Redoze Holding N.V. equal to 10,000 thousand.

Furthermore, the following bond issue has a residual duration of over one year:

- “Senior 2020” for 191,654 thousand;
- “Senior 2014-2020” for 1,250,000 thousand.

Section 16 bis – individual pension funds

There are no individual pension funds in this item.

Section 17 – Guarantees, commitments and other memorandum accounts

17.1 Details of guarantees issued/received and commitments – *Items I, II, III and IV (attachment 17)*

| (in thousand euro) | 2016 | 2015 |
|---|------------------|------------------|
| I. Guarantees issued | | |
| a) Guarantees and endorsements issued in the interest of parent companies, subsidiaries and affiliates | 269.500 | 269.500 |
| b) Guarantees and endorsements issued in the interest of associates and companies in which a significant interest is held | 0 | 0 |
| c) Guarantees and endorsements issued in the interest of third parties | 0 | 0 |
| d) Other personal guarantees issued in the interest of parent companies, subsidiaries and affiliates | 2.369.000 | 3.588.982 |
| e) Other personal guarantees issued in the interest of associates and companies in which a significant interest is held | 0 | 0 |
| f) Other personal guarantees issued in the interest of third parties | 0 | 0 |
| g) Real securities for bonds of parent companies, associates and affiliates | 0 | 0 |
| h) Real securities for bonds of associates and other companies in which a significant interest is held | 0 | 0 |
| i) Real securities for bonds of third parties | 0 | 0 |
| l) Guarantees issued for bonds of the Company | 47.578 | 42.871 |
| m) Assets deposited for direct reinsurance operations | 0 | 0 |
| Total | 2.686.078 | 3.901.353 |
| II. Guarantees received | | |
| a) from Group Companies, associates and other companies in which a significant interest is held | 0 | 0 |
| b) from third parties | 376.396 | 354.741 |
| Total | 376.396 | 354.741 |
| III. Guarantees received in the interest of the Company | | |
| a) from Group companies, associates and other companies in which a significant interest is held | 0 | 0 |
| b) from third parties | 97.958 | 89.188 |
| Total | 97.958 | 89.188 |
| IV. Commitments | | 0 |
| a) Commitments for purchases which must be resold | 0 | 0 |
| b) Commitments for sales which must be repurchased | 0 | 0 |
| c) Other commitments | 3.156.189 | 3.140.013 |
| Total | 3.156.189 | 3.140.013 |
| III. Assets relating to pension funds managed in the name and on behalf of third parties | 0 | 0 |
| III. Securities deposited with third parties | 6.882.753 | 6.518.841 |
| Total | 6.882.753 | 6.518.841 |

The Company has granted sureties and guarantees, primarily in the interest of subsidiaries, in the context of operations of a non-systematic nature and that did not involve a risk of insolvency inside the insurance group.

The other outstanding positions, provided from third parties in the interest of the Company, consist mainly of sureties provided to CONSAP, to government authorities and foreign insurance regulators as required for Company operations in non-European Union countries.

17.2 Evolution of guarantees issued

The guarantees in point I.d) have mainly been issued in favor of the subsidiary Generali Finance B.V. for 2,369,000 thousand.

17.3 Details of the assets and liabilities relating to pension funds managed in the name and on behalf of third parties – *Item VI*

There are no assets and liabilities attributable to pension funds managed in the name and on behalf of third parties classified in this item.

17.4 Details of securities deposited with third parties – *Item VII*

The securities owned by the Company, deposited in cus-

tody in various brokers, are recorded in the memorandum accounts at the nominal value of 6,882,753 thousand.

17.5 Breakdown of commitments – *Item IV* – and other memorandum accounts – *Item VIII*

Among the commitments, the most significant positions represent the notional reference value of open transactions in purchase and sale of derivatives, as outlined in table at point 17.6. In the other memorandum accounts, the positions are relative to index options, with related notional amount equal to 792,538 thousand euro and warrants, with related notional amount equal to 5 thousand euro.

17.6 Commitments regarding derivative transactions (*attachment 18*)

| (in thousand euro) | | 2016 | | | | 2015 | | | |
|--------------------|---------------|------------------|-----------------|------------------|----------------|------------------|-----------------|------------------|----------------|
| | | Purchase | | Sale | | Purchase | | Sale | |
| | | Price | Fair value | Price | Fair value | Price | Fair value | Price | Fair value |
| <i>Futures:</i> | on shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | on bonds | 0 | 0 | 0 | 0 | 0 | 0 | 1,357 | 9 |
| | on currencies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | on rates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Opzioni:</i> | on shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | on bonds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | on currencies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | on rates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Swaps:</i> | on currencies | 1,299,213 | -440,185 | 469,812 | -815 | 1,786,082 | -308,955 | 656,390 | -10,072 |
| | on rates | 0 | 0 | 605,539 | -34,890 | 0 | 0 | 669,424 | -56,119 |
| | other | 0 | 0 | 255,000 | 0 | 0 | 0 | 0 | 0 |
| Other operations | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 1,299,213 | -440,185 | 1,330,351 | -35,705 | 1,786,082 | -308,955 | 1,327,171 | -66,182 |

Derivatives transactions are consistent with the guidelines set by the specific resolution of the Board of Directors and in compliance with the rulings set by IVASS Regulation No. 24 dated 6 June 2016 and exclude transactions of a purely speculative nature.

Additional information about the criteria of evaluation, as well as changes in value recognized directly in the income statement, is shown in Part A - Foreword.

Transactions

The most important transactions, with reference to notional values, took place in the Over the Counter (OTC) markets, offering adequate guarantees of settlement of the positions assumed. The contracts negotiated in these markets were drawn up with counterparties having investment grade rating, enabling the carrying out of professional operations, subject to prudential vigilance with the purpose of stability, pursuant the current regulations.

Outstanding contracts at the end of the year

The overall value of outstanding contracts at year end, in terms of the nominal value of the reference capital (notional reference value), was 3,422,107 thousand.

The following is a breakdown of all contracts that were outstanding at year end, divided by purpose and contract type.

| (in thousand euro) | Hedging | | Efficient management | | Total | |
|------------------------------|-----------|------------------|----------------------|------------------|-----------|------------------|
| | Number | Value | Number | Value | Number | Value |
| Cross Currency Swap | 20 | 1,649,740 | 4 | 119,285 | 24 | 1,769,025 |
| Interest Rate Swap | 1 | 255,539 | 2 | 350,000 | 3 | 605,539 |
| Other Swap | 0 | 0 | 3 | 255,000 | 3 | 255,000 |
| Warrant / Rights | 0 | 0 | 3 | 5 | 3 | 5 |
| Options purchased on shares | 0 | 0 | 0 | 0 | 0 | 0 |
| Options purchased on indexes | 0 | 0 | 10 | 792,538 | 10 | 792,538 |
| Options sold on shares | 0 | 0 | 0 | 0 | 0 | 0 |
| Swaptions | 0 | 0 | 0 | 0 | 0 | 0 |
| Futures on indexes | 0 | 0 | 0 | 0 | 0 | 0 |
| Futures on bonds | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 21 | 1,905,279 | 22 | 1,516,828 | 43 | 3,422,107 |

17.7 Disclosure concerning contingent liabilities not recorded in the balance sheet of which to in Art. 2427, No. 9) of the first paragraph

The Company has not identified contingent liabilities in addition to those already taken into account in the determination of provisions for risks and charges (Section 12).

17.8 Disclosure regarding to the amount of the securities held on deposit with a ceding company or third parties which remain property of the company accepting reinsurance

The amount of the securities held on deposit with a ceding company or third parties which remain property of the company accepting reinsurance, is equal to 131,806 thousand.

Profit and Loss account

Summary

| (in thousand euro) | 2016 | | | 2015 | |
|---|----------------|----------------|------------------|----------------|----------------|
| | Non-life | Life | Total | Total | Normalized |
| Gross premiums written | 1,660,093 | 2,007,507 | 3,667,600 | 3,113,060 | 554,540 |
| Ceded reinsurance premiums | -492,109 | -371,896 | -864,005 | -822,991 | -41,014 |
| Income and charges from life investments | 0 | 1,253,384 | 1,253,384 | 1,241,316 | 12,068 |
| Allocated investment return transferred to/from the technical account | 123,006 | -682,393 | -559,387 | -594,695 | 35,308 |
| Income and charges from class D | 0 | 41,926 | 41,926 | 4,986 | 36,940 |
| Charges relating to claims | -763,578 | -1,792,419 | -2,555,997 | -2,383,926 | -172,071 |
| Change in unearned premiums, mathematical and other provisions | -51,255 | 211,500 | 160,245 | 367,513 | -207,268 |
| Profit-sharing and premium refunds | -28 | -66,744 | -66,772 | -48,885 | -17,887 |
| Operating expenses | -248,073 | -254,879 | -502,952 | -397,244 | -105,708 |
| Other technical income and charges | -9,617 | 15,288 | 5,671 | 8,925 | -3,254 |
| Result of technical account | 218,439 | 361,274 | 579,713 | 488,059 | 91,654 |
| Income and charges from non-life investments | 815,422 | 0 | 815,422 | 427,467 | 387,955 |
| Investments profit transferred from/to the non technical account | -123,006 | 682,393 | 559,387 | 594,695 | -35,308 |
| Other income | 266,020 | 225,536 | 491,556 | 398,464 | 93,092 |
| Other charges | -1,057,874 | -516,928 | -1,574,802 | -1,455,547 | -119,255 |
| Results from ordinary operations | 119,001 | 752,275 | 871,276 | 453,138 | 418,138 |
| Extraordinary income | 40,155 | 39,434 | 79,589 | 373,028 | -293,439 |
| Extraordinary charges | -39,850 | -4,967 | -44,817 | -36,746 | -8,071 |
| Result before taxation | 119,306 | 786,742 | 906,048 | 789,420 | 116,628 |
| Income taxes for the year | 173,753 | 16,459 | 190,212 | 142,047 | 48,165 |
| Result for the year | 293,059 | 803,201 | 1,096,260 | 931,467 | 164,793 |

Section 18 – information on the non-life business technical account (i)

18.1 Premiums written

| (in thousand euro) | Direct business | Reinsurance business | Total |
|--------------------|-----------------|----------------------|------------------|
| Non life | 401,192 | 1,258,901 | 1,660,093 |
| Life | 486,321 | 1,521,186 | 2,007,507 |
| Total | 887,513 | 2,780,087 | 3,667,600 |

18.2 Summary of the non-life business technical account – Italian and foreign business – (attachment 19)

| (in thousand euro) | Gross premiums written | Gross prem. for the year | Gross cost of claims | Operating costs | (*) Reinsurers' share |
|-----------------------------------|------------------------|--------------------------|----------------------|-----------------|-----------------------|
| Direct insurance: | | | | | |
| Accident and Health | 24,626 | 25,606 | 18,717 | 6,233 | -1,928 |
| Motor TPL | 88 | 124 | 171 | 5 | -6 |
| Material damage | 8,174 | 6,671 | 4,102 | 95 | 1,123 |
| Hull marine | 20,624 | 20,188 | 13,921 | 4,703 | 137 |
| Fire and property other than fire | 38,646 | 30,160 | 29,918 | 8,233 | 4,796 |
| General liability | 54,499 | 52,942 | 32,871 | 11,826 | -3,621 |
| Credit and suretyship | 2,941 | 325 | -5 | 115 | 248 |
| Pecuniary losses | 9,173 | 7,586 | 1,231 | 2,135 | -1,911 |
| Legal protection | 3 | 2 | -20 | 2 | 0 |
| Assistance | 63 | 98 | -24 | 6 | -6 |
| Total direct insurance | 158,837 | 143,702 | 100,882 | 33,353 | -1,168 |
| Reinsurance | 192,548 | 196,652 | 45,671 | 15,317 | -105,404 |
| Total Italian portfolio | 351,385 | 340,354 | 146,553 | 48,670 | -106,572 |
| Foreign portfolio | 1,308,708 | 1,257,992 | 779,749 | 256,826 | -164,079 |
| Grand total | 1,660,093 | 1,598,346 | 926,302 | 305,496 | -270,651 |

(*) The reinsurers' share is the technical balance of cessions and retrocessions.

18.3 Statement concerning the transfer of the allocated investment return from the non-technical account and indication of the base applied for the calculation – Item I.2

The net investment return assumed for the determination of the quota to be transferred to the non-life technical account arises from the amounts, registered in the non-technical account, of investment returns and related financial charges.

The percentage to be allocated to the technical account – in compliance with ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented – is calculated by applying to the net investment return, the ratio resulting

between the average of (current and prior year) technical provisions, net of reinsurance and this same average added to the average (current and prior year) of the shareholders' funds plus subordinated liabilities.

In 2016 the ratio was 15.085%, applied to the investment profit of 815,422 thousand, the sum allocated to the technical account was 123,006 thousand (61,192 thousand in 2015).

The division into single portfolios and lines of business of the allocated investment return to the technical account was also carried out on the basis of the above-mentioned ISVAP (now IVASS) ruling.

18.4 Other technical income net of reinsurance – Item I.3

| (in thousand euro) | 2016 |
|--|--------------|
| Reversal of commissions relating to devalued or cancelled premiums of previous years | 282 |
| Other technical income | 998 |
| Total of other technical income | 1,280 |

18.5 Net provision for outstanding claims development result

The difference between the amount of the provision for outstanding claims recorded at the beginning of the year

and the payment for claims accrued in previous years, as well as the amount of the relevant provision at the end of the year, produced a loss of 16,462 thousand, corresponding to 14.5% on the provision for outstanding claims.

18.6 Premium refunds and profit-sharing – Item I.6

| (in thousand euro) | 2016 |
|--------------------------|-----------|
| Premium refunds | 28 |
| Change in profit-sharing | 0 |
| Total | 28 |

18.7 Reinsurance commissions and profit-sharing – Item I.7.f

| (in thousand euro) | 2016 |
|--------------------|---------------|
| Commissions | 57,370 |
| Profit-sharing | 53 |
| Total | 57,423 |

18.8 Other technical charges net of reinsurance – Item I.8

| (in thousand euro) | 2016 |
|---|---------------|
| Cancellation of issued premiums of previous years | 1,374 |
| Devaluation for uncollectable sums due towards policyholders for premiums | 340 |
| Negative components of the C.I.D. (Direct Refund Agreement) | 9 |
| Other technical charges | 9,173 |
| Total of other technical charges | 10,896 |

18.9 Equalisation provisions – Item I.9

| (in thousand euro) | 2016 | 2015 | Change |
|--|------------|------------|-----------|
| Equalisation provision: | | | |
| Accident | 1 | 0 | 1 |
| Fire | 190 | 99 | 91 |
| Pecuniary losses | 7 | 7 | 0 |
| Total | 198 | 106 | 92 |
| Compensation provision for the credit sector | 0 | 2 | –2 |
| Total equalisation provisions | 198 | 108 | 90 |

Section 19 – Information on the life business technical account (II)

19.1 Summary of the life business: premiums and reinsurers' share – (attachment 20)

| (in thousand euro) | Direct business | Reinsurance | Total |
|---|-----------------|------------------|------------------|
| Gross premiums: | 486,321 | 1,521,186 | 2,007,507 |
| a) 1. for individual policies | 340,580 | 420,575 | 761,155 |
| 2. for group policies | 145,741 | 1,100,611 | 1,246,352 |
| b) 1. regular premiums | 216,362 | 1,521,186 | 1,737,548 |
| 2. single premiums | 269,959 | 0 | 269,959 |
| c) 1. for non-profit-sharing contracts | 436,982 | 1,484,151 | 1,921,133 |
| 2. for profit-sharing contracts | 0 | 0 | 0 |
| 3. for contracts in which the investment risk is borne by policyholders and for contracts linked to pension funds | 49,339 | 37,035 | 86,374 |
| Reinsurers' share (*) | 1,316 | -9,798 | -8,482 |

(*) The reinsurers' share is the technical balance of cessions and retrocessions.

19.2 Details of investment income – Item II.2 (attachment 21 – Life)

| (in thousand euro) | 2016 |
|--|------------------|
| from equities: | |
| Dividends and other income from equities of Group companies and companies in which a significant share is held | 956,621 |
| Dividends and other income from equities of other companies | 3,185 |
| Total | 959,806 |
| Income from land and buildings | 0 |
| Income from other investments: | |
| Income from bonds of Group companies and companies in which a significant share is held | 961 |
| Interest on loans to Group companies and companies in which a significant share is held | 11,991 |
| Income from units of common investment funds | 0 |
| Income from bonds and other fixed-interest securities | 58,059 |
| Interest on loans | 78 |
| Income from participation in investment pools | 0 |
| Interest on deposits with credit institutions | 363 |
| Income from various financial investments | 49,396 |
| Interest on deposits with ceding companies | 256,664 |
| Total | 377,512 |
| Reversal value adjustments on investments relating to: | |
| Land and buildings | 0 |
| Equities of Group companies and companies in which a significant share is held | 0 |
| Bonds issued by Group companies and companies in which a significant share is held | 5 |
| Other equities | 0 |
| Other bonds | 8,829 |
| Other financial investments | 0 |
| Total | 8,834 |
| Gains on the realisation of investments: | |
| Gains from sale of land and buildings | 0 |
| Gains from equities of Group companies and companies in which a significant share is held | 0 |
| Gains from bonds issued by Group companies and companies in which a significant share is held | 0 |
| Gains from other equities | 0 |
| Gains from other bonds | 2,625 |
| Gains from other financial investments | 8,665 |
| Total | 11,290 |
| Grand total | 1,357,442 |

19.3 Details of income and unrealized gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds – *Item II.3 (attachment 22)*

| (in thousand euro) | 2016 |
|--|---------------|
| Income from: | |
| Land and buildings | 0 |
| Investments in Group companies and companies in which a significant share is held | 25,696 |
| Income from units of common investment funds | 2 |
| Other financial investments | 1,890 |
| -of which, income from bonds | |
| Other assets | 15 |
| Total | 27,603 |
| Gains from the realisation of investments | |
| Gains from sale of land and buildings | 0 |
| Gains from investments in Group comp. and comp. in which a significant share is held | 0 |
| Income from units of common investment funds | 638 |
| Gains from other financial investments | 737 |
| -of which, from bonds | |
| Other income | 0 |
| Total | 1,375 |
| Unrealised gains | 23,119 |
| Grand total | 52,097 |

19.4 Other technical income net of reinsurance – *Item II.4*

| (in thousand euro) | 2016 |
|---|---------------|
| Commissions recoveries | 22,523 |
| Recovery of commissions relating to annulment of multi-year contracts | 54 |
| Other technical income | 1,074 |
| Total of other technical income | 23,651 |

19.5 Outstanding payments provision development result

The difference between the amount of the reserve for outstanding claims existing at the beginning of the year

and the amounts paid to the beneficiaries of the contracts during the period for claims incurred in previous years and the amount of the reserves at year-end is not significant.

19.6 Premium refunds and profit-sharing – *Item II.7*

| (in thousand euro) | 2016 |
|--------------------------|---------------|
| Premium refunds | 0 |
| Change in profit-sharing | 66,744 |
| Total | 66,744 |

19.7 Reinsurance commissions and profit-sharing – *Item II.8.f*

| (in thousand euro) | 2016 |
|----------------------------|---------------|
| Commissions | 58,235 |
| Reinsurers' profit-sharing | 11,041 |
| Total | 69,276 |

19.8 Details of investment charges – *Item II.9 (attachment 23 – Life)*

| (in thousand euro) | 2016 |
|--|----------------|
| Investments operating charges and other charges | |
| Charges relating to equities | 6,869 |
| Charges relating to investments in land and buildings | 0 |
| Charges relating to bonds | 3,474 |
| Charges relating to units of common investment funds | 0 |
| Charges relating to shares in investment pools | 0 |
| Charges relating to other financial investments | 76,503 |
| Interest on deposits with reinsurers | 5,943 |
| Total | 92,789 |
| Value adjustments on investments relating to: | |
| Land and buildings | 0 |
| Equities in Group companies and companies in which a significant share is held | 0 |
| Bonds issued by Group companies and companies in which a significant share is held | 0 |
| Other equities | 4,560 |
| Other bonds | 6,381 |
| Other financial investments | 0 |
| Total | 10,941 |
| Losses on the realisation of investments | |
| Losses from sale of land and buildings | 0 |
| Losses from equities | 0 |
| Losses from bonds | 157 |
| Losses from other financial investments | 170 |
| Total | 327 |
| Grand total | 104,057 |

19.9 Details of financial charges and unrealised losses on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds – *Item II.10 (attachment 24)*

| (in thousand euro) | 2016 |
|---|---------------|
| Charges relating to: | |
| Land and buildings | 0 |
| Investments in Group companies and companies in which a significant share is held | 0 |
| Units of common investment funds | 0 |
| Other financial investments | -1 |
| Other assets | 141 |
| Total | 140 |
| Losses on the realisation of investments | |
| Losses from sale of land and buildings | 0 |
| Losses from investments in Group companies and companies in which a significant share is held | 0 |
| Losses from units of common investment funds | 275 |
| Losses from other financial investments | 9 |
| Other charges | 1 |
| Total | 285 |
| Unrealised losses | 9,746 |
| Grand total | 10,171 |

19.10 Other technical charges net of reinsurance – *Item II.11*

| (in thousand euro) | 2016 |
|---|--------------|
| Cancellation of issued premiums of previous years | 1,085 |
| Other technical charges | 7,277 |
| Total of other technical charges | 8,362 |

19.11 Statement concerning the transfer of the allocated investment return to the non-technical account and indication of the base applied for the calculation – *Item II.12*

The investment return assumed for the determination of the quota to be transferred to the non-technical account arises from the amounts, registered in the technical account, of the investment profits and related financial charges. Profits and unrealised gains as well as charges and unrealised losses deriving from investments relating to item D (held for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds) are excluded. These items, therefore, continue to be accounted for in the technical account.

The quota to be allocated to the non-technical account – in compliance with ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented – is calculated by applying, to the investment return, the ratio resulting between:

- the average of (current and prior year) Shareholders' funds;
- the average of (current and prior year) Shareholders' funds plus the average of (current and prior year) technical provisions, net of reinsurance.

If the investment return that remains allocated to the life technical account is lower than the investment profits contractually acknowledged with the policyholders during the year, the quota to be transferred to the non-technical account must be similarly reduced in the pro-

tion of this lower value, and may even be cancelled if necessary.

For the 2016 financial statements, on the basis of the calculation methods explained in the previous paragraph, the quota to be applied to the total income for the year, equal to 1,253,384 thousand, was 54.444%, and

involved an allocation to the non-technical account of 682,393 thousand (655,887 thousand in 2015).

The division into single portfolios and lines of business of the investment return quota relative to the technical account was calculated on the basis of their origin.

Section 20 – Development of technical items by line of business

20.1 Non-life insurance

20.1.1. Summary of technical accounts by line of business – Italian portfolio – (attachment 25)

| (in thousand euro) | Isvap Class 01 | Isvap Class 02 | Isvap Class 03 | Isvap Class 04 | Isvap Class 05 | Isvap Class 06 |
|--|----------------|----------------|-----------------------|-------------------------|----------------|----------------|
| | Accident | Health | Motor material damage | Hull transport (trains) | Hull aviation | Hull marine |
| Gross direct business | | | | | | |
| (+) Premiums written | 3,074 | 21,552 | 8,174 | 309 | 3,231 | 8,154 |
| (–) Change in unearned premium provision | 98 | –1,078 | 1,503 | –30 | –24 | 121 |
| (–) Charges relating to claims | 3,781 | 14,936 | 4,102 | 0 | 2,132 | 6,238 |
| (–) Change in other technical provisions | 0 | 0 | 0 | 0 | 0 | 0 |
| (+) Balance of other technical items | –2 | 0 | 0 | –7 | –22 | 0 |
| (–) Operating expenses | 36 | 6,197 | 95 | 4 | 548 | 2,004 |
| Technical balance of direct business | –843 | 1,497 | 2,474 | 328 | 553 | –209 |
| Result of ceded reinsurance | –139 | –1,789 | 1,123 | 0 | –416 | –143 |
| Net result of reinsurance | 11,045 | –985 | 258 | –88 | 158 | 2,327 |
| (–) Change in equalisation provision | 0 | 0 | 0 | 0 | 0 | 0 |
| (+) Positive share of investments allocated from the non-technical account | 3,765 | 1,827 | 906 | 19 | 270 | 992 |
| Technical result | 13,828 | 550 | 4,761 | 259 | 565 | 2,967 |

| (in thousand euro) | Isvap Class 07 | Isvap Class 08 | Isvap Class 09 | Isvap Class 10 | Isvap Class 11 | Isvap Class 12 |
|--|----------------|----------------|-----------------------------|----------------|-----------------|----------------|
| | Cargo | Fire | Property other than fire | Motor TPL | Aviation TPL | Marine TPL |
| Gross direct business | | | | | | |
| (+) Premiums written | 5,505 | 18,024 | 20,622 | 88 | 3,425 | 0 |
| (-) Change in unearned premium provision | 419 | 4,338 | 4,148 | -36 | -50 | 0 |
| (-) Charges relating to claims | 5,138 | 18,820 | 11,098 | 171 | 350 | 63 |
| (-) Change in other technical provisions | 0 | 0 | 0 | 0 | 0 | 0 |
| (+) Balance of other technical items | 0 | 316 | -10 | -10 | -3 | 0 |
| (-) Operating expenses | 1,349 | 4,140 | 4,093 | 5 | 795 | 3 |
| Technical balance of direct business | -1,401 | -8,958 | 1,273 | -62 | 2,327 | -66 |
| Result of ceded reinsurance | 799 | -778 | 5,574 | -6 | -100 | -3 |
| Net result of reinsurance | -437 | -2,318 | 3,998 | -14,068 | 52 | 5 |
| (-) Change in equalisation provision | 0 | 92 | 0 | 0 | 0 | 0 |
| (+) Positive share of investments allocated from the non-technical account | 1,050 | 3,867 | 1,998 | 2,186 | 255 | 92 |
| Technical result | 11 | -8,279 | 12,843 | -11,950 | 2,534 | 28 |

| (in thousand euro) | Isvap Class 13 | Isvap Class 14 | Isvap Class 15 | Isvap Class 16 | Isvap Class 17 | Isvap Class 18 |
|--|-------------------|----------------|----------------|------------------|------------------|----------------|
| | General liability | Credit | Suretyship | Pecuniary losses | Legal protection | Assistance |
| Gross direct business | | | | | | |
| (+) Premiums written | 54,499 | 0 | 2,941 | 9,173 | 3 | 63 |
| (-) Change in unearned premium provision | 1,557 | -1 | 2,617 | 1,587 | 1 | -35 |
| (-) Charges relating to claims | 32,871 | -5 | 0 | 1,231 | -20 | -24 |
| (-) Change in other technical provisions | 0 | 0 | 0 | 0 | 0 | 0 |
| (+) Balance of other technical items | -268 | -1 | 0 | -9 | 0 | 0 |
| (-) Operating expenses | 11,826 | 11 | 104 | 2,135 | 2 | 6 |
| Technical balance of direct business | 7,977 | -6 | 220 | 4,211 | 20 | 116 |
| Result of ceded reinsurance | -3,621 | 0 | 248 | -1,911 | 0 | -6 |
| Net result of reinsurance | 23,203 | 734 | 2,129 | 4,139 | 109 | 0 |
| (-) Change in equalisation provision | 0 | -2 | 0 | 0 | 0 | 0 |
| (+) Positive share of investments allocated from the non-technical account | 12,843 | 20 | 284 | 241 | 35 | 6 |
| Technical result | 40,402 | 750 | 2,881 | 6,680 | 164 | 116 |

Whenever possible, costs were charged to each specific line of business from the outset; common expenses are shared proportionally according to parameters (gross

premiums, number of policies managed, commissions and claims paid) suitable for the different types of costs.

20.1.2. Summary of non-life business technical accounts – Italian portfolio – (attachment 26)

| (in thousand euro) | Direct insurance | | Reinsurance | | Risks retained |
|--|------------------|--------------|----------------|----------------|----------------|
| | Direct risks | Ceded risks | Direct risks | Retroc. risks | |
| (+) Premiums written | 158,837 | 31,367 | 192,548 | 94,258 | 225,760 |
| (–) Change in unearned premium provision | 15,135 | 1,563 | –4,104 | –6,125 | 15,593 |
| (–) Charges relating to claims | 100,882 | 23,073 | 45,671 | –11,227 | 134,707 |
| (–) Change in other technical provisions | 0 | 0 | 0 | 0 | 0 |
| (+) Balance of other technical items | –16 | 21 | 0 | 3,428 | –3,465 |
| (–) Operating expenses | 33,353 | 5,584 | 15,317 | 9,634 | 33,452 |
| Technical balance | 9,451 | 1,168 | 135,664 | 105,404 | 38,543 |
| (–) Change in equalisation provisions | | | | | 90 |
| (+) Positive share of investments allocated from the non-technical account | 19,552 | | 11,104 | | 30,656 |
| Technical result | 29,003 | 1,168 | 146,768 | 105,404 | 69,109 |

20.2 Life insurance

20.2.1. Summary of technical accounts by line of business – Italian portfolio – (attachment 27)

| (in thousand euro) | Isvap Class I | Isvap Class III | Isvap Class IV | Isvap Class V | Isvap Class VI |
|---|----------------|------------------|----------------|----------------|----------------|
| | Life | Investment funds | Health | Capitalisation | Pension funds |
| Gross direct business | | | | | |
| (+) Premiums written | 80,764 | 50 | 24,052 | 414 | 0 |
| (–) Charges relating to claims | 115,461 | 6,067 | –15,882 | 4,735 | 0 |
| (–) Change in mathematical and other provisions | –9,157 | 8,098 | 35,361 | 471 | 0 |
| (+) Balance of other technical items | 0 | 1 | –1,803 | 0 | 0 |
| (–) Operating expenses | 5,272 | 99 | 3,421 | 2 | 0 |
| (+) Investment profit net of the quota allocated to the non-technical account | 74,058 | 12,669 | 2,304 | 7,960 | 0 |
| Technical balance | 43,246 | –1,544 | 1,653 | 3,166 | 0 |
| Result of ceded reinsurance | 4,263 | –7 | 0 | 0 | 0 |
| Net result of reinsurance | 213,229 | –65 | 0 | 0 | 0 |
| Technical result | 260,738 | –1,616 | 1,653 | 3,166 | 0 |

For the attribution of the expenses to the lines of business please refer to point 20.1.1.

20.2.2. Summary of life technical accounts – Italian portfolio – (attachment 28)

| (in thousand euro) | Direct insurance | | Reinsurance | | Risks retained |
|---|------------------|---------------|----------------|---------------|----------------|
| | Direct risks | Ceded risks | Direct risks | Retroc. risks | |
| (+) Premiums written | 105,280 | 26,886 | 281,188 | 1,314 | 358,268 |
| (-) Charges relating to claims | 110,381 | 27,458 | 778,473 | 0 | 861,396 |
| (-) Change in mathematical and other provisions | 34,773 | 511 | -433,191 | 0 | -398,929 |
| (+) Balance of other technical items | -1,802 | 0 | -103 | 0 | -1,905 |
| (-) Operating expenses | 8,794 | 3,173 | 22,811 | 858 | 27,574 |
| (+) Investment profit net of the quota allocated to the non-technical account | 96,991 | 0 | 300,628 | 0 | 397,619 |
| Technical result | 46,521 | -4,256 | 213,620 | 456 | 263,941 |

20.3 Non - life and life insurance

20.3.1. Summary of non-life and life technical accounts – foreign portfolio – (attachment 29)

| (in thousand euro) | Non life | Life |
|--|----------------|---------------|
| Gross direct business | | |
| (+) Premiums written | 242,353 | 381,041 |
| (-) Change in non-life unearned premium provision | 12,856 | 0 |
| (-) Charges relating to claims | 109,409 | 68,999 |
| (-) Change in mathematical and other provisions in life branches | | 264,970 |
| (-) Change in other technical provisions in non-life branches | 0 | 0 |
| (+) Balance of other technical items | 658 | 19,435 |
| (-) Operating expenses | 64,760 | 64,413 |
| (+) Investment profit of the life branch net of the quota allocated to the non-technical account | | 24,947 |
| Technical balance of direct business | 55,986 | 27,041 |
| Result of ceded reinsurance | -47,562 | -2,941 |
| Net result of reinsurance | 48,552 | 73,233 |
| (-) Change in equalisation provisions for non-life branches | 0 | |
| (+) Quota of profits transferred from the non-technical account of the non-life branches | 92,351 | |
| Technical result | 149,327 | 97,333 |

Section 21 – information on the non – technical account (III)

21.1 Details of investment income – Item III.3 (attachment 21 – non-life)

| (in thousand euro) | 2016 |
|--|------------------|
| from equities: | |
| Dividends and other income from equities of Group companies and companies in which a significant share is held | 896,431 |
| Dividends and other income from equities of other companies | 1,198 |
| Total | 897,629 |
| Income from land and buildings | 4,983 |
| Income from other investments: | |
| Income from bonds of Group companies and companies in which a significant share is held | 0 |
| Interest on loans to Group companies and companies in which a significant share is held | 21,177 |
| Income from units of common investment funds | 1,376 |
| Income from bonds and other fixed-interest securities | 18,237 |
| Interest on loans | 16 |
| Income from participation in investment pools | 0 |
| Interest on deposits with credit institutions | 555 |
| Income from various financial investments | 37,081 |
| Interest on deposits with ceding companies | 3,265 |
| Total | 81,707 |
| Reversal value adjustments on investments relating to: | |
| Land and buildings | 0 |
| Equities of Group companies and companies in which a significant share is held | 6,072 |
| Bonds issued by Group companies and companies in which a significant share is held | 0 |
| Other equities | 43 |
| Other bonds | 1,438 |
| Other financial investments | 12,194 |
| Total | 19,747 |
| Gains on the realisation of investments: | |
| Gains from sale of land and buildings | 0 |
| Gains from equities of Group companies and companies in which a significant share is held | 1,999 |
| Gains from bonds issued by Group companies and companies in which a significant share is held | 0 |
| Gains from other equities | 3,267 |
| Gains from other bonds | 34 |
| Gains from other financial investments | 8,799 |
| Total | 14,099 |
| Grand total | 1,018,165 |

21.2 Details of investment charges – Item III.5 (attachment 23 – Non-life)

| (in thousand euro) | 2016 |
|--|----------------|
| Investments operating charges and other charges | |
| Charges relating to equities | 2,470 |
| Charges relating to investments in land and buildings | 2,275 |
| Charges relating to bonds | 1,629 |
| Charges relating to units of common investment funds | 0 |
| Charges relating to shares in investment pools | 0 |
| Charges relating to other financial investments | 56,227 |
| Interest on deposits with reinsurers | 108 |
| Total | 62,709 |
| Value adjustments on investments relating to: | |
| Land and buildings | 1,209 |
| Equities in Group companies and companies in which a significant share is held | 58,003 |
| Bonds issued by Group companies and companies in which a significant share is held | 0 |
| Other equities | 606 |
| Other bonds | 9,200 |
| Other financial investments | 8,002 |
| Total | 77,020 |
| Losses on the realisation of investments | |
| Losses from sale of land and buildings | 0 |
| Losses from equities | 844 |
| Losses from bonds | 0 |
| Losses from other financial investments | 62,171 |
| Total | 63,015 |
| Grand total | 202,744 |

21.3 Details of other income – Item III.7

| (in thousand euro) | 2016 |
|---|----------------|
| Profit on exchange rates | 362,828 |
| Royalties for Generali's brand usage | 68,481 |
| Administration charges recovered from third parties | 27,557 |
| Withdrawal from provisions | 13,007 |
| Withdrawal from tax provisions | 9,743 |
| Other | 9,940 |
| Total | 491,556 |

21.4 Details of other charges – *Item III.8*

| <i>(in thousand euro)</i> | 2016 |
|---|------------------|
| Interests paid on subordinated liabilities | 460,764 |
| Holding expenses | 420,536 |
| Losses on exchange rates | 352,119 |
| Interests paid on bonds issue | 141,609 |
| Interest paid on loans | 74,733 |
| Administrative charges on behalf of third parties | 27,559 |
| Sums allocated to provisions | 24,665 |
| Depreciation quota of long-term charges | 20,262 |
| Undeductible VAT | 13,324 |
| Sundry interests paid | 10,123 |
| Sundry taxes | 8,222 |
| Other | 20,887 |
| Total | 1,574,803 |

21.5 Details of extraordinary income – *Item III.10*

| <i>(in thousand euro)</i> | 2016 |
|---|---------------|
| Gains from sales of real property and from securities | 54,695 |
| Adjustments on pre-paid and deferred taxation | 18,500 |
| Gains contingent | 5,987 |
| Dividends cancellation | 384 |
| Income from sale of intangible assets and stocks | 24 |
| Total | 79,590 |

The item profits from sales of fixed assets relates to the settlement of Telco AG Srl units for 37,955 thousand, and to the reimbursement of units of the fund Securis I for 7,515 thousand.

21.6 Details of extraordinary charges – Item III.11

| (in thousand euro) | 2016 |
|-----------------------------|---------------|
| Previous years taxes | 20,176 |
| Early retirement incentives | 16,991 |
| Losses | 7,330 |
| Other extraordinary charges | 320 |
| Total | 44,817 |

21.7 Details of income taxes – Item III.14

| (in thousand euro) | 2016 |
|--------------------------------|-----------------|
| Current taxes | -180,750 |
| Change in pre-paid taxation | -7,201 |
| Change in deferred taxation | -2,261 |
| Income tax for the year | -190,212 |

The company complies, as a Parent Company, with the Corporate tax treatment, regulated by Title II, Chapter II, Section II of the TUIR (Art. 117-129). The number of subsidiaries that exercised the option with the Parent Company has decreased to 20 (21 during the last year); the consolidated company Europ Assistance Service was merged by incorporation into Europ Assistance Vai, also consolidated.

With reference to the significant terms and conditions of the agreements that regulate the relationship between the consolidating company and the consolidated companies, it should be noted that each consolidated company, in cases where it contributes to the formation of the total global income with its taxable income, must provide to the consolidating company an amount equal to the relative tax due; on the other hand, in case the consolidated company contributes to the formation of the consolidated total global income with a tax loss, an amount equal to the financial benefit due to the Parent Company on payment of the Group tax, will be granted.

By accepting the Corporate tax treatment, the company benefited from the immediate offsetting of the tax loss of the tax period, thus recording an income. The company

also took over, as consolidating company, the positions of the consolidated companies for the taxable income for the period, net of the offset of all the current and previous fiscal losses, accounting for a debt towards the Tax Authorities of 281,454 thousand and a concomitant credit for the same amount towards the companies themselves.

Income taxes for the year show a positive balance of 190,212 thousand (142,046 the previous year), due to the following components:

- income for accrual IRES for 217,729 thousand (172,639 thousand in the previous year); the significant increase of the income compared to the previous year is mainly attributable to the increase in dividends excluded from taxation;
- accrual IRAP with a cost equal to 3,298 thousand;
- taxes due in Italy on income of certain foreign subsidiaries for 14,774 thousand (24,036 thousand in the previous year);
- taxes paid abroad for 9,445 thousand (4,397 thousand in the previous year).

Hereinafter the reconciliation between the theoretical tax rate and effective tax rate:

| | |
|--|----------------|
| IRES ordinary rate | 27.50% |
| Effect of permanent differences (increases and decreases) compared to the ordinary rate: | |
| Permanent differences in increase: | |
| capital losses on non-deductible participations | 7.33% |
| interests due | 0.88% |
| other differences | 1.18% |
| Permanent differences in decrease: | |
| excluded dividends | -53.54% |
| capital gains on exempt participations or subject to substitute tax | -6.16% |
| other differences | -1.81% |
| Total permanent differences | -52.12% |
| Actual tax rate IRES | -24.62% |
| Income tax of foreign subsidiaries and associates and other taxes paid abroad | 3.26% |
| Accrual IRAP of the period | 0.36% |
| Total tax rate | -21.00% |

Pre-paid and deferred taxation

Pre-paid and deferred taxation relate to items that combine to form the income tax in a tax period other than that in which they are recognized in the income statement.

The movements of pre-paid and deferred taxation are determined using the IRES rate of 27.5% in relation to the decrease and 24% with regard to the increases, and the IRAP rate of 3.54%; as regard exclusively IRAP, the

closing balances of pre-paid taxation have been restated to take into account the estimated amount of premiums collected abroad and the consequent impact of tax items on the production value of future tax periods; this recalculation for the change in tax rate has resulted a total cost of 3,160 thousand.

The breakdown of the main items and changes during the year is provided in the tables below; all amounts are recorded in the income statement.

Pre-paid taxation

| (in thousand euro) | Initial balance | | Changes over the year | | Final balance | |
|---|-----------------------|----------------|-----------------------|---------------|-----------------------|----------------|
| | Temporary differences | Taxes | Temporary differences | Taxes | Temporary differences | Taxes |
| Assets for pre-paid taxes - IRES | | | | | | |
| Evaluation of securities | 5,171 | 1,241 | 28,731 | 6,896 | 33,902 | 8,137 |
| Depreciation (mainly goodwill) | 105,277 | 25,874 | -20,441 | -5,513 | 84,836 | 20,361 |
| Devaluations of credits due by policyholders | 596,233 | 144,139 | -29,812 | -8,198 | 566,421 | 135,941 |
| Other sums set aside and not deductible in the year | 72,505 | 17,401 | 3,675 | 882 | 76,180 | 18,283 |
| Change of provisions | 74,078 | 18,079 | 22,230 | 5,035 | 96,308 | 23,114 |
| Sundry | 22,282 | 5,260 | 47,294 | 11,438 | 69,576 | 16,698 |
| Total | 875,546 | 211,994 | 51,677 | 10,540 | 927,223 | 222,534 |
| Assets for pre-paid taxes - IRAP | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation (mainly goodwill) | 98,987 | 5,840 | -17,885 | -2,969 | 81,102 | 2,871 |
| Devaluations of credits due by policyholders | 9,435 | 557 | -472 | -240 | 8,963 | 317 |
| Sundry | 28,067 | 1,656 | 15,038 | -130 | 43,105 | 1,526 |
| Total | 136,489 | 8,053 | -3,319 | -3,339 | 133,170 | 4,714 |
| Total early taxation | 1,012,035 | 220,047 | 48,358 | 7,201 | 1,060,393 | 227,248 |

Deferred taxation

| (in thousand euro) | Initial balance | | Changes over the year | | Final balance | |
|---------------------------------------|-----------------------|--------------|-----------------------|---------------|-----------------------|--------------|
| | Temporary differences | Taxes | Temporary differences | Taxes | Temporary differences | Taxes |
| Liabilities for deferred taxes - IRES | | | | | | |
| Real estate | 10,860 | 2,606 | -18 | -4 | 10,842 | 2,602 |
| Gains installments | 12,307 | 2,954 | -8,188 | -1,966 | 4,119 | 988 |
| Sundry | 8,341 | 2,084 | -702 | -250 | 7,639 | 1,834 |
| Total | 31,508 | 7,644 | -8,908 | -2,220 | 22,600 | 5,424 |
| Liabilities for deferred taxes - IRAP | | | | | | |
| Real estate | 693 | 41 | -693 | -41 | 0 | 0 |
| Total | 693 | 41 | -693 | -41 | 0 | 0 |
| Total deferred taxation | 32,201 | 7,685 | -9,601 | -2,261 | 22,600 | 5,424 |

Section 22 – Other information on the profit and loss account

22.1 Outline of relations with Group companies and other companies in which a shareholding is held – (attachment 30)

| (in thousand euro) | Parent company | Subsidiaries | Filiates | Associated | Other | Total |
|--|----------------|------------------|----------|---------------|--------------|------------------|
| INCOME | | | | | | |
| Investment income | | | | | | |
| Income from land and buildings | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends and other income from equities | 0 | 1,827,102 | 0 | 18,418 | 7,532 | 1,853,052 |
| Income from bonds | 0 | 61 | 0 | 0 | 899 | 960 |
| Interest on loans | 0 | 33,168 | 0 | 0 | 0 | 33,168 |
| Income from other financial investments | 0 | 24 | 0 | 0 | 0 | 24 |
| Interest on deposits with ceding companies | 0 | 245,905 | 0 | 15 | 0 | 245,920 |
| Total | 0 | 2,106,260 | 0 | 18,433 | 8,431 | 2,133,124 |
| Unrealised income and gains on investments for the benefit of policyholders | | | | | | |
| 0 | 25,696 | 0 | 0 | 0 | 0 | 25,696 |
| Other income | | | | | | |
| Interest on amounts due | 0 | 4,886 | 0 | 0 | 0 | 4,886 |
| Recoveries of administration expenses and charges | 0 | 27,193 | 0 | 0 | 0 | 27,193 |
| Other income and recoveries | 0 | 102,168 | 0 | 0 | 0 | 102,168 |
| Total | 0 | 134,247 | 0 | 0 | 0 | 134,247 |
| Gains on the realisation of investments | 0 | 1,999 | 0 | 0 | 0 | 1,999 |
| Extraordinary income | 0 | 46,878 | 0 | 0 | 0 | 46,878 |
| Grand total | 0 | 2,315,080 | 0 | 18,433 | 8,431 | 2,341,944 |
| CHARGES | | | | | | |
| Charges on investments administration and paid interest | | | | | | |
| Investments charges | 0 | 10,854 | 0 | 0 | 0 | 10,854 |
| Interest on subordinated liabilities | 0 | 11,754 | 0 | 0 | 0 | 11,754 |
| Interest on deposits from reinsurers | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest on debts from direct insurance transactions | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest on debts from reinsurance transactions | 0 | 9,854 | 0 | 0 | 0 | 9,854 |
| Interest on sums due to banks and financial institutions | 0 | 3 | 0 | 0 | 0 | 3 |
| Interest on guaranteed loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest on other debts | 0 | 74,733 | 0 | 0 | 0 | 74,733 |
| Losses on credits | 0 | 0 | 0 | 0 | 0 | 0 |
| Administration charges and expenses for third parties | 0 | 27,193 | 0 | 0 | 0 | 27,193 |
| Other charges | 0 | 43,892 | 0 | 97 | 462 | 44,451 |
| Total | 0 | 178,283 | 0 | 97 | 462 | 178,842 |
| Unrealised charges and losses on investments for the benefit of policyholders | | | | | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Losses on the realisation of investments | 0 | 15 | 0 | 0 | 0 | 15 |
| Extraordinary charges | 0 | 1,526 | 0 | 0 | 0 | 1,526 |
| Grand total | 0 | 179,824 | 0 | 97 | 462 | 180,383 |

22.2 Summary of direct business premiums written – (attachment 31)

| (in thousand euro) | Non-life | | Life | | Total | |
|-----------------------|----------------|--------------|----------------|----------|----------------|--------------|
| | Branch | F.O.S. | Branch | F.O.S. | Branch | F.O.S. |
| Premiums written | | | | | | |
| in Italy | 41,201 | 199 | 10,558 | 0 | 51,759 | 199 |
| in other EU Countries | 114,064 | 3,347 | 94,722 | 0 | 208,786 | 3,347 |
| in third Countries | 242,353 | 27 | 381,041 | 0 | 623,394 | 27 |
| Total | 397,618 | 3,573 | 486,321 | 0 | 883,939 | 3,573 |

22.3 Personnel expenses and director and auditor fees – (attachment 32)

| (in thousand euro) | Non-life | Life | Total |
|--|----------------|---------------|----------------|
| I. Staff expenses | | | |
| Expenses related to employees: | | | |
| Italian portfolio: Wages | 152,458 | 3,275 | 155,733 |
| Social contributions | 43,828 | 1,142 | 44,970 |
| Sums allocated to the provision for retirement | 8,921 | 221 | 9,142 |
| Other employee costs | 9,825 | 61 | 9,886 |
| Total | 215,032 | 4,699 | 219,731 |
| Foreign portfolio: Wages | 40,715 | 21,561 | 62,276 |
| Social contributions | 10,414 | 6,172 | 16,586 |
| Other employee costs | 3,311 | 2,878 | 6,189 |
| Total | 54,440 | 30,611 | 85,051 |
| Total | 269,472 | 35,310 | 304,782 |
| Costs of non-subordinate workforce: | | | |
| Italian portfolio | 9,031 | 119 | 9,150 |
| Foreign portfolio | 401 | 3 | 404 |
| Total | 9,432 | 122 | 9,554 |
| Total cost of workforce | 278,904 | 35,432 | 314,336 |
| II. Details of items entered | | | |
| Charges deriving from investments management | 60 | 113 | 173 |
| Charges relating to claims | 8,862 | 4,116 | 12,978 |
| Other acquisition costs | 16,129 | 5,099 | 21,228 |
| Other administration costs | 30,379 | 21,979 | 52,358 |
| Administrative charges and expenses on behalf of third parties | 223,474 | 4,125 | 227,599 |
| Holding costs | | | |
| Total | 278,904 | 35,432 | 314,336 |

The amounts relating to remuneration paid to directors and auditors, differ from those reported in the Remuneration Report, which refer to the emoluments pursuant

Article 78 of CONSOB Regulation No. 11971 dated 14 May 1999 and subsequent modifications, as they do not consider profit-sharing.

22.4 Transfer of securities from the durable to the non-durable classification and vice versa or sale of durable securities

During the year the Company has transferred securities from the non-durable to the durable portfolio for 52,788 thousand, with a positive impact in the profit and loss account for 338 thousand. They were also made transfers from durable to the non-durable portfolio for 13,333 thousands, without general impact in the profit and loss account.

The early disposal of durable securities determined net profits equal to 33,629 thousand, all from the equities portfolio.

These transactions were carried out in line with the guidelines and restrictions contained in the framework resolution relating to investments adopted by the com-

pany administrative body, as required by IVASS Regulation No. 24.

22.5 Results from derivative operations

Hedging operations regarding assets and liabilities, and the other operations provided by the investment Policy adopted by the Board of Directors pursuant IVASS Regulation No. 24 dated 6 June 2016, as already specified in the Notes to the Accounts, have determined a total net loss of 100,084 thousand, relating to the realised economic components.

A breakdown of the results of the various categories of derivative instruments by transaction concluded during the year and outstanding transactions at year end is provided below:

| | Outstanding contracts | Closed contracts | Total |
|-----------------|-----------------------|------------------|-----------------|
| Swap | -37,584 | -49,611 | -87,195 |
| Options | 0 | -12,723 | -12,723 |
| Future | 0 | -165 | -165 |
| Equity Forwards | 0 | 0 | 0 |
| Rights | 0 | -1 | -1 |
| Total | -37,584 | -62,500 | -100,084 |

The negative results of outstanding swap contracts, held primarily for hedging purposes, were determined by the exchange of periodic cash flows; those relating to closed positions were determined by closing transactions of currency swap. For the positions in future, the results arising from the settlement of variation margins and com-

missions on the hedging transactions concluded during the year. The results of options were determined by sales transactions and abandoned premiums.

The losses incurred on the rights primarily derived from sales transactions.

Emoluments in compliance with Article 78 of CONSOB Ruling No. 11971 dated 14 May 1999, as modified by CONSOB resolution No. 18049 dated 23 December 2011.

The information provided by the regulation in force, regarding Stock Options granted and the emoluments due to the Board of Directors and the Board of Auditors, to General Managers and Managers with strategic responsibilities of any type also including those of subsidiary companies, are indicated in the remuneration Report.

Furthermore, according to the above-mentioned CONSOB Ruling par. 1 bis Art. 78, as modified by CONSOB resolution No. 18049 dated 23 December 2011, no transactions have been carried out by the Company in order to favour the purchase and the subscription of shares pursuant to Art. 2358, Par. 3 of the Civil Code.

Part C – Other information

1. Shareholders' funds updated based on the profit distribution proposal

| (in thousand euro) | Non life | Life | Total |
|--------------------------------------|------------------|------------------|-------------------|
| Subscribed share capital | 468,542 | 1,093,266 | 1,561,808 |
| Share premiums reserve | 1,070,475 | 2,497,775 | 3,568,250 |
| Revaluation reserves | 1,084,007 | 926,828 | 2,010,835 |
| Legal reserve | 93,709 | 218,653 | 312,362 |
| Negative reserve for own shares held | 3,040 | 0 | 3,040 |
| Other reserves | 3,518,434 | 2,452,289 | 5,970,723 |
| Total | 6,232,127 | 7,188,811 | 13,420,938 |

Pursuant to art. 2427, c. 22-septies of Civil Code the proposed allocation of the profit of the year, for 1,096,261 thousands is as follow:

- for 385 thousands to Legal Reserve;
- the remaining part, equal to 1,095,876 thousands to dividend distribution.

The increase of Legal Reserve is needed in accordance with Art. 2430 of the Italian Civil Code, due to expected increase in Shareholders Capital for 1,925 thousands for the assignment to Group Management of Generali's shares in favor of the "Long Term Incentive Plan 2014" (LTI Plan 2014). As described in the paragraph "Result for the year and proposed Shareholders' resolutions" the remaining dividend to be paid will be withdrawn from the Extraordinary Reserve.

2. Capital assigned

The Company has not allocated assets exclusively to a specific transaction, pursuant to Art. 2447 bis of the Civil Code.

3. Direction and coordination

No natural or legal person, directly and/or indirectly, jointly or severally, holds a sufficient number of shares enabling the said person to acquire a controlling stake in the Company. In the light of the recent measures introduced

by the company law Reform, the Company is not subject to direction and co-ordination by any Italian or foreign body or company.

4. Information according to the Consob circular No. 6064293 dated 28 July 2006

a) Transactions with related parties

With regard to transactions with related parties, it should be noted that the main transactions, carried out at market or at cost prices, were undertaken through insurance, reinsurance and co-insurance relations, administration and management of the securities and real estate portfolio, leasing, loans and guarantees, administrative services, IT services, secondment of employees and claims settlement.

The above-mentioned services aim at ensuring the rationalization of operational functions, an economically efficient management, an adequate level of the services obtained and the use of synergies within the Group.

The remuneration due and shares held by members of the Board of Directors, Board of Auditors, General Managers and Managers with strategic responsibility, are shown, according to Consob regulation, in the "Remuneration Report".

The results of transactions with related parties, classified in accordance with IAS 24, pursuant to the Consob circular dated 28 July 2006, are detailed in the following table.

| (in thousand euro) | Classification of related parties is based on IAS 24 | | | | | Impact on financial statements |
|--|--|------------|-------------------------------|-----------------|-------------------|--------------------------------|
| | Subsidiaries | Associates | Joint ventures ⁽¹⁾ | Related parties | Total | |
| Assets | | | | | | |
| Investments | 40,377,664 | 235,363 | 351 | 63,759 | 40,677,137 | 91.5% |
| Credits and other operations | 909,346 | 1,894 | 234 | 536 | 912,010 | 31.3% |
| Total assets | 41,287,010 | 237,257 | 585 | 64,295 | 41,589,147 | 88.4% |
| Liabilities | | | | | | |
| Financial liabilities | 3,593,359 | 0 | 0 | 0 | 3,593,359 | 24.3% |
| Technical provisions | 11,251,901 | 1,801 | 345 | 0 | 11,254,047 | 80.1% |
| Other debits and liabilities | 1,808,973 | 17 | 816 | -191 | 1,809,615 | 10.4% |
| Total liabilities | 16,654,233 | 1,818 | 1,161 | -191 | 16,657,021 | 36.0% |
| Incomes and charges | | | | | | |
| From transactions with ceding companies ⁽¹⁾ | 375,222 | 4,699 | -4 | 0 | 379,917 | 473.8% |
| Net incomes from investments | 1,802,876 | 18,148 | -549 | -312 | 1,820,163 | 98.4% |
| Other incomes and charges | -33,181 | -97 | 0 | -731 | -34,009 | 32.0% |
| Straordinary incomes and charges | 24,328 | 0 | 0 | 0 | 24,328 | 177.0% |

1) The interests from deposits with ceding companies are included in the item "Incomes and charges from transactions with ceding companies" instead of item net.

The charges deriving from transfers to the pension funds of staff and managers of the Company, amount to 10,253 thousand.

During the year the Company transferred its shareholding in Generali Insurance AD to its subsidiary Generali CEE Holding BV, realizing a capital gain of 8.9 million.

In addition, the merged subsidiary Flandria Participations Financières S.A. in Participatie Maatschappij Graafschap Holland N.V.; the transaction did not generate economic effects.

It is noted that during the year the profits deriving from the remuneration for the use of the brand by Group companies amounted to 68,481 thousand.

It is noted that, in line with the development strategy of the corporate treasury, the Company subscribed direct pooling agreements with the subsidiaries that allowed the deposit, on 31 December 2016, by Assicurazioni Generali of 1,851,853 thousands. The counterparties are Generali Beteiligungs for 450,862 thousand, Participatie Maatschappij Graafschap Holland N.V. for 391,363 thousand, Generali CEE Holding for 287,122 thousand, Generali Global Private Equity for 282,547 thousand, Lion River I for 134,006 thousand, Generali Holding Vienna for 100,045 thousand, Flandria Participations Financières for 391,150 thousand, Generali España S.A. de Seguros y Reaseguros for 91,094 thousand, L'Equité for 40,000 thousand, Generali Finance for 39,510 thousand, Generali IARD for 15,000 thousand, Generali Asia for 10,298 thousand, Generali Real Estate SGR for 10,002 thousand

and Generali Real Estate for 2 thousand. There are also deposits with Group companies for 340,255 thousand and in particular with Generali Italia for 251,864 thousand, Generali France for 70,009 thousand, GSS - General Shared Services to 6,500 thousand and 1,644 thousand for MyDrive Solutions.

With reference to the other related parties, the main transaction represented relate to the Mediobanca Group for subscribed bonds for 25,633 thousand.

With reference to Art. 18 of the Procedures relating to transactions with related parties approved by the Board of Directors in 2016, it should be noted that beyond the above commented operations (i), significant Operations in the reporting period (ii) have not been carried out, transactions with related parties that have significantly affected the financial situation or the Group's results have not been carried out iii) there are no changes or developments described in the previous annual report that have significantly affected the financial situation of the Company.

b) Events and significant operations not recurring.

No events and significant operations not recurring have been made during 2016.

c) Positions or transactions deriving from atypical and/or unusual operations.

No atypical and/or unusual operations have been made.

5. Information according to the CONSOB resolution No. 15915 dated 3 May 2007

Pursuant to the above-mentioned resolution, sums due for services rendered during the year to Ernst & Young S.p.A., are indicated in the following table.

| (in thousand euro) | 2016 | |
|-------------------------------|---------------|---------------|
| | E&Y Italia | E&Y network |
| Parent Company | | |
| Audit | 1,155 | 449 |
| Other certificate services | 4,323 | 10 |
| Other services | 11,205 | 86 |
| Totale | 16,683 | 545 |
| Parent companies subsidiaries | | |
| Audit | 2,532 | 15,996 |
| Other certificate services | 1,701 | 1,667 |
| Other services | | |
| Tax assistance | 307 | 150 |
| Other | 270 | 3,475 |
| Total | 4,811 | 21,289 |
| Grand Total | 21,493 | 21,834 |

Cash Flow

Statement

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

Subscribed capital euro euro **1,559,883,538** **1,559,883,538**

Registered in **Trieste**

CASH FLOW STATEMENT

Year **2016**

(Amount in thousand euro)

| | 2016 | 2015 |
|--|---------------------|-------------------|
| A. Cash flows from operating activities | | |
| Result for the year | 1,096,261 | 931,469 |
| Interest paid/(interest income) for the year | 672,782 | 631,673 |
| Income taxes | -190,212 | -142,047 |
| Dividends | -1,857,435 | -1,479,921 |
| Adjustments arising from financing and investing activities | -16,736 | -157,026 |
| | ----- | ----- |
| 1. Profit (loss) of the year before taxation, interests, dividends and capital gains/losses deriving from cession | -295,340 | -215,852 |
| <i>Increases (+) / Decreases (-) of non cash-items</i> | | |
| Change in technical reserves | 46,660 | -588,620 |
| Changes in provisions | 12,608 | -7,924 |
| Change in depreciation and amortization | 5,203 | 5,613 |
| Adjustments/Reversal to equity investments | 59,380 | 95,410 |
| Other adjustments for non monetary items | -243,964 | 42,486 |
| | ----- | ----- |
| 2. Cash flow before changes of the net current assets | -415,453 | -668,887 |
| <i>Changes in working capital</i> | | |
| Decreases (+) / (increases) (-) in receivables | -195,726 | 447,570 |
| Decreases (+) / increases (-) in payables | 210,493 | 1,247,293 |
| Decreases (+) / (increases) (-) in prepaids and accrued income | 12,609 | 8,142 |
| Decreases (+) / increases (-) in accrual and deferred income | 6,376 | 4,600 |
| Decreases (+) / (increases) (-) in other assets | -28,503 | -170,989 |
| Decreases (+) / increases (-) in other liabilities | 143,597 | 58,173 |
| | ----- | ----- |
| 3. Cash flow after changes of the net current assets | -266,607 | 925,902 |
| <i>Other adjustments</i> | | |
| Interest income / (interest paid) | -672,782 | -639,192 |
| Income taxes | 155,571 | 300,998 |
| Dividends collected | 1,857,435 | 1,479,908 |
| | ----- | ----- |
| Net cash flow from operating activities | A. 1,073,617 | 2,067,616 |
| B. Cash flows from investing activities | | |
| <i>Liquidity used for (-) / generated by (+) investing activities</i> | | |
| Real estate | -1,062 | 1,215 |
| Equity investments | 14,186 | -1,474,719 |
| Stocks | 13,733 | -139,999 |
| Bonds | -520,626 | 93,202 |
| Loans | -381,512 | -371,624 |
| Deposits with banks | 5,585 | -34,193 |
| Investments and pension funds | 136,808 | -16,671 |
| Other investments | 670,963 | -948,359 |
| | ----- | ----- |
| 1. Cash flows from investing activities | -61,925 | -2,891,148 |

| | | 2016 | 2015 |
|---|---------------------|-------------------|-------------------|
| <i>Liquidity used for (-) / generated by (+) other items</i> | | | |
| Intangible assets | | 4,038 | -4,928 |
| Acquisition of furniture and transport vehicles | | -6,750 | -3,996 |
| | | | |
| 2. Cash flows from other items | | -2,712 | -8,924 |
| Net Cash flows from investing activities (1. + 2.) | B. | -64,637 | -2,900,072 |
| C. Cash flows from financing activities | | | |
| <i>Loan capitals</i> | | | |
| Increases (+) / (decreases) (-) in subordinated liabilities | | 445,829 | 1,250,000 |
| Increases (+) / (decreases) (-) in bonds | | -63,885 | -63,884 |
| Increases (+) / (decreases) (-) in payables to banks and financial institutions | | -160,392 | 229,349 |
| Increases (+) / (decreases) (-) in collateralised loans | | 0 | 0 |
| Increases (+) / (decreases) (-) in other loans and financial payables | | -7,683 | 263,820 |
| | | | |
| 1. Cash flows from loan capitals | | 213,869 | 1,679,285 |
| <i>Equity</i> | | | |
| Increase in capital and paid capital reserves | | 0 | 0 |
| Change in own shares | | 1,815 | 1,117 |
| Use of capital reserves to pay dividends | | -192,249 | -196,357 |
| Dividends paid to shareholders based on profits of the previous years | | -930,001 | -738,421 |
| | | | |
| 2. Cash flows from equity | | -1,120,435 | -933,661 |
| Net Cash flows from financing activities (1. + 2.) | C. | -906,566 | 745,624 |
| Total Cash flows for the year | A. + B. + C. | 102,414 | -86,832 |
| Change in liquidity | | | |
| Liquidity at the end of previous year | | 549,905 | 611,967 |
| Adjustment to current year exchange rates | | 2,746 | 24,770 |
| | | | |
| 1. Liquidity at year-start | | 552,651 | 636,737 |
| 2. Liquidity at year-end | | 655,065 | 549,905 |
| Change in the liquidity for the year | -1. + 2. | 102,414 | -86,832 |

Appendices to the

Notes

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

Subscribed capital euro **1,559,883,538** Paid up **1,559,883,538**

Registered **Trieste**

Attachments to the Notes to the Accounts

Year **2016**

(Amounts in thousand euro)

| N. | | Non Life * | Life * | Total * |
|----|--|------------|--------|---------|
| 1 | Balance sheet - Non life business | 1 | | |
| 2 | Balance sheet - Life business | | 1 | |
| 3 | Breakdown of non-life and life result | | | 1 |
| 4 | Assets - changes in intangibles assets (item B) land and changes in land and buildings (Item C.I) | | | 1 |
| 5 | Assets - changes during the year of investments in Group companies and other companies where a significant interest is held: equities (item C.II.1). Bonds (item C.II.2) and loans (item C.II.3) | | | 1 |
| 6 | Assets -Breakdown of information on companies in which a significant interest is held | | | 1 |
| 7 | Assets - Details of investments in Group companies and other companies where a significant interest is held: equities | | | 1 |
| 8 | Assets - Breakdown on the basis of the utilisation of other financial investments: equities and common investment funds, debt securities and other fixed-income securities, participation in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7) | | | 1 |
| 9 | Assets - changes for the year of other durable financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-income securities, participation in investment pools e other financial investments (items C.III.1, 2, 3, 5, 7) | | | 1 |
| 10 | Assets - changes for the year regarding loans and deposits with credit institutions (items C.III.4, 6) | | | 1 |
| 11 | Assets - detail of operations relating to contracts linked to investment funds and market index (item D.I) | | 6 | |
| 12 | Assets arising out of the management of pension funds (item D.II) | | 0 | |
| 13 | Liabilities - changes for the year of the components of the provision for unearned premiums (item C.I.1) and those of the provision for claims outstanding (item C.I.2) of non-life lines of business | 1 | | |
| 14 | Liabilities - changes in the components of the mathematical provision for the year (item C.II.1) and in the components of the provision for profit sharing and premium refunds (item C.II.4) | | 1 | |
| 15 | Liabilities -Change for the year in the provisions in the funds for risks and charges (item E) and change in the severance pay provisions (item G.VII) | | | 1 |
| 16 | Details of assets and liabilities referring to Group comp. and other companies in which a significant interest is held | | | 1 |
| 17 | Details of "guarantees, commitments and other memorandum accounts" | | | 1 |
| 18 | Breakdown of commitments regarding derivative transactions | | | 1 |
| 19 | Details of the non life business technical account | 1 | | |
| 20 | Summary of life business: premiums and reinsurers' share. | | 1 | |
| 21 | Income from investments (items II.2 e III.3) | | | 1 |
| 22 | Income and unrealised gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds (item II.3) | | 1 | |
| 23 | Details of investment charges (items II.9 e III.5) | | | 1 |
| 24 | Expenses and unrealised losses relating to investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds (item II.10) | | 1 | |
| 25 | Non-life business - summarised layout of technical account by branch - -Italian portfolio | 1 | | |
| 26 | Summarised layout of technical accounts of non-life business - Italian portfolio | 1 | | |
| 27 | Life business - summarised layout of technical account by branch - -Italian portfolio | | 1 | |
| 28 | Summarised layout of technical accounts of life business - Italian portfolio | | 1 | |
| 29 | Summarised layout of technical accounts of non-life and life business - Foreign portfolio | | | 1 |
| 30 | Relationships with Group companies and companies where a significant interest is held | | | 1 |
| 31 | Summary of direct business premiums written | | | 1 |
| 32 | Personnel expenses, directors and auditors fees | | | 1 |

* Indicate the number of attachments actually filled in. Indicate 0 if the attachment, even if due, has not been filled in because all items are null. Indicate n.d. when the company is not obliged to fill in the attachment.

Company **Assicurazioni Generali S.p.A.****BALANCE SHEET - NON LIFE BUSINESS****ASSETS**

Current year

| | | | | | | |
|----|---|----|------------|----|-----------------|------------|
| A. | SUBSCRIBED CAPITAL UNPAID | | | | 1 | 0 |
| | of which called-up capital | 2 | 0 | | | |
| B. | INTANGIBLE ASSETS | | | | | |
| | 1. Acquisition commissions to be amortised | 4 | 0 | | | |
| | 2. Other acquisition costs | 6 | 0 | | | |
| | 3. Formation and development expenses | 7 | 0 | | | |
| | 4. Goodwill | 8 | 0 | | | |
| | 5. Other intangible assets | 9 | 31,927 | | 10 | 31,927 |
| C. | INVESTMENTS | | | | | |
| I | - Land and Buildings | | | | | |
| | 1. Property used for own activities | 11 | 8,796 | | | |
| | 2. Property used by third parties | 12 | 105,784 | | | |
| | 3. Other properties | 13 | 0 | | | |
| | 4. Other realty rights | 14 | 0 | | | |
| | 5. Assets in progress and payments on account | 15 | 1,696 | 16 | 116,276 | |
| II | - Investments in affiliated companies and other shareholdings | | | | | |
| | 1. Interests in | | | | | |
| | a) parent companies | 17 | 0 | | | |
| | b) affiliated companies | 18 | 16,305,074 | | | |
| | c) affiliates of parent companies | 19 | 0 | | | |
| | d) associated companies | 20 | 234,884 | | | |
| | e) other | 21 | 20,561 | 22 | 16,560,519 | |
| | 2. Debt securities issued by | | | | | |
| | a) parent companies | 23 | 0 | | | |
| | b) affiliated companies | 24 | 0 | | | |
| | c) affiliates of parent companies | 25 | 0 | | | |
| | d) associated companies | 26 | 0 | | | |
| | e) other | 27 | 0 | 28 | 0 | |
| | 3. Loans to | | | | | |
| | a) parent companies | 29 | 0 | | | |
| | b) affiliated companies | 30 | 370,900 | | | |
| | c) affiliates of parent companies | 31 | 0 | | | |
| | d) associated companies | 32 | 0 | | | |
| | e) other | 33 | 0 | 34 | 370,900 | 35 |
| | | | | | | 16,931,419 |
| | | | | | carried forward | 31,927 |

Year 2016

.....

Previous year

| | | | | | |
|-----|------------|-----------------|------------|---------|------------|
| | | | | 181 | 0 |
| | 182 | 0 | | | |
| | 184 | 0 | | | |
| | 186 | 0 | | | |
| | 187 | 0 | | | |
| | 188 | 0 | | | |
| | 189 | 35,852 | | 190 | 35,852 |
| | 191 | 8,721 | | | |
| | 192 | 110,176 | | | |
| | 193 | 0 | | | |
| | 194 | 0 | | | |
| | 195 | 1,732 | 196 | 120,629 | |
| 197 | 0 | | | | |
| 198 | 16,254,140 | | | | |
| 199 | 0 | | | | |
| 200 | 244,672 | | | | |
| 201 | 38,748 | 202 | 16,537,560 | | |
| 203 | 0 | | | | |
| 204 | 0 | | | | |
| 205 | 0 | | | | |
| 206 | 0 | | | | |
| 207 | 0 | 208 | 0 | | |
| 209 | 0 | | | | |
| 210 | 370,900 | | | | |
| 211 | 0 | | | | |
| 212 | 0 | | | | |
| 213 | 0 | 214 | 370,900 | 215 | 16,908,460 |
| | | carried forward | | | 35,852 |

BALANCE SHEET - NON LIFE BUSINESS
ASSETS

Current year

| | | brought forward | | Current year | |
|--|----|-----------------|----|--------------|-----------------|
| | | | | 31,927 | |
| C. INVESTMENTS (follows) | | | | | |
| III - Other financial investments | | | | | |
| 1. Equities | | | | | |
| a) quoted shares | 36 | 9,021 | | | |
| b) unquoted shares | 37 | 7,659 | | | |
| c) other interests | 38 | 577 | 39 | 17,257 | |
| 2. Shares in common investment funds | | | 40 | 468,070 | |
| 3. Debt securities and other fixed-income securities | | | | | |
| a) quoted | 41 | 711,401 | | | |
| b) unquoted | 42 | 21,117 | | | |
| c) convertible bonds | 43 | 23,685 | 44 | 756,203 | |
| 4. Loans | | | | | |
| a) mortgage loans | 45 | 0 | | | |
| b) loans on policies | 46 | 0 | | | |
| c) other loans | 47 | 1,248 | 48 | 1,248 | |
| 5. Participation in investment pools | | | 49 | 0 | |
| 6. Deposits with credit institutions | | | 50 | 91,811 | |
| 7. Other | | | 51 | 7,549 | |
| IV - Deposits with ceding companies | | | | 52 | 1,342,138 |
| | | | | 53 | 404,522 |
| | | | | | 54 |
| | | | | | 18,794,355 |
| D bis. REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS | | | | | |
| I - NON-LIFE INSURANCE BUSINESS | | | | | |
| 1. Provision for unearned premiums | | | 58 | 94,515 | |
| 2. Provision for claims outstanding | | | 59 | 423,511 | |
| 3. Provision for profit sharing and premium refunds | | | 60 | 0 | |
| 4. Other technical provisions | | | 61 | 0 | |
| | | | | | 62 |
| | | | | | 518,026 |
| | | | | | carried forward |
| | | | | | 19,344,308 |

| | | | | Previous year | |
|-----------------|---------|-----------------|-----------|---------------|------------|
| brought forward | | | | 35,852 | |
| 216 | 15,109 | | | | |
| 217 | 6,936 | | | | |
| 218 | 577 | 219 | 22,622 | | |
| | | 220 | 1,194,477 | | |
| 221 | 436,691 | | | | |
| 222 | 63,528 | | | | |
| 223 | 23,593 | 224 | 523,812 | | |
| 225 | 0 | | | | |
| 226 | 0 | | | | |
| 227 | 662 | 228 | 662 | | |
| | | 229 | 0 | | |
| | | 230 | 106,989 | | |
| | | 231 | 7,813 | 232 | 1,856,375 |
| | | | | 233 | 391,577 |
| | | | | 234 | 19,277,041 |
| | | 238 | 81,374 | | |
| | | 239 | 454,592 | | |
| | | 240 | 0 | | |
| | | 241 | 0 | 242 | 535,966 |
| | | carried forward | | 19,848,859 | |

BALANCE SHEET - NON LIFE BUSINESS

ASSETS

Current year

| | | brought forward | | | | 19,344,308 | |
|---|----|-----------------|-----|---------|----|------------|-------------------|
| E. DEBTORS | | | | | | | |
| I - Debtors arising out of direct insurance operations | | | | | | | |
| 1. Policyholders | | | | | | | |
| a) for premiums - current year | 71 | 86,024 | | | | | |
| b) for premiums - previous years | 72 | 8,658 | 73 | 94,682 | | | |
| 2. Insurance intermediaries | | | 74 | 4,560 | | | |
| 3. Current accounts with insurance companies | | | 75 | 1,919 | | | |
| 4. Policyholders and third parties for recoveries | | | 76 | 6,135 | 77 | 107,296 | |
| II - Debtors arising out of reinsurance operations | | | | | | | |
| 1. Reinsurance companies | | | 78 | 158,777 | | | |
| 2. Reinsurance intermediaries | | | 79 | 6,160 | 80 | 164,937 | |
| III - Other debtors | | | | | | | |
| | | | | | 81 | 1,034,946 | |
| | | | | | 82 | 1,307,179 | |
| F. OTHER ASSETS | | | | | | | |
| I - Tangible assets and stocks | | | | | | | |
| 1. Furniture, office equipment, internal transport vehicles | | | 83 | 3,052 | | | |
| 2. Vehicles listed in public registers | | | 84 | 1,349 | | | |
| 3. Equipment and appliances | | | 85 | 0 | | | |
| 4. Stocks and other goods | | | 86 | 472 | 87 | 4,873 | |
| II - Tangible assets and stocks | | | | | | | |
| 1. Bank and postal deposits | | | 88 | 524,932 | | | |
| 2. Cheques and cash in hand | | | 89 | 84 | 90 | 525,016 | |
| IV - Other | | | | | | | |
| 1. Deferred reinsurance items | | | 92 | 6,065 | | | |
| 2. Miscellaneous assets | | | 93 | 222,392 | 94 | 228,457 | |
| of which Account linking to life business | | | 901 | 183,786 | 95 | 758,346 | |
| G. PREPAYMENTS AND ACCRUED INCOME | | | | | | | |
| 1. Interests | | | | | 96 | 11,717 | |
| 2. Rents | | | | | 97 | 630 | |
| 3. Other prepayments and accrued income | | | | | 98 | 59,349 | |
| | | | | | 99 | 71,696 | |
| TOTAL ASSETS | | | | | | 100 | 21,481,529 |

Previous year

| | | | | | | |
|-----|--------|-----------------|---------|-----|---------|----------------|
| | | brought forward | | | | 19,848,859 |
| 251 | 67,798 | | | | | |
| 252 | 6,763 | 253 | 74,561 | | | |
| | | 254 | 10,468 | | | |
| | | 255 | 1,482 | | | |
| | | 256 | 10,662 | 257 | 97,173 | |
| | | 258 | 183,214 | | | |
| | | 259 | 4,800 | 260 | 188,014 | |
| | | | | 261 | 641,856 | 262 927,043 |
| | | 263 | 1,674 | | | |
| | | 264 | 0 | | | |
| | | 265 | 0 | | | |
| | | 266 | 348 | 267 | 2,022 | |
| | | 268 | 469,299 | | | |
| | | 269 | 73 | 270 | 469,372 | |
| | | 272 | 8,924 | | | |
| | | 273 | 38,885 | 274 | 47,809 | 275 519,203 |
| | | 903 | 0 | | | |
| | | | | 276 | 9,156 | |
| | | | | 277 | 629 | |
| | | | | 278 | 68,641 | 279 78,426 |
| | | | | | | 280 21,373,531 |

Previous year

| | | | |
|-----------------|-----------|-----------|---------------|
| | 281 | 467,062 | |
| | 282 | 1,070,475 | |
| | 283 | 1,084,006 | |
| | 284 | 93,412 | |
| | 285 | 0 | |
| | 500 | 0 | |
| | 287 | 3,793,554 | |
| | 288 | 0 | |
| | 289 | -56,476 | |
| | 501 | 3,040 | 290 6,448,993 |
| | | | 291 4,974,866 |
| 292 | 352,308 | | |
| 293 | 2,168,231 | | |
| 294 | 0 | | |
| 295 | 0 | | |
| 296 | 108 | | 297 2,520,647 |
| carried forward | | | 13,944,506 |

BALANCE SHEET - NON LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

Current year

| | | brought forward | | | 14,125,992 |
|-------|--|-----------------|-----------------|---------------|---------------|
| E. | PROVISIONS FOR OTHER RISKS AND CHARGES | | | | |
| 1. | Provision for pensions and similar obligations | | 128 | 0 | |
| 2. | Provisions for taxation | | 129 | 38,235 | |
| 3. | Other provisions | | 130 | 28,149 | 131 66,384 |
| F. | DEPOSITS RECEIVED FROM REINSURERS | | | | 132 13,457 |
| G. | CREDITORS | | | | |
| I. | - Creditors arising out of direct insurance operations | | | | |
| 1. | Insurance intermediaries | 133 | 8,188 | | |
| 2. | Current accounts with insurance companies | 134 | 1,250 | | |
| 3. | Premium deposits and premiums due to policyholders | 135 | 5,314 | | |
| 4. | Guarantee funds in favour of policyholders | 136 | 0 | 137 14,752 | |
| II. | - Creditors arising out of reinsurance operations | | | | |
| 1. | Reinsurance companies | 138 | 120,768 | | |
| 2. | Reinsurance intermediaries | 139 | 37,315 | 140 158,083 | |
| III. | - Debenture loans | | | 141 1,250,000 | |
| IV. | - Amounts owed to credit institutions | | | 142 838,945 | |
| V. | - Loans guaranteed by mortgages | | | 143 0 | |
| VI. | - Other financial liabilities | | | 144 2,468,581 | |
| VII. | - Provisions for severance pay | | | 145 4,545 | |
| VIII. | - Other creditors | | | | |
| 1. | Premium taxes | 146 | 3,152 | | |
| 2. | Other tax liabilities | 147 | 25,235 | | |
| 3. | Social security | 148 | 399 | | |
| 4. | Sundry creditors | 149 | 2,128,445 | 150 2,157,231 | |
| IX. | - Other liabilities | | | | |
| 1. | Deferred reinsurance items | 151 | 2,265 | | |
| 2. | Commissions for premiums in course of collection | 152 | 11,608 | | |
| 3. | Miscellaneous liabilities | 153 | 157,002 | 154 170,875 | 155 7,063,012 |
| | of which Account linking to life business | 902 | 0 | | |
| | | | carried forward | | 21,268,845 |

| | | Previous year | |
|-----------------|-----------------|---------------|------------|
| brought forward | | | 13,944,506 |
| | | 308 | 0 |
| | | 309 | 38,455 |
| | | 310 | 15,132 |
| | | 311 | 53,587 |
| | | 312 | 13,266 |
| | | | |
| | 313 | 4,622 | |
| | 314 | 544 | |
| | 315 | 3,731 | |
| | 316 | 0 | |
| | | 317 | 8,897 |
| | | | |
| | 318 | 69,321 | |
| | 319 | 13,070 | |
| | | 320 | 82,391 |
| | | 321 | 1,250,000 |
| | | 322 | 998,140 |
| | | 323 | 0 |
| | | 324 | 2,468,581 |
| | | 325 | 4,927 |
| | | | |
| | 326 | 481 | |
| | 327 | 6,545 | |
| | 328 | 1,175 | |
| | 329 | 2,067,556 | |
| | | 330 | 2,075,757 |
| | | | |
| | 331 | 6,716 | |
| | 332 | 8,713 | |
| | 333 | 252,421 | |
| | 904 | 144,999 | |
| | carried forward | | 7,156,543 |
| | | | 21,167,902 |

BALANCE SHEET - NON LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

| | | | Current year | |
|--|-----------------|---------|--------------|-------------------|
| | brought forward | | 21,268,845 | |
| H. ACCRUALS AND DEFERRED INCOME | | | | |
| 1. Interests | 156 | 147,824 | | |
| 2. Rents | 157 | 1,958 | | |
| 3. Other accruals and deferred income | 158 | 62,902 | 159 | 212,684 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | | 160 | 21,481,529 |

| | | Previous year |
|-----------------|-----|-------------------|
| brought forward | | 21,167,902 |
| | 336 | 151,044 |
| | 337 | 1,953 |
| | 338 | 52,632 |
| | 339 | 205,629 |
| | 340 | 21,373,531 |

Notes on the accounts - Attachment 2

Company

Assicurazioni Generali S.p.A.

BALANCE SHEET - LIFE BUSINESS

ASSETS

| | | | | | | | |
|----|--|----|------------|----|-----------------|----|------------|
| A. | SUBSCRIBED CAPITAL UNPAID | | | | | 1 | 0 |
| | of which called-up capital | 2 | 0 | | | | |
| B. | INTANGIBLE ASSETS | | | | | | |
| | 1. Acquisition commissions to be amortised | 3 | 0 | | | | |
| | 2. Other acquisition costs | 6 | 0 | | | | |
| | 3. Formation and development expenses | 7 | 0 | | | | |
| | 4. Goodwill | 8 | 0 | | | | |
| | 5. Other intangible assets | 9 | 1,270 | | | 10 | 1,270 |
| C. | INVESTMENTS | | | | | | |
| | I - Land and Buildings | | | | | | |
| | 1. Property used for own activities | 11 | 0 | | | | |
| | 2. Property used by third parties | 12 | 0 | | | | |
| | 3. Other properties | 13 | 0 | | | | |
| | 4. Other realty rights | 14 | 0 | | | | |
| | 4. Assets in progress and payments on account | 15 | 0 | 16 | 0 | | |
| | II - Investments in affiliated companies and other shareholdings | | | | | | |
| | 1. Interests in | | | | | | |
| | a) parent companies | 17 | 0 | | | | |
| | b) affiliated companies | 18 | 13,078,476 | | | | |
| | c) affiliates of parent companies | 19 | 0 | | | | |
| | d) associated companies | 20 | 0 | | | | |
| | e) other | 21 | 0 | 22 | 13,078,476 | | |
| | 2. Debt securities issued by | | | | | | |
| | a) parent companies | 23 | 0 | | | | |
| | b) affiliated companies | 24 | 634 | | | | |
| | c) affiliates of parent companies | 25 | 0 | | | | |
| | d) associated companies | 26 | 0 | | | | |
| | e) other | 27 | 0 | 28 | 634 | | |
| | 3. Loans to | | | | | | |
| | a) parent companies | 29 | 0 | | | | |
| | b) affiliated companies | 30 | 381,100 | | | | |
| | c) affiliates of parent companies | 31 | 0 | | | | |
| | d) associated companies | 32 | 0 | | | | |
| | e) other | 33 | 0 | 34 | 381,100 | 35 | 13,460,210 |
| | | | | | carried forward | | 1,270 |

Year 2016

Previous year

| | | | | |
|-----|-----------------|-------|------------|-------|
| | | | 181 | 0 |
| | 182 | 0 | | |
| | 183 | 0 | | |
| | 186 | 0 | | |
| | 187 | 0 | | |
| | 188 | 0 | | |
| | 189 | 1,468 | 190 | 1,468 |
| | 191 | 0 | | |
| | 192 | 0 | | |
| | 193 | 0 | | |
| | 194 | 0 | | |
| | 195 | 0 | 196 | 0 |
| 197 | 0 | | | |
| 198 | 13,112,785 | | | |
| 199 | 0 | | | |
| 200 | 0 | | | |
| 201 | 0 | 202 | 13,112,785 | |
| 203 | 0 | | | |
| 204 | 1,500 | | | |
| 205 | 0 | | | |
| 206 | 0 | | | |
| 207 | 0 | 208 | 1,500 | |
| 209 | 0 | | | |
| 210 | 0 | | | |
| 211 | 0 | | | |
| 212 | 0 | | | |
| 213 | 0 | 214 | 0 | 215 |
| | | | 13,114,285 | |
| | carried forward | | | 1,468 |

BALANCE SHEET - LIFE BUSINESS

ASSETS

Current year

| | | brought forward | | 1,270 |
|--|----|-----------------|----|-----------------|
| C. INVESTMENTS (follows) | | | | |
| III - Other financial investments | | | | |
| 1. Equities | | | | |
| a) quoted shares | 36 | 0 | | |
| b) unquoted shares | 37 | 4,937 | | |
| c) other interests | 38 | 4,731 | 39 | 9,668 |
| 2. Shares in common investment funds | | | 40 | 36,754 |
| 3. Debt securities and other fixed-income securities | | | | |
| a) quoted | 41 | 1,364,556 | | |
| b) unquoted | 42 | 18,931 | | |
| c) convertible bonds | 43 | 382 | 44 | 1,383,869 |
| 4. Loans | | | | |
| a) mortgage loans | 45 | 0 | | |
| b) loans on policies | 46 | 789 | | |
| c) other loans | 47 | 2,031 | 48 | 2,820 |
| 5. Participation in investment pools | | | 49 | 0 |
| 6. Deposits with credit institutions | | | 50 | 34,760 |
| 7. Other | | | 51 | 0 |
| IV - Deposits with ceding companies | | | 52 | 1,467,871 |
| | | | 53 | 7,275,871 |
| | | | 54 | 22,203,952 |
| D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | | |
| I - Provisions relating to contracts linked to investments funds and market index | | | | |
| | | | 55 | 3,456,300 |
| II - Provisions relating to the administration of pension funds | | | | |
| | | | 56 | 0 |
| | | | 57 | 3,456,300 |
| D bis. REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS | | | | |
| II - LIFE INSURANCE BUSINESS | | | | |
| 1. Mathematical provision | | | 63 | 34,281 |
| 2. Unearned premium provision for supplementary coverage | | | 64 | 14,345 |
| 3. Provision for claims outstanding | | | 65 | 326,391 |
| 4. Provision for profit sharing and premium refunds | | | 66 | 21,179 |
| 5. Other provisions | | | 67 | 0 |
| 6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds | | | 68 | 0 |
| | | | | 69 |
| | | | | 396,196 |
| | | | | 26,057,718 |
| | | | | carried forward |

Previous year

| | | | | | |
|-----|-----------|-----------------|-----------|-----|------------|
| | | brought forward | | | 1,468 |
| 216 | 0 | | | | |
| 217 | 15,927 | | | | |
| 218 | 4,732 | 219 | 20,659 | | |
| | | 220 | 13,774 | | |
| 221 | 1,182,524 | | | | |
| 222 | 19,798 | | | | |
| 223 | 1,121 | 224 | 1,203,443 | | |
| 225 | 0 | | | | |
| 226 | 853 | | | | |
| 227 | 2,036 | 228 | 2,889 | | |
| | | 229 | 0 | | |
| | | 230 | 22,809 | | |
| | | 231 | 0 | 232 | 1,263,574 |
| | | | | 233 | 7,515,375 |
| | | | | 234 | 21,893,234 |
| | | | | 235 | 3,598,803 |
| | | | | 236 | 0 |
| | | | | 237 | 3,598,803 |
| | | 243 | 27,106 | | |
| | | 244 | 11,732 | | |
| | | 245 | 301,290 | | |
| | | 246 | 16,818 | | |
| | | 247 | 0 | | |
| | | 248 | 0 | 249 | 356,946 |
| | | carried forward | | | 25,850,451 |

BALANCE SHEET - LIFE BUSINESS

ASSETS

Current year

| | | brought forward | | Current year | |
|---|----|-----------------|-----|--------------|-----------------------|
| | | | | | 26,057,718 |
| E. DEBTORS | | | | | |
| I - Debtors arising out of direct insurance operations | | | | | |
| 1. Policyholders | | | | | |
| a) for premiums - current year | 71 | 23,051 | | | |
| b) for premiums - previous years | 72 | 768 | 73 | 23,819 | |
| 2. Insurance intermediaries | | | 74 | 102 | |
| 3. Current accounts with insurance companies | | | 75 | 0 | |
| 4. Policyholders and third parties for recoveries | | | 76 | 0 | 77 23,921 |
| II - Debtors arising out of reinsurance operations | | | | | |
| 1. Reinsurance companies | | | | | |
| | | | 78 | 322,507 | |
| 2. Reinsurance intermediaries | | | 79 | 273 | 80 322,780 |
| III - Other debtors | | | | | |
| | | | | 81 105,901 | 82 452,602 |
| F. OTHER ASSETS | | | | | |
| I - Tangible assets and stocks | | | | | |
| 1. Furniture, office equipment, internal transport vehicles | | | | | |
| | | | 83 | 92 | |
| 2. Vehicles listed in public registers | | | 84 | 60 | |
| 3. Equipment and appliances | | | 85 | 0 | |
| 4. Stocks and other goods | | | 86 | 0 | 87 152 |
| II - Tangible assets and stocks | | | | | |
| 1. Bank and postal deposits | | | | | |
| | | | 88 | 130,044 | |
| 2. Cheques and cash in hand | | | 89 | 5 | 90 130,049 |
| IV - Other | | | | | |
| 1. Deferred reinsurance items | | | | | |
| | | | 92 | 3,483 | |
| 2. Miscellaneous assets | | | 93 | 21,108 | 94 24,591 |
| of which Account linking to non-life business | | | 901 | 0 | 95 154,792 |
| G. PREPAYMENTS AND ACCRUED INCOME | | | | | |
| 1. Interests | | | | | |
| | | | | 96 25,074 | |
| 2. Rents | | | | 97 28 | |
| 3. Other prepayments and accrued income | | | | 98 112,440 | 99 137,542 |
| TOTAL ASSETS | | | | | 100 26,802,654 |

| | | Previous year | | | |
|-----|--------|-----------------|---------|-----|-------------------|
| | | brought forward | | | 25,850,451 |
| 251 | 21,295 | | | | |
| 252 | 1,562 | 253 | 22,857 | | |
| | | 254 | 105 | | |
| | | 255 | 824 | | |
| | | 256 | 0 | 257 | 23,786 |
| | | 258 | 219,366 | | |
| | | 259 | 273 | 260 | 219,639 |
| | | | | 261 | 110,653 |
| | | | | 262 | 354,078 |
| | | 263 | 26 | | |
| | | 264 | 62 | | |
| | | 265 | 0 | | |
| | | 266 | 0 | 267 | 88 |
| | | 268 | 80,528 | | |
| | | 269 | 5 | 270 | 80,533 |
| | | 272 | 3,536 | | |
| | | 273 | 172,622 | 274 | 176,158 |
| | | 903 | 144,999 | 275 | 256,779 |
| | | | | 276 | 20,069 |
| | | | | 277 | 27 |
| | | | | 278 | 135,853 |
| | | | | 279 | 155,949 |
| | | | | 280 | 26,617,257 |

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

Current year

| | | | |
|---|---|-----|------------|
| A. SHAREHOLDERS' FUNDS | | | |
| I | - Subscribed capital or equivalent funds | 101 | 1,091,918 |
| II | - Share premium account | 102 | 2,497,775 |
| III | - Revaluation reserve | 103 | 926,828 |
| IV | - Legal reserve | 104 | 218,384 |
| V | - Statutory reserve | 105 | 0 |
| VI | - Reserve for parent company shares | 400 | 0 |
| VII | - Other reserve | 107 | 2,525,318 |
| VIII | - Profit or loss brought forward | 108 | 0 |
| IX | - Profit or loss for the financial year | 109 | 803,201 |
| VI | - Negative reserve for own shares held | 401 | 0 |
| | | 110 | 8,063,424 |
| B. SUBORDINATED LIABILITIES | | | 111 |
| | | | 2,179,897 |
| C. TECHNICAL PROVISIONS | | | |
| II - LIFE INSURANCE BUSINESS | | | |
| 1. | Mathematical provision | 118 | 7,622,002 |
| 2. | Unearned premium provision for supplementary coverage | 119 | 28,469 |
| 3. | Provision for claims outstanding | 120 | 1,141,831 |
| 4. | Provision for profit sharing and premium refunds | 121 | 99,294 |
| 5. | Other provisions | 122 | 18,305 |
| | | 123 | 8,909,901 |
| D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | |
| I | - Provisions relating to contracts linked to investments funds and market index | 125 | 3,454,111 |
| II | - Provisions relating to the administration of pension funds | 126 | 0 |
| | carried forward | | 127 |
| | | | 3,454,111 |
| | | | 22,607,333 |

Previous year

| | | | |
|-----------------|-----------|-----------|---------------|
| | 281 | 1,089,811 | |
| | 282 | 2,497,775 | |
| | 283 | 926,828 | |
| | 284 | 217,962 | |
| | 285 | 0 | |
| | 500 | 0 | |
| | 287 | 2,527,847 | |
| | 288 | 0 | |
| | 289 | 987,945 | |
| | 501 | 0 | 290 8,248,168 |
| | | | 291 1,889,678 |
| 298 | 7,704,211 | | |
| 299 | 29,431 | | |
| 300 | 1,047,813 | | |
| 301 | 94,241 | | |
| 302 | 21,467 | | 303 8,897,163 |
| | 305 | 3,595,160 | |
| | 306 | 0 | 307 3,595,160 |
| carried forward | | | 22,630,169 |

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

Current year

| | | brought forward | | 22,607,333 | |
|---|--|-----------------|---------|------------|-----------|
| E. PROVISIONS FOR OTHER RISKS AND CHARGES | | | | | |
| 1. | Provision for pensions and similar obligations | 128 | 0 | | |
| 2. | Provisions for taxation | 129 | 46,727 | | |
| 3. | Other provisions | 130 | 187 | 131 | 46,914 |
| F. DEPOSITS RECEIVED FROM REINSURERS | | | | | |
| | | | | | |
| G. CREDITORS | | | | | |
| I - Creditors arising out of direct insurance operations | | | | | |
| 1. | Insurance intermediaries | 133 | 5 | | |
| 2. | Current accounts with insurance companies | 134 | 2,202 | | |
| 3. | Premium deposits and premiums due to policyholders | 135 | 2,395 | | |
| 4. | Guarantee funds in favour of policyholders | 136 | 0 | 137 | 4,602 |
| II - Creditors arising out of reinsurance operations | | | | | |
| 1. | Reinsurance companies | 138 | 71,485 | | |
| 2. | Reinsurance intermediaries | 139 | 284 | 140 | 71,769 |
| III - Debenture loans | | | | | |
| | | | | | |
| IV - Amounts owed to credit institutions | | | | | |
| | | | | | |
| V - Loans guaranteed by mortgages | | | | | |
| | | | | | |
| VI - Other financial liabilities | | | | | |
| | | | | | |
| VII - Provisions for severance pay | | | | | |
| | | | | | |
| VIII - Other creditors | | | | | |
| 1. | Premium taxes | 146 | 717 | | |
| 2. | Other tax liabilities | 147 | 11,377 | | |
| 3. | Social security | 148 | 4,294 | | |
| 4. | Sundry creditors | 149 | 95,522 | 150 | 111,910 |
| IX - Other liabilities | | | | | |
| 1. | Deferred reinsurance items | 151 | 3,897 | | |
| 2. | Commissions for premiums in course of collection | 152 | 2,533 | | |
| 3. | Miscellaneous liabilities | 153 | 357,607 | 154 | 364,037 |
| | of which Account linking to non-life business | 902 | 183,786 | 155 | 3,683,336 |
| | | carried forward | | 26,631,769 | |

| | | Previous year | | | |
|--|-----------------|---------------|--------|-----------|------------|
| | brought forward | | | | 22,630,169 |
| | | 308 | 0 | | |
| | | 309 | 53,006 | | |
| | | 310 | 101 | 311 | 53,107 |
| | | | | 312 | 281,780 |
| | 313 | 6 | | | |
| | 314 | 2,767 | | | |
| | 315 | 3,022 | | | |
| | 316 | 0 | 317 | 5,795 | |
| | 318 | 88,049 | | | |
| | 319 | 280 | 320 | 88,329 | |
| | | | 321 | 2,069,424 | |
| | | | 322 | 130 | |
| | | | 323 | 0 | |
| | | | 324 | 1,133,898 | |
| | | | 325 | 688 | |
| | 326 | 907 | | | |
| | 327 | 12,485 | | | |
| | 328 | 3,118 | | | |
| | 329 | 32,176 | 330 | 48,686 | |
| | 331 | 3,383 | | | |
| | 332 | 4,099 | | | |
| | 333 | 115,514 | 334 | 122,996 | 335 |
| | 904 | 0 | | | 3,469,946 |
| | carried forward | | | | 26,435,002 |

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

| | | | | Current year | |
|--|---------------------------------------|-----------------|---------|--------------|-------------------|
| | | brought forward | | 26,631,769 | |
| H. | ACCRUALS AND DEFERRED INCOME | | | | |
| | 1. Interests | 156 | 127,534 | | |
| | 2. Rents | 157 | 0 | | |
| | 3. Other accruals and deferred income | 158 | 43,351 | 159 | 170,885 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | | | 160 | 26,802,654 |

Previous year

| | | | |
|-----------------|-----|---------|-----------------------|
| brought forward | | | 26,435,002 |
| | 336 | 124,757 | |
| | 337 | 0 | |
| | 338 | 57,498 | 339 182,255 |
| | | | 340 26,617,257 |

Notes to the accounts - Attachment 3

Company

Assicurazioni Generali S.p.A.

Year 2016

Breakdown of non-life and life result

| | | Non-life business | Life business | Total |
|--|---|-------------------|---------------------|---------------------|
| Technical result | | 1 218,440 | 21 361,275 | 41 579,715 |
| Investment income | + | 2 1,018,165 | | 42 1,018,165 |
| Investment charges | - | 3 202,743 | | 43 202,743 |
| Allocated investment return transferred from the life technical account | + | | 24 682,393 | 44 682,393 |
| Allocated investment return transferred to the non-life technical account | - | 5 123,006 | | 45 123,006 |
| Interim result | | 6 910,856 | 26 1,043,668 | 46 1,954,524 |
| Other income | + | 7 266,020 | 27 225,535 | 47 491,555 |
| Other charges | - | 8 1,057,874 | 28 516,928 | 48 1,574,802 |
| Extraordinary income | + | 9 40,155 | 29 39,434 | 49 79,589 |
| Extraordinary charges | - | 10 39,850 | 30 4,967 | 50 44,817 |
| Result before taxation | | 11 119,307 | 31 786,742 | 51 906,049 |
| Income taxes for the year | - | 12 -173,753 | 32 -16,459 | 52 -190,212 |
| Profit (loss) for the year | | 13 293,060 | 33 803,201 | 53 1,096,261 |

Notes on the accounts - Attachment 4

Company Assicurazioni Generali S.p.A. Year 2016

Assets - Changes in intangible assets (item B) and
changes in land and buildings (Item C1)

| | | Intangible assets B | Land and buildings C.I |
|---|---|------------------------|---------------------------|
| | + | | |
| Gross original cost | + | 1 201,037 | 31 124,732 |
| Increases for the year | | 2 16,146 | 32 223 |
| due to: acquisitions or increases | | 3 16,136 | 33 223 |
| reversal value | | 4 0 | 34 0 |
| revaluations | | 5 0 | 35 0 |
| other changes | - | 6 10 | 36 0 |
| Decreases for the year | | 7 0 | 37 3,528 |
| due to: sales or decreases | | 8 0 | 38 230 |
| long-term devaluations | | 9 0 | 39 0 |
| other changes | | 10 0 | 40 3,298 |
| Gross final goodwill (a) | | 11 217,183 | 41 121,427 |
| Amortisation: | | | |
| Initial goodwill | + | 12 163,717 | 42 4,103 |
| Increases for the year | + | 13 20,269 | 43 1,209 |
| for: amortisation quotas | | 14 20,262 | 44 1,209 |
| other changes | | 15 7 | 45 0 |
| Decreases for the year | - | 16 0 | 46 161 |
| for: reductions from sales | | 17 0 | 47 12 |
| other changes | | 18 0 | 48 149 |
| Amortised final goodwill (b) | | 19 183,986 | 49 5,151 |
| Book value (a - b) | | 20 33,197 | 50 116,276 |
| Current value | | | 51 120,242 |
| Total revaluations | | 22 0 | 52 102,186 |
| Total devaluations | | 23 0 | 53 17,251 |

Notes to the accounts - Attachment 5

Company

Assicurazioni Generali S.p.A.

Year

2016

Assets - Variations in the year of investments in affiliated companies and other shareholdings:
equities (item C.II.1), debt securities (item C.II.2) and loans (item C.II.3)

| | | Equities C.II.1 | Debt securities C.II.2 | Loans C.II.3 |
|--|---|----------------------|---------------------------|-------------------|
| Gross initial goodwill | + | 1 29,650,345 | 21 1,500 | 41 370,900 |
| Increases for the year | + | 2 432,154 | 22 5 | 42 381,100 |
| for: acquisitions, subscriptions, payments | | 3 124,170 | 23 0 | 43 381,100 |
| readjustment of value | | 4 6,072 | 24 5 | 44 0 |
| revaluations | | 5 0 | | |
| other variations | | 6 301,912 | 26 0 | 46 0 |
| Decreases for the year: | - | 7 443,504 | 27 871 | 47 0 |
| for: sales and redemptions | | 8 94,611 | 28 752 | 48 0 |
| devaluations | | 9 58,003 | 29 0 | 49 0 |
| other variations | | 10 290,890 | 30 119 | 50 0 |
| Book value | | 11 29,638,995 | 31 634 | 51 752,000 |
| Current value | | 12 31,585,756 | 32 634 | 52 781,021 |
| Total revaluations | | 13 724 | | |
| Total devaluations | | 14 1,066,496 | 34 16 | 54 0 |

The item C.II.2 includes:

| | |
|--|---------------|
| Quoted debt securities | 61 634 |
| Unquoted debt securities | 62 0 |
| Book value | 63 634 |
| of which convertible debt securities | 64 0 |

Company

Assicurazioni Generali S.p.A.

Assets - Information regarding associated companies (*)

| N. ord. (**) | Type (1) | Quoted or unquoted (2) | Activity (3) | Company name and registration place | Currency |
|--------------|----------|------------------------|--------------|---|----------|
| 1 | b | NQ | 1 | Aseguradora General S.A. GUATEMALA 10a. Calle 3-17, Zona 10 - GUATEMALA | GTQ |
| 2 | b | NQ | 4 | Assitimm S.r.l. TRIESTE Via Machiavelli, 4 - ITALIA | EUR |
| 3 | b | NQ | 2 | Caja de Ahorro y Seguro S.A. BUENOS AIRES Fitz Roy 957 - ARGENTINA | ARS |
| 4 | b | NQ | 9 | Donatello Intermediazione Srl ROMA Piazza Venezia, 11 - ITALIA | EUR |
| 5 | b | NQ | 2 | Europ Assistance Holding S.A. PARIGI 2 rue Pillet-Will - FRANCIA | EUR |
| 6 | b | NQ | 1 | FATA Asigurari S.A. BUCAREST Lt. Av. Marcel Andreescu, no 30 - ROMANIA | RON |
| 7 | b | NQ | 2 | Flandria Participations Financières S.A. BRUXELLES Avenue Louise 149, boîte 1 - BELGIO | EUR |
| 8 | b | NQ | 9 | GBS S.c.p.A. TRIESTE Via Machiavelli, 4 - ITALIA | EUR |
| 9 | b | NQ | 9 | GCS S.c.a.r.l. in liquidazione TRIESTE Via Machiavelli, 4 - ITALIA | EUR |
| 10 | b | NQ | 9 | Genamerica Management Corp. NEW YORK 7 WTC, 250 Greenwich Street, 33rd Fl - STATI UNITI | USD |
| 11 | b | NQ | 2 | Generali (Schweiz) Holding AG ADLISWIL Soodmattenstrasse, 10 - SVIZZERA | CHF |
| 12 | b | NQ | 1 | Generali Argentina S.A. BUENOS AIRES Calle Reconquista, 458 3° Piso - ARGENTINA | ARS |
| 13 | b | NQ | 2 | Generali Beteiligungs-GmbH AQUISGRANA Maria Theresia Allee 38 - GERMANIA | EUR |
| 14 | b | NQ | 2 | Generali Beteiligungsverwaltung GmbH VIENNA Landskronngasse 1-3 - AUSTRIA | EUR |
| 15 | b | NQ | 1 | Generali Brasil Seguros S.A. RIO DE JANEIRO Avenida Rio Branco 128 - BRASILE | BRL |
| 16 | b | NQ | 2 | Generali CEE Holding B.V. AMSTERDAM Diemerhof 42 - OLANDA | EUR |
| 17 | b | NQ | 1 | Generali China Life Insurance Co. Ltd PECHINO B-12 Jianguomenwai Avenue, Chaoyang District - CINA | CNY |
| 18 | b | NQ | 1 | Generali Colombia S.A. BOGOTA' Carrera 7a. No. 72-13, Piso 8 - COLOMBIA | COP |
| 19 | b | NQ | 1 | Generali Colombia Vida S.A. BOGOTA' Carrera 10a 28/49 - COLOMBIA | COP |
| 20 | b | NQ | 1 | Generali Companhia de Seguros, S.A. LISBONA Rua Duque de Palmela no. 11 - PORTOGALLO | EUR |
| 21 | b | NQ | 9 | Generali Consulting Solutions LLC WILMINGTON 1209 Orange Street - STATI UNITI D'AMERICA | USD |
| 22 | b | NQ | 2 | Generali Deutschland AG MONACO Adenauerring 7 - GERMANIA | EUR |
| 23 | b | NQ | 1 | Generali Ecuador S.A. GUAYAQUIL WTC Torre B Piso 15, Avenida Francisco de Arellana - ECUADOR | USD |
| 24 | b | NQ | 2 | Generali España Holding S.A. MADRID Calle Orensé 2 - SPAGNA | EUR |
| 25 | b | NQ | 2 | Generali Finance B.V. AMSTERDAM Diemerhof 42 - OLANDA | EUR |
| 26 | b | NQ | 2 | Generali Financial Asia Ltd HONG KONG 5/F, 14-18/F Generali Tower, 8 Queen's Road East - HONG | HKD |
| 27 | b | NQ | 2 | Generali France S.A. PARIGI 2 rue Pillet-Will - FRANCIA | EUR |
| 28 | b | NQ | 1 | Generali Hellas Insurance Company S.A. ATENE 35-37 Ilia Iliou Street & Pytheou - GRECIA | EUR |
| 29 | b | NQ | 1 | Generali Insurance AD SOFIA 68 Alexander Dondoukov Blvd - BULGARIA | BGN |
| 30 | b | NQ | 2 | Generali Investments Holding S.p.A. TRIESTE Via Machiavelli, 4 - ITALIA | EUR |
| 31 | b | NQ | 1 | Generali Italia S.p.A. MOGLIANO VENETO Via Marocchesa n. 14 - ITALIA | EUR |
| 32 | b | NQ | 9 | Generali Latam Ltda. SAN PAOLO Av. Presidente Juscelino Kubitschek, nº 1455 - 8° - BRASILE | BRL |
| 33 | b | NQ | 9 | Generali Link Limited DUBLINO GH Navan Business Park, Athlumney, Navan, Co. Meath - IRLANDA | EUR |
| 34 | b | NQ | 1 | Generali PanEurope dac DUBLINO Navan Business Park, Athlumney, Navan, Co. Meath - IRLANDA | EUR |
| 35 | b | NQ | 9 | Generali Real Estate S.p.A. TRIESTE Piazza Duca degli Abruzzi, 1 - ITALIA | EUR |
| 36 | b | NQ | 4 | Generali Realities Ltd TEL AVIV 2, Hagdud Haivri Str. - ISRAELE | ILS |
| 37 | b | NQ | 1 | Generali Vida Companhia de Seguros S.A. LISBONA Av. Duque d'Avila, 114 - PORTOGALLO | EUR |
| 38 | b | NQ | 1 | Generali Vietnam Life Insurance LLC HO CHI MINH CITY AB Tower, 76 Le Lai, District 1 - VIETNAM | VND |
| 39 | b | NQ | 2 | Generali Vitality GmbH MONACO Adenauerring 9 - GERMANIA | EUR |
| 40 | b | NQ | 1 | Generali Worldwide Insurance Co. ST. PETER PORT Generali House, P.O.Box 613, Hirzel Street - | EUR |
| 41 | b | NQ | 4 | GLL GmbH & Co. Retail KG MONACO Lindwurmstr. 76 - GERMANIA | EUR |
| 42 | b | NQ | 9 | GSS - Generali Shared Services TRIESTE Piazza Duca degli Abruzzi, 2 - ITALIA | EUR |
| 43 | b | NQ | 2 | Lion River I N.V. AMSTERDAM Diemerhof 42 - OLANDA | EUR |
| 44 | b | NQ | 2 | Participatie Maatschappij Graafschap Holland N.V. AMSTERDAM Diemerhof 42 - OLANDA | EUR |
| 45 | b | NQ | 2 | Redoze Holding N.V. AMSTERDAM Diemerhof 42 - OLANDA | EUR |
| 46 | b | NQ | 2 | Telco AG S.r.l. TRIESTE Via Machiavelli, 4 - ITALIA | EUR |

Notes on the accounts - Attachment 6

Year 2016

| Paid up capital | | Equity (***) | Last year Gain or Loss (***) | Share owned (5) | | |
|-------------------|---------------------|-----------------|---------------------------------|-----------------|---------------|------------|
| Amount (4) | Number of shares | | | Direct % | Indirect % | Total % |
| 100,000,000 | 1,000,000 | 206,860,563 | 13,255,709 | 51.00 | 0 | 51.00 |
| 100,000 | 100 | 9,299,720 | -441,578 | 1.00 | 99.00 | 100.00 |
| 269,000,000 | 2,690,000 | 406,177,316 | -14,459,889 | 62.50 | 27.50 | 90.00 |
| 59,060 | 59,060 | 457,683 | -272,716 | 10.87 | 89.13 | 100.00 |
| 17,316,016 | 1,082,251 | 67,523,584 | 22,138,130 | 95.67 | 4.31 | 99.99 |
| 47,032,850 | 4,703,285 | 17,223,955 | 11,217,138 | 100.00 | 0.00 | 100.00 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7,853,626 | 7,853,626 | 43,028,596 | -359,051 | 1.22 | 98.53 | 99.75 |
| 10,000 | 10,000 | 130,905 | -12,895 | 1.00 | 99.00 | 100.00 |
| 50,000 | 50 | 35,516 | -1,086 | 100.00 | 0 | 100.00 |
| 4,332,000 | 8,664 | 1,363,228,196 | 102,825,381 | 51.05 | 48.95 | 100.00 |
| 81,391,209 | 81,391,209 | 0 | 0 | 0 | 0 | 0 |
| 1,005,000 | 1,005,000 | 3,545,576,624 | 354,720,237 | 100.00 | 0 | 100.00 |
| 1,000,000 | 1,000,000 | 149,403,184 | 31,195,575 | 100.00 | 0 | 100.00 |
| 1,256,177,730 | 2,267,027 | 384,529,393 | -113,354,838 | 98.71 | 1.29 | 100.00 |
| 100,000 | 100,000 | 153,331,247,914 | 5,870,289,510 | 100.00 | 0 | 100.00 |
| 3,700,000,000 | 3,700,000,000 | 5,294,236,500 | 467,683,726 | 50.00 | 0 | 50.00 |
| 34,244,441,700 | 16,306,877 | 75,304,039 | 4,925,092 | 88.25 | 3.09 | 91.34 |
| 5,613,344,100 | 2,673,021 | 18,054,567 | -1,689,686 | 11.56 | 88.30 | 99.86 |
| 41,000,000 | 164,000 | 64,835,240 | -3,069,206 | 100.00 | 0 | 100.00 |
| 156,420 | 156,420 | 137,359 | 136,622 | 100.00 | 0 | 100.00 |
| 137,560,202 | 53,734,454 | 1,838,693,119 | 566,208,888 | 4.04 | 95.96 | 100.00 |
| 8,000,000 | 8,000,000 | 13,981,901 | -323,470 | 52.45 | 0 | 52.45 |
| 563,490,658 | 93,758,845 | 756,685,006 | 193,565,455 | 100.00 | 0 | 100.00 |
| 100,000,000 | 1,000,000 | 268,648,954 | 2,873,686 | 26.00 | 74.00 | 100.00 |
| 105,870,000 | 105,870,000 | 50,879,184 | -4,136,076 | 89.00 | 0 | 89.00 |
| 115,837,147 | 497,613,274 | 2,784,793,098 | -13,561,610 | 67.82 | 32.18 | 100.00 |
| 22,776,198 | 3,796,033 | 63,527,772 | 4,674,586 | 100.00 | 0.00 | 100.00 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 41,360,000 | 41,360,000 | 215,803,286 | 27,123,748 | 37.72 | 62.28 | 100.00 |
| 1,618,628,450 | 3,237,256,900 | 10,686,296,652 | 813,575,927 | 100.00 | 0 | 100.00 |
| 150,000 | 10,000 | 5,758,754 | 241,723 | 99.99 | 0.01 | 100.00 |
| 2,000,000 | 2,000,000 | 2,000,000 | 0 | 100.00 | 0 | 100.00 |
| 61,134,869 | 61,000,000 | 157,642,724 | 16,894,303 | 0 | 100.00 | 100.00 |
| 780,000 | 1,500,000 | 27,286,603 | -4,748,221 | 100.00 | 0 | 100.00 |
| 2 | 20,000 | 12,721,445 | 2,317,334 | 100.00 | 0 | 100.00 |
| 9,000,000 | 36,000 | 24,529,260 | 638,125 | 79.16 | 20.83 | 99.99 |
| 1,962,600,000,000 | 1,962,600,000,000 | 779,915,485 | -549,906,441 | 100.00 | 0 | 100.00 |
| 250,000 | 1 | 5,021,836 | -1,788,756 | 100.00 | 0 | 100.00 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 381,010,000 | 381,010,000 | 244,043,940 | 0 | 31.50 | 21.00 | 52.49 |
| 1,002,000 | 1,002,000 | 95,971,401 | -125,154 | 47.90 | 52.10 | 100.00 |
| 586,996 | 586,996 | 2,089,944,783 | 24,329,532 | 29.49 | 67.88 | 97.36 |
| 1,784,509,360 | 115,450,936 | 6,181,651,266 | 202,476,322 | 52.43 | 47.57 | 100.00 |
| 22,689,011 | 500,000 | 358,342,887 | 1,178,170 | 6.02 | 93.98 | 100.00 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| N. ord. (**) | Type (1) | Quoted or unquoted (2) | Activity (3) | Company name and registration place | Currency |
|--------------|----------|------------------------|--------------|--|----------|
| 47 | b | NQ | 2 | Transocean Holding Corporation NEW YORK 7 World Trade Center 250 Greenwich Street 33rd Fl. - | USD |
| 48 | d | NQ | 1 | Assurances Maghreb S.A. TUNISI Angle 54,Rue De Palestine 22,Rue Royaume D'Arabia - TUNISIA | TND |
| 49 | d | NQ | 1 | Assurances Maghreb S.A. TUNISI Angle 54,Rue De Palestine 22,Rue Royaume D'Arabia - | TND |
| 50 | d | NQ | 1 | Generali China Insurance Co. Ltd PECHINO B-12 Jianguomenwai Avenue, Chaoyang District - CINA | CNY |
| 51 | d | NQ | 2 | Guotai Asset Management Co. SHANGAI 39F, World Financial Center, 100 Century Avenue - CINA | CNY |
| 52 | d | NQ | 2 | NEIP II S.p.A. CONEGLIANO Via Vittorio Alfieri n. 01 - ITALIA | EUR |
| 53 | d | NQ | 9 | Servizi Tecnologici Avanzati BOLOGNA Via Paolo Nanni Costa, 30 - ITALIA | EUR |
| 54 | e | NQ | 2 | Emittenti Titoli S.p.A. MILANO Via Santa Maria Segreta, 6 - ITALIA | EUR |
| 55 | e | NQ | 2 | Fin. Priv. S.r.l. MILANO Via Filodrammatici, 8 - ITALIA | EUR |
| 56 | e | NQ | 2 | H2i S.p.A. ROMA Via Barberini 95 - ITALIA | EUR |
| 57 | e | NQ | 9 | Perils AG ZURIGO Marktgasse 3 - SVIZZERA | CHF |
| 58 | e | NQ | 2 | Perseo S.p.A. TORINO Via XX Settembre 31 - ITALIA | EUR |
| 59 | e | NQ | 9 | Protos S.p.A. ROMA Via Livenza, 3 - ITALIA | EUR |
| 60 | e | NQ | 2 | Schemaquattordici S.p.A. TREVISO Viale Fellisent, 90 - ITALIA | EUR |
| 61 | e | NQ | 9 | SOA Group S.p.A. ROMA Via Lovanio, 6 - ITALIA | EUR |
| 62 | e | NQ | 2 | Telco S.p.A. MILANO Via Filodrammatici, 3 - ITALIA | EUR |
| 63 | e | NQ | 9 | Trieste Adriatic Maritime Srl TRIESTE Via Cassa di Risparmio 10 - ITALIA | EUR |
| 64 | e | NQ | 2 | Venice S.p.A. VICENZA Strada Statale Padana verso Verona, 6 - ITALIA | EUR |

(*) Affiliated companies and other shareholdings, in which the investment is held directly, including through trust or intermediary.

(**) The order number must be greater than "0"

(1)

- a = parent Companies
- b = affiliated Companies
- c = affiliates of parent Companies
- d = associated Companies
- e = Other

(2) Q for listed shares

NQ for unlisted shares

(3) Activity

- 1 = Insurance Company
- 2 = Financial Company
- 3 = Credit Institution
- 4 = Real estate Company
- 5 = Trust Company
- 6 = Management or distribution companies of investment funds
- 7 = Consortium
- 8 = Industrial companies
- 9 = Other companies

(4) Amounts in original currency

(5) Indicate the total share owned

| Paid up capital | | Equity (***) | Last year Gain or loss (***) | Share owned (5) | | |
|-----------------|---------------------|---------------|---------------------------------|-----------------|---------------|------------|
| Amount (4) | Number of shares | | | Direct % | Indirect % | Total % |
| 243,000,000 | 1,949,806 | 290,741,970 | 38,521,321 | 100.00 | 0 | 100.00 |
| 30,000,000 | 3,000,000 | 57,092,648 | 5,544,121 | 44.17 | 0 | 44.17 |
| 10,000,000 | 1,000,000 | 27,809,148 | 6,941,648 | 22.08 | 0 | 22.08 |
| 1,300,000,000 | 1,300,000,000 | 953,187,351 | -29,981,514 | 49.00 | 0 | 49.00 |
| 110,000,000 | 110,000,000 | 1,179,810,023 | 401,510,054 | 30.00 | 0 | 30.00 |
| 55,000 | 55,000 | 8,020,775 | 1,269,070 | 48.16 | 0 | 48.16 |
| 102,000 | 200,000 | 102,000 | 0 | 25.00 | 0 | 25.00 |
| 4,264,000 | 8,200,000 | | | 10.00 | 0 | 10.00 |
| 20,000 | 20,000 | | | 14.29 | 0 | 14.29 |
| 14,275,000 | 14,275,000 | | | 10.51 | 0 | 10.51 |
| 4,000,000 | 250 | | | 10.00 | 0 | 10.00 |
| 60,240,510 | 60,240,510 | | | 19.81 | 0 | 19.81 |
| 1,100,000 | 1,100,000 | | | 17.80 | 0 | 17.80 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,000,000 | 1,000,000 | | | 10.06 | 0 | 10.06 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3,300,000 | 3,300,000 | | | 10.81 | 0 | 10.81 |
| 5,092,221 | 5,092,221 | | | 15.87 | 0 | 15.87 |

(***)To be filled only for subsidiaries and associates

Company Assicurazioni Generali S.p.A.

Assets - Details of investments in Group companies and other companies where a significant interest is held:

Equities

| N. ord. (1) | Type (2) | (3) | Name of the company | Increases in the year | | |
|----------------|-------------|-----|--|-----------------------|--------|---------------------|
| | | | | For purchases | | Others increases |
| | | | | Quantity | Value | |
| 1 | b | D | Aseguradora General S.A. | 0 | 0 | 50 |
| 2 | b | D | Assitimm S.r.l. | 0 | 0 | 0 |
| 3 | b | V | Caja de Ahorro y Seguro S.A. - Classe A | 0 | 0 | 0 |
| 3 | b | V | Caja de Ahorro y Seguro S.A. - Classe B | 0 | 0 | 0 |
| 4 | b | D | Donatello Intermediazione S.r.l. | 0 | 0 | 0 |
| 5 | b | D | Europ Assistance Holding | 0 | 0 | 0 |
| 6 | b | D | FATA Asigurari S.A. | 951,237 | 2,095 | 0 |
| 7 | b | D | Flandria Participations Financières S.A. | 0 | 0 | 0 |
| 7 | b | V | Flandria Participations Financières S.A. | 0 | 0 | 0 |
| 8 | b | D | GBS S.c.p.A. | 0 | 0 | 0 |
| 9 | b | D | GCS S.c.a.r.l. | 0 | 0 | 0 |
| 10 | b | D | Genamerica Management Corporation | 0 | 0 | 0 |
| 11 | b | D | Generali (Schweiz) Holding AG | 0 | 0 | 3,334 |
| 11 | b | V | Generali (Schweiz) Holding AG | 0 | 0 | 5,325 |
| 12 | b | D | Generali Argentina S.A. | 0 | 0 | 0 |
| 13 | b | D | Generali Beteiligungs-GmbH | 0 | 0 | 0 |
| 13 | b | V | Generali Beteiligungs-GmbH | 0 | 0 | 0 |
| 14 | b | V | Generali Beteiligungsverwaltung-GmbH | 0 | 0 | 6 |
| 15 | b | D | Generali Brasil Seguros S.A. | 1,012,070 | 89,635 | 0 |
| 16 | b | D | Generali CEE Holding B.V. | 0 | 0 | 0 |
| 17 | b | V | Generali China Life Insurance | 0 | 0 | 0 |
| 18 | b | D | Generali Colombia S.A. | 0 | 0 | 894 |
| 19 | b | D | Generali Colombia Vida S.A. | 0 | 0 | 1 |
| 20 | b | D | Generali Companhia de Seguros S.A. | 0 | 0 | 17,000 |
| 21 | b | D | Generali Consulting Solutions | 0 | 0 | 4 |
| 22 | b | D | Generali Deutschland Holding AG | 0 | 0 | 0 |
| 22 | b | V | Generali Deutschland Holding AG | 0 | 0 | 0 |
| 23 | b | D | Generali Ecuador S.A. | 1,926,282 | 0 | 1 |
| 24 | b | D | Generali España Holding S.A. | 0 | 0 | 0 |
| 24 | b | V | Generali España Holding S.A. | 0 | 0 | 0 |
| 25 | b | V | Generali Finance B.V. | 0 | 0 | 0 |
| 26 | b | D | Generali Financial Asia Ltd | 0 | 0 | 318 |
| 27 | b | D | Generali France S.A. | 0 | 0 | 0 |
| 27 | b | V | Generali France S.A. | 0 | 0 | 0 |
| 28 | b | D | Generali Hellas A.E.A.Z. | 0 | 0 | 0 |
| 28 | b | V | Generali Hellas A.E.A.Z. | 0 | 0 | 0 |
| 29 | b | D | Generali Insurance AD | 0 | 0 | 0 |
| 30 | b | D | Generali Investments Holding S.p.A. | 0 | 0 | 0 |
| 31 | b | D | Generali Italia S.p.A. | 0 | 0 | 0 |
| 31 | b | V | Generali Italia S.p.A. | 0 | 0 | 0 |
| 32 | b | D | Generali Latam Ltda | 0 | 0 | 9 |
| 33 | b | V | Generali Link Limited - Ord. | 2,000,000 | 2,000 | 0 |
| 34 | b | V | Generali PanEurope Limited - Ord. | 0 | 0 | 0 |
| 34 | b | V | Generali PanEurope Limited - Pref. | 0 | 0 | 0 |
| 35 | b | D | Generali Real Estate S.p.A. | 0 | 0 | 0 |
| 36 | b | D | Generali Realities Ltd | 0 | 0 | 0 |
| 37 | b | V | Generali Vida de Seguros S.A. | 0 | 0 | 5,000 |

Notes to the accounts - Attachment 7

Year 2016

| Decreases in the year | | | Accounting value (4) | | Purchase cost | Current value |
|-----------------------|--------|------------------|----------------------|-----------|---------------|---------------|
| For sales | | Others decreases | Quantity | Value | | |
| Quantity | Value | | | | | |
| 0 | 0 | 0 | 510,000 | 1,169 | 1,169 | 13,414 |
| 0 | 0 | 114 | 1 | 97 | 212 | 97 |
| 0 | 0 | 3,066 | 874,250 | 16,397 | 16,397 | 16,397 |
| 0 | 0 | 1,419 | 807,000 | 7,588 | 7,588 | 7,588 |
| 0 | 0 | 0 | 6,420 | 44 | 96 | 50 |
| 0 | 0 | 0 | 1,035,422 | 406,610 | 406,610 | 406,610 |
| 0 | 0 | 8,926 | 4,703,284 | 4,439 | 13,313 | 4,439 |
| 0 | 0 | 15,182 | 0 | 0 | 0 | 0 |
| 0 | 0 | 239,105 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 95,525 | 484 | 551 | 616 |
| 0 | 0 | 0 | 100 | 0 | 0 | 1 |
| 0 | 0 | 0 | 50 | 9 | 23 | 35 |
| 0 | 0 | 0 | 1,703 | 235,413 | 235,413 | 235,413 |
| 0 | 0 | 0 | 2,720 | 375,983 | 375,983 | 375,983 |
| 49,391,210 | 3,631 | 679 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 658,304 | 2,014,088 | 2,094,443 | 2,235,718 |
| 0 | 0 | 0 | 346,696 | 1,060,720 | 1,095,346 | 1,177,441 |
| 0 | 0 | 0 | 1,000,000 | 122,876 | 122,876 | 149,345 |
| 0 | 0 | 0 | 1,839,154 | 142,199 | 326,342 | 143,034 |
| 0 | 0 | 0 | 100,000 | 5,159,441 | 5,159,441 | 5,685,300 |
| 0 | 0 | 9,811 | 1,850,000,000 | 250,755 | 250,755 | 403,303 |
| 0 | 0 | 0 | 14,390,372 | 10,927 | 10,927 | 19,019 |
| 0 | 0 | 0 | 309,043 | 13 | 13 | 531 |
| 0 | 0 | 0 | 163,996 | 61,322 | 61,322 | 73,296 |
| 0 | 0 | 0 | 1 | 148 | 148 | 148 |
| 0 | 0 | 0 | 2,170,870 | 234,243 | 234,243 | 234,243 |
| 0 | 0 | 0 | 1,000 | 99 | 99 | 99 |
| 0 | 0 | 0 | 4,196,058 | 24 | 24 | 7,340 |
| 0 | 0 | 0 | 50,483,372 | 348,796 | 348,796 | 393,733 |
| 0 | 0 | 0 | 43,275,473 | 298,996 | 298,996 | 337,516 |
| 0 | 0 | 0 | 260,000 | 65,031 | 65,031 | 69,147 |
| 0 | 0 | 0 | 94,224,300 | 11,109 | 11,109 | 11,109 |
| 0 | 0 | 0 | 166,163,545 | 263,693 | 263,693 | 512,020 |
| 0 | 0 | 0 | 167,101,655 | 265,793 | 265,793 | 514,910 |
| 0 | 0 | 0 | 3,026,018 | 19,461 | 43,454 | 45,764 |
| 0 | 0 | 0 | 770,013 | 5,341 | 35,145 | 11,645 |
| 30,735,269 | 34,141 | 3 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 15,600,000 | 78,000 | 78,000 | 78,816 |
| 0 | 0 | 0 | 837,939,898 | 4,444,389 | 4,444,389 | 4,444,389 |
| 0 | 0 | 0 | 2,399,317,002 | 7,898,566 | 7,898,566 | 7,898,566 |
| 0 | 0 | 4 | 9,999 | 40 | 40 | 40 |
| 0 | 0 | 0 | 2,000,000 | 2,000 | 2,000 | 2,000 |
| 0 | 0 | 0 | 35,000,000 | 35,000 | 35,000 | 82,153 |
| 0 | 0 | 0 | 7,500,000 | 7,500 | 7,500 | 17,604 |
| 0 | 0 | 0 | 1,500,000 | 105,160 | 105,160 | 105,160 |
| 0 | 0 | 0 | 20,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 28,496 | 13,205 | 13,205 | 20,569 |

| N. ord. (1) | Type (2) | (3) | Name of the company | Increases in the year | | |
|----------------|-------------|-----|--|-----------------------|--------|------------------|
| | | | | For purchases | | Others increases |
| | | | | Quantity | Value | |
| 38 | b | V | Generali Vietnam Life Insurance LLC | 311,600,000,000 | 21,681 | 1,104 |
| 39 | b | V | Generali Vitality-GmbH | 0 | 0 | 3,824 |
| 40 | b | D | Generali Worldwide Insurance Company Limited | 0 | 0 | 0 |
| 41 | b | V | GLL GmbH & Co. Retail KG | 0 | 0 | 0 |
| 42 | b | D | GSS - Generali Shared Services S.c.a.r.l. | 0 | 0 | 116 |
| 43 | b | D | Lion River I N.V. - Classe A | 0 | 0 | 0 |
| 43 | b | D | Lion River I N.V. - Classe B | 0 | 0 | 0 |
| 43 | b | D | Lion River I N.V. - Classe C | 0 | 0 | 2,544 |
| 43 | b | D | Lion River I N.V. - Classe D | 0 | 0 | 4,360 |
| 43 | b | D | Lion River I N.V. - Classe E | 0 | 0 | 0 |
| 43 | b | D | Lion River I N.V. - Classe F | 0 | 0 | 0 |
| 43 | b | D | Lion River I N.V. - Classe G | 0 | 0 | 8,524 |
| 43 | b | D | Lion River I N.V. - Classe H | 0 | 0 | 0 |
| 43 | b | D | Lion River I N.V. - Classe I | 0 | 0 | 540 |
| 43 | b | D | Lion River I N.V. - Classe J | 0 | 0 | 4 |
| 43 | b | D | Lion River I N.V. - Classe K | 0 | 0 | 0 |
| 43 | b | D | Lion River I N.V. - Classe L | 0 | 0 | 71 |
| 43 | b | D | Lion River I N.V. - Classe N | 0 | 0 | 0 |
| 43 | b | D | Lion River I N.V. - Classe O | 0 | 0 | 0 |
| 43 | b | D | Lion River I N.V. - Classe P | 0 | 0 | 3,528 |
| 44 | b | D | Participatie Maatschappij Graafschap Holland N.V. - Ord. | 0 | 0 | 15,182 |
| 44 | b | V | Participatie Maatschappij Graafschap Holland N.V. - Ord. | 0 | 0 | 239,105 |
| 45 | b | D | Redoze Holding N.V. | 0 | 0 | 0 |
| 46 | b | V | Telco AG S.r.l | 0 | 0 | 0 |
| 47 | b | D | Transocean Holding Corporation | 0 | 0 | 5,893 |
| 48 | d | D | Assurance Maghreb S.A. | 0 | 0 | 0 |
| 49 | d | D | Assurance Maghreb Vie S.A. | 0 | 0 | 0 |
| 50 | d | D | Generali China Insurance | 0 | 0 | 0 |
| 51 | d | D | Guotai Asset Management Co. | 0 | 0 | 0 |
| 52 | d | D | NEIP II S.p.A. | 0 | 0 | 0 |
| 53 | d | D | Servizi Tecnologici Avanzati S.p.A. | 0 | 0 | 0 |
| 54 | e | D | Emittenti Titoli S.p.A. | 0 | 0 | 0 |
| 55 | e | D | Fin. Priv. S.r.l. | 0 | 0 | 0 |
| 56 | e | D | H2i S.p.A. | 0 | 0 | 0 |
| 57 | e | D | Perils AG | 0 | 0 | 5 |
| 58 | e | D | Perseo S.p.A. | 0 | 0 | 0 |
| 59 | e | D | Protos S.p.A. | 0 | 0 | 0 |
| 60 | e | D | Schemaquattordici S.p.A. | 0 | 0 | 0 |
| 61 | e | D | SOA Group S.p.A. | 0 | 0 | 0 |
| 62 | e | V | Telco S.p.A. | 0 | 0 | 0 |
| 63 | e | D | Trieste Adriatic Maritime S.r.l. | 0 | 0 | 0 |
| 64 | e | D | Venice S.p.A. - Classe A | 0 | 0 | 0 |
| 64 | e | D | Venice S.p.A. - Classe B | 0 | 0 | 0 |

| Decreases in the year | | | Accounting value (4) | | Purchase cost | Current value |
|-----------------------|--------|------------------|----------------------|-----------|---------------|---------------|
| For sales | | Others decreases | Quantity | Value | | |
| Quantity | Value | | | | | |
| 0 | 0 | 0 | 1,962,600,000,00 | 87,821 | 87,821 | 87,821 |
| 0 | 0 | 25 | 1 | 6,799 | 6,799 | 6,799 |
| 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 2,205 | 120,000,000 | 80,241 | 110,121 | 80,241 |
| 1,000 | 116 | 7,432 | 480,000 | 48,502 | 55,818 | 48,502 |
| 0 | 0 | 0 | 150,000 | 150 | 150 | 150 |
| 0 | 0 | 14,805 | 1,666 | 2 | 14,807 | 2 |
| 0 | 0 | 0 | 1,666 | 5,333 | 5,333 | 5,364 |
| 0 | 0 | 14,082 | 5,000 | 378 | 14,459 | 378 |
| 0 | 0 | 2 | 2,000 | 2 | 14 | 2 |
| 0 | 0 | 0 | 1,666 | 2 | 2 | 2 |
| 0 | 0 | 0 | 1,666 | 86,285 | 86,285 | 128,734 |
| 0 | 0 | 0 | 1,666 | 2 | 2 | 2 |
| 0 | 0 | 0 | 1,666 | 3,907 | 3,907 | 6,197 |
| 0 | 0 | 4 | 1,666 | 2 | 115 | 2 |
| 0 | 0 | 0 | 1,000 | 42,084 | 42,084 | 52,782 |
| 0 | 0 | 0 | 1,000 | 4,971 | 4,971 | 22,621 |
| 0 | 0 | 2,066 | 1,000 | 5,311 | 7,377 | 5,311 |
| 0 | 0 | 1,982 | 430 | 9,598 | 11,900 | 9,598 |
| 0 | 0 | 0 | 1,000 | 28,975 | 28,975 | 30,200 |
| 0 | 0 | 0 | 45,085,614 | 2,307,196 | 2,308,758 | 2,307,196 |
| 0 | 0 | 0 | 48,475,773 | 2,477,765 | 2,502,365 | 2,477,765 |
| 0 | 0 | 0 | 30,113 | 18,155 | 19,145 | 21,681 |
| 4,695 | 56,723 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 1,949,806 | 202,904 | 202,904 | 296,332 |
| 0 | 0 | 534 | 1,325,058 | 5,533 | 5,533 | 5,533 |
| 0 | 0 | 110 | 220,843 | 1,144 | 1,144 | 1,144 |
| 0 | 0 | 3,399 | 637,000,000 | 86,879 | 86,879 | 86,879 |
| 0 | 0 | 5,459 | 33,000,000 | 139,522 | 139,522 | 139,522 |
| 0 | 0 | 285 | 26,486 | 1,806 | 3,130 | 1,806 |
| 0 | 0 | 0 | 50,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 820,000 | 424 | 424 | 7,170 |
| 0 | 0 | 0 | 2,857 | 14,352 | 14,352 | 14,105 |
| 0 | 0 | 0 | 1,500,000 | 1,050 | 1,500 | 1,050 |
| 0 | 0 | 0 | 25 | 373 | 373 | 756 |
| 0 | 0 | 13,920 | 11,935,400 | 402 | 36,140 | 402 |
| 0 | 0 | 0 | 195,790 | 60 | 60 | 1,140 |
| 0 | 0 | 1,041 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 100,608 | 93 | 93 | 161 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 41 | 1 | 575 | 713 | 575 |
| 0 | 0 | 1,595 | 400,964 | 1,616 | 5,894 | 1,616 |
| 0 | 0 | 1,595 | 400,964 | 1,616 | 5,894 | 1,616 |

| N. ord. (1) | Type (2) | (3) | Name of the company | Increases in the year | | |
|----------------|-------------|-----|--------------------------------|-----------------------|----------------|---------------------|
| | | | | For purchases | | Others increases |
| | | | | Quantity | Value | |
| 66 | b | D | Zad Victoria AD | 0 | 0 | 0 |
| | | | Total C.II.1 | | 115,411 | 316,743 |
| | a | | Parent companies | | 0 | 0 |
| | b | | Affiliated companies | | 115,411 | 316,738 |
| | c | | Affiliated of parent companies | | 0 | 0 |
| | d | | Associated companies | | 0 | 0 |
| | e | | Other | | 0 | 5 |
| | | | Total D.I. | | 0 | 0 |
| | | | Total D.II. | | 0 | 0 |

Notes on the accounts - Attachment 8
Year 2016

Assicurazioni Generali S.p.A.

Company

Assets - Breakdown on the basis of the utilisation of other financial investments: equities and shares, shares in common investment funds, debt securities and other fixed securities, participation in investment pools e other financial investments (items C.III.1, 2, 3, 5, 7)

I - Non-life business

| | Durable portfolio | | Non durable portfolio | | Total | |
|---|-------------------|---------------|-----------------------|---------------|------------|---------------|
| | Book Value | Current value | Book Value | Current value | Book Value | Current value |
| 1. Equity and shares | 10,667 | 21,948 | 61 | 9,259 | 81 | 31,207 |
| a) listed shares | 3,678 | 3,785 | 62 | 7,608 | 82 | 11,393 |
| b) unlisted shares | 6,412 | 6,607 | 63 | 1,651 | 83 | 8,258 |
| c) units | 577 | 11,556 | 64 | 0 | 84 | 11,556 |
| 2. Shares in common investment funds | 0 | 0 | 45 | 469,855 | 85 | 469,855 |
| 3. Debt securities and other fixed-income | 65,292 | 68,567 | 46 | 698,396 | 86 | 766,963 |
| a) listed governments bonds | 27,968 | 30,736 | 47 | 532,871 | 87 | 563,607 |
| a2) other listed securities | 0 | 0 | 48 | 153,599 | 88 | 157,686 |
| b)1) unlisted government bonds | 9,525 | 9,915 | 49 | 5,912 | 89 | 15,437 |
| b2) other unlisted securities | 4,114 | 4,231 | 50 | 1,758 | 90 | 5,989 |
| c) convertible bonds | 23,685 | 23,685 | 51 | 0 | 91 | 23,685 |
| 5. Participation in investment | 0 | 0 | 52 | 0 | 92 | 0 |
| 7. Other | 0 | 0 | 53 | 7,554 | 93 | 7,554 |

II - Life business

| | Durable portfolio | | Non durable portfolio | | Total | |
|---|-------------------|---------------|-----------------------|---------------|------------|---------------|
| | Book Value | Current value | Book Value | Current value | Book Value | Current value |
| 1. Equity and shares | 5,888 | 47,183 | 161 | 3,800 | 201 | 50,983 |
| a) listed shares | 0 | 0 | 162 | 0 | 202 | 0 |
| b) unlisted shares | 1,157 | 41,181 | 163 | 3,800 | 203 | 44,981 |
| c) units | 4,731 | 6,002 | 164 | 0 | 204 | 6,002 |
| 2. Shares in common investment funds | 0 | 0 | 165 | 36,754 | 205 | 36,754 |
| 3. Debt securities and other fixed-income | 458,318 | 513,281 | 166 | 1,006,669 | 206 | 1,519,950 |
| a)1) listed governments bonds | 183,186 | 218,616 | 167 | 427,926 | 207 | 646,542 |
| a2) other listed securities | 262,470 | 275,226 | 168 | 571,916 | 208 | 847,142 |
| b)1) unlisted government bonds | 10,827 | 17,544 | 169 | 0 | 209 | 17,544 |
| b2) other unlisted securities | 1,835 | 1,895 | 170 | 6,422 | 210 | 8,317 |
| c) convertible bonds | 0 | 0 | 171 | 405 | 211 | 405 |
| 5. Participation in investment | 0 | 0 | 172 | 0 | 212 | 0 |
| 7. Other | 0 | 0 | 173 | 0 | 213 | 0 |

Notes on the accounts - Attachment 9

Year 2016

Company Assicurazioni Generali S.p.A.

Assets - Variation for the year of other durable financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-income securities, participation in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)

| | Equities and shares C.III.1 | Shares in common investment funds C.III.2 | Debt securities and other fixed income C.III.3 | Participation in investment pools C.III.5 | Other financial investments C.III.7 |
|--|--------------------------------|---|--|---|---|
| Initial goodwill | 27,488 | 4,603 | 335,875 | 0 | 0 |
| Revaluations | 1,085 | 138 | 215,735 | 0 | 0 |
| for: acquisitions | 0 | 0 | 159,181 | 0 | 0 |
| reversal value | 0 | 0 | 0 | 0 | 0 |
| transfers from the non-durable portfolio | 0 | 0 | 53,126 | 0 | 0 |
| other changes | 1,085 | 138 | 3,428 | 0 | 0 |
| Devaluations | 12,019 | 4,741 | 27,999 | 0 | 0 |
| for: sales | 7,343 | 4,741 | 446 | 0 | 0 |
| devaluations | 4,638 | 0 | 0 | 0 | 0 |
| transfers from the non-durable portfolio | 0 | 0 | 13,333 | 0 | 0 |
| other changes | 38 | 0 | 14,220 | 0 | 0 |
| Book value | 16,554 | 0 | 523,611 | 0 | 0 |
| Current value | 69,131 | 0 | 581,848 | 0 | 0 |

Notes on the accounts - Attachment 10

Company Assicurazioni Generali S.p.A. Year 2016

Assets - Variations for the year regarding loans and deposits with credit institutions (items C.III.4, 6)

| | | Loans C.III.4 | Deposits with credit institutions C.III.6 |
|---------------------------------|---|------------------|---|
| Initial goodwill | + | 1 3,551 | ²¹ 129,798 |
| Revaluations for the year | + | 2 773 | ²² 602,408 |
| for: payments | | 3 668 | |
| reversal value | | 4 0 | |
| other changes | | 5 105 | |
| Devaluations for the year | - | 6 256 | ²⁶ 605,635 |
| for: redemptions | | 7 162 | |
| devaluations | | 8 72 | |
| other changes | | 9 22 | |
| Book value | | 10 4,068 | ³⁰ 126,571 |

Notes on the accounts - Attachment 11
Year 2016Company
Assicurazioni Generali

Assets relating to contracts linked to investment funds and market index (item D.I)

TOTAL OF INVESTMENT FUNDS

| | Current value | | Acquisition cost | |
|---|-------------------------------|------------------|-------------------------------|-------------------------------|
| | Current year | Previous year | Current year | Previous year |
| I. Lands and buildings | 0 ²¹ | 0 | 0 ⁴¹ | 0 ⁶¹ |
| II. Invest. in affiliated undertakings and other shareholdings: | | | | |
| 1. Shares and interests | 0 ²² | 0 | 0 ⁴² | 0 ⁶² |
| 2. Debt securities and other fixed-income securities | 0 ²³ | 0 | 0 ⁴³ | 0 ⁶³ |
| 3. Loans | 0 ²⁴ | 0 | 0 ⁴⁴ | 0 ⁶⁴ |
| III. Shares in common investment funds | 126,671 ²⁵ | 90,477 | 123,626 ⁶⁵ | 91,655 ⁶⁵ |
| IV. Other financial investments: | | | | |
| 1. Equities | 203 ²⁶ | 196 | 187 ⁴⁶ | 191 ⁶⁶ |
| 2. Debt securities and other fixed-income securities | 51,397 ²⁷ | 51,618 | 39,732 ⁴⁷ | 50,051 ⁶⁷ |
| 3. Deposits with credit institutions | 0 ²⁸ | 0 | 0 ⁴⁸ | 0 ⁶⁸ |
| 4. Other financial investments | 0 ²⁹ | 0 | 0 ⁴⁹ | 0 ⁶⁹ |
| V. Other assets | 617 ³⁰ | 538 | 617 ⁵⁰ | 539 ⁷⁰ |
| VI. Cash at bank and in hand | 2,033 ³¹ | 2,291 | 2,033 ⁵¹ | 2,291 ⁷¹ |
| Other liabilities | -1,114 ³² | -1,174 | -1,114 ⁵² | -1,174 ⁷² |
| Deposits with ceding companies | 3,276,493 ³³ | 3,454,857 | 3,276,493 ⁵³ | 3,454,857 ⁷³ |
| Total | 3,456,300³⁴ | 3,598,803 | 3,441,574⁵⁴ | 3,598,410⁷⁴ |

Notes on the accounts - Attachment 11
Year 2016

Company Assicurazioni Generali

Assets relating to contracts linked to investment funds and market index (item D.1)

Lifetime income bond

| | Current value | | Previous year | Acquisition cost | |
|---|---------------|-----------|---------------|------------------|---------------|
| | Current year | 1 | | Current year | Previous year |
| I. Lands and buildings | 0 | 21 | 0 | 41 | 0 |
| II. Invest. in affiliated undertakings and other shareholdings: | | | | | |
| 1. Shares and interests | 0 | 22 | 0 | 42 | 0 |
| 2. Debt securities and other fixed-income securities | 0 | 23 | 0 | 43 | 0 |
| 3. Loans | 0 | 24 | 0 | 44 | 0 |
| III. Shares in common investment funds | 0 | 25 | 0 | 45 | 0 |
| IV. Other financial investments: | | | | | |
| 1. Equities | 0 | 26 | 0 | 46 | 0 |
| 2. Debt securities and other fixed-income securities | 50,870 | 27 | 50,990 | 47 | 39,206 |
| 3. Deposits with credit institutions | 0 | 28 | 0 | 48 | 0 |
| 4. Other financial investments | 0 | 29 | 0 | 49 | 0 |
| V. Other assets | 496 | 30 | 624 | 50 | 496 |
| VI. Cash at bank and in hand | 518 | 31 | 689 | 51 | 518 |
| Other liabilities | 0 | 32 | 0 | 52 | 0 |
| Deposits with ceding companies | 0 | 33 | 0 | 53 | 0 |
| Total | 51,884 | 34 | 52,303 | 54 | 40,220 |
| | | | | | 50,728 |

Notes on the accounts - Attachment 11
Year 2016Company
Assicurazioni Generali

Assets relating to contracts linked to investment funds and market index (item D.1)

Unit vision choice

| | Current value | | Previous year | Acquisition cost | |
|---|----------------|-----------|---------------|------------------|---------------|
| | Current year | 21 | | Current year | Previous year |
| I. Lands and buildings | 0 | 41 | 0 | 0 | 61 |
| II. Invest. in affiliated undertakings and other shareholdings: | | | | | |
| 1. Shares and interests | 0 | 42 | 0 | 0 | 62 |
| 2. Debt securities and other fixed-income securities | 0 | 43 | 0 | 0 | 63 |
| 3. Loans | 0 | 44 | 0 | 0 | 64 |
| III. Shares in common investment funds | 121,959 | 45 | 85,643 | 120,537 | 65 |
| IV. Other financial investments: | | | | | |
| 1. Equities | 0 | 46 | 0 | 0 | 66 |
| 2. Debt securities and other fixed-income securities | 0 | 47 | 0 | 0 | 67 |
| 3. Deposits with credit institutions | 0 | 48 | 0 | 0 | 68 |
| 4. Other financial investments | 0 | 49 | 0 | 0 | 69 |
| V. Other assets | 64 | 30 | -153 | 64 | 70 |
| VI. Cash at bank and in hand | 860 | 31 | 868 | 860 | 71 |
| Other liabilities | 0 | 32 | 0 | 0 | 72 |
| Deposits with ceding companies | 0 | 33 | 0 | 0 | 73 |
| Total | 122,883 | 34 | 86,358 | 121,461 | 74 |
| | | | | | 88,810 |

Notes on the accounts - Attachment 11
Year 2016

Assicurazioni Generali

Company

Assets relating to contracts linked to investment funds and market index (item D.I)

Managed Funds

| | Current value | | Acquisition cost | |
|---|---------------|---------------|------------------|---------------|
| | Current year | Previous year | Current year | Previous year |
| I. Lands and buildings | 0 | 21 | 0 | 41 |
| II. Invest. in affiliated undertakings and other shareholdings: | | | | |
| 1. Shares and interests | 0 | 22 | 0 | 42 |
| 2. Debt securities and other fixed-income securities | 0 | 23 | 0 | 43 |
| 3. Loans | 0 | 24 | 0 | 44 |
| III. Shares in common investment funds | 4,712 | 25 | 4,834 | 45 |
| IV. Other financial investments: | | | 3,089 | 65 |
| 1. Equities | 0 | 26 | 0 | 46 |
| 2. Debt securities and other fixed-income securities | 468 | 27 | 583 | 47 |
| 3. Deposits with credit institutions | 0 | 28 | 0 | 48 |
| 4. Other financial investments | 0 | 29 | 0 | 49 |
| V. Other assets | 56 | 30 | 67 | 50 |
| VI. Cash at bank and in hand | 646 | 31 | 731 | 51 |
| Other liabilities | -1,113 | 32 | -1,173 | 52 |
| Deposits with ceding companies | 0 | 33 | 0 | 53 |
| Total | 4,769 | 34 | 5,042 | 74 |
| | | | 3,144 | 3,777 |

Notes on the accounts - Attachment 11
Year 2016

Assicurazioni Generali

Company

Assets relating to contracts linked to investment funds and market index (item D.I)

Lavoro Indiretto

| | Current value | | Acquisition cost | |
|---|------------------|---------------|------------------|------------------|
| | Current year | Previous year | Current year | Previous year |
| I. Lands and buildings | 0 | 21 | 0 | 41 |
| II. Invest. in affiliated undertakings and other shareholdings: | | | | |
| 1. Shares and interests | 0 | 22 | 0 | 42 |
| 2. Debt securities and other fixed-income securities | 0 | 23 | 0 | 43 |
| 3. Loans | 0 | 24 | 0 | 44 |
| III. Shares in common investment funds | 0 | 25 | 0 | 45 |
| IV. Other financial investments: | | | | |
| 1. Equities | 0 | 26 | 0 | 46 |
| 2. Debt securities and other fixed-income securities | 0 | 27 | 0 | 47 |
| 3. Deposits with credit institutions | 0 | 28 | 0 | 48 |
| 4. Other financial investments | 0 | 29 | 0 | 49 |
| V. Other assets | 0 | 30 | 0 | 50 |
| VI. Cash at bank and in hand | 0 | 31 | 0 | 51 |
| Other liabilities | 0 | 32 | 0 | 52 |
| Deposits with ceding companies | 3,276,493 | 33 | 3,454,857 | 53 |
| Total | 3,276,493 | 34 | 3,454,857 | 54 |
| | | | 3,276,493 | 74 |
| | | | | 3,454,857 |

Notes on the accounts - Attachment 13

Company **Assicurazioni Generali S.p.A.** Year 2016

Liabilities - Variation for the year of the components of the provision for unearned premiums (item C.I.1) and those of the provision for claims outstanding (item C.I.2) of non-life lines of business

| Typology | Current year | Previous year | Variation |
|---|--------------------|---------------------|------------------|
| Premium reserve: | | | |
| Unearned premium reserve | 1 406,226 | 11 348,705 | 21 57,521 |
| Unexpired risk reserve | 2 5,558 | 12 3,603 | 22 1,955 |
| Book value | 3 411,784 | 13 352,308 | 23 59,476 |
| Provision for claims outstanding: | | | |
| Provision for refunds and direct expenses | 4 1,487,984 | 14 1,414,997 | 24 72,987 |
| Provision for claim settlement costs | 5 46,914 | 15 46,331 | 25 583 |
| IBNR provision | 6 662,124 | 16 706,903 | 26 -44,779 |
| Book value | 7 2,197,022 | 17 2,168,231 | 27 28,791 |

Notes on the accounts - Attachment 14

Company

Assicurazioni Generali S.p.A.

Year

2016

Liabilities - Changes in the components of the mathematical provision for the year (item C.II.1) and in the components of the provision for profit sharing and premium refunds (item C.II.4)

| Typology | | Current year | | Previous year | | Variation |
|--|---|------------------|----|------------------|----|----------------|
| Mathematical reserve for pure premiums | 1 | 6,933,683 | 11 | 7,211,229 | 21 | -277,546 |
| Premiums brought forward | 2 | 189,382 | 12 | 79,388 | 22 | 109,994 |
| Demographical risk reserve | 3 | 0 | 13 | 0 | 23 | 0 |
| Integration provisions | 4 | 498,937 | 14 | 413,594 | 24 | 85,343 |
| Book value | 5 | 7,622,002 | 15 | 7,704,211 | 25 | -82,209 |
| Provision for profit sharing and premium refunds | 6 | 99,294 | 16 | 94,241 | 26 | 5,053 |

Notes on the accounts - Attachment 15

Company

Assicurazioni Generali S.p.A.

Year

2016

Liabilities - Change for the year in the provisions in the funds for risks and charges (item E) and change in the severance pay provisions (item G.VII)

| | | Provisions for retirement and similar obligations | Provisions for taxes | Other provision | Change in the severance pay provisions |
|---------------------------------------|---|---|----------------------|----------------------|--|
| Initial amounts | + | 0 ¹¹ | 91,461 ²¹ | 15,233 ³¹ | 5,615 |
| Sums set aside for the year | + | 0 ¹² | 3,244 ²² | 26,110 ³² | 15 |
| Other increases | + | 0 ¹³ | 0 ²³ | 0 ³³ | 948 |
| Other utilisations for the year | - | 0 ¹⁴ | 9,743 ²⁴ | 13,007 ³⁴ | 669 |
| Other decreases | - | 0 ¹⁵ | 0 ²⁵ | 0 ³⁵ | 680 |
| Book value | | 0¹⁶ | 84,962 | 28,336 | 5,229 |

Notes on the accounts - Attachment 16

Company Assicurazioni Generali S.p.A.

Year 2016

Details of assets and liabilities referring to group companies and other companies in which a significant interest is held

I: Assets

| | Parent companies | Affiliated companies | Affiliated of parent companies | Associated companies | Other | Total |
|---|------------------|----------------------|--------------------------------|----------------------|-----------|---------------|
| Shares and interests | 1 0 | 2 29,383,550 | 3 0 | 4 234,884 | 5 20,561 | 6 29,638,995 |
| Debt securities | 7 0 | 8 634 | 9 0 | 10 0 | 11 0 | 12 634 |
| Loans | 13 0 | 14 752,000 | 15 0 | 16 0 | 17 0 | 18 752,000 |
| Participation in investment pools | 19 0 | 20 0 | 21 0 | 22 0 | 23 0 | 24 0 |
| Deposits with credit institutions | 25 0 | 26 30,000 | 27 0 | 28 0 | 29 0 | 30 30,000 |
| Other financial investments | 31 0 | 32 0 | 33 0 | 34 0 | 35 0 | 36 0 |
| Deposits with ceding companies | 37 0 | 38 7,066,905 | 39 0 | 40 479 | 41 0 | 42 7,067,384 |
| Investments relating to contracts linked to investment funds and market index | 43 0 | 44 3,267,390 | 45 0 | 46 0 | 47 0 | 48 3,267,390 |
| Investments relating to the administration of pension funds | 49 0 | 50 0 | 51 0 | 52 0 | 53 0 | 54 0 |
| Debtors arising out of direct insurance operations | 55 0 | 56 389 | 57 0 | 58 0 | 59 0 | 60 389 |
| Debtors arising out of reinsurance operations | 61 0 | 62 288,288 | 63 0 | 64 1,893 | 65 0 | 66 290,181 |
| Other debtors | 67 0 | 68 555,761 | 69 0 | 70 1 | 71 0 | 72 555,762 |
| Bank and postal deposits | 73 0 | 74 4,289 | 75 0 | 76 0 | 77 0 | 78 4,289 |
| Other | 79 0 | 80 49,034 | 81 0 | 82 0 | 83 0 | 84 49,034 |
| Total | 85 0 | 86 41,398,240 | 87 0 | 88 237,257 | 89 20,561 | 90 41,656,058 |
| of which subordinated activities | 91 0 | 92 0 | 93 0 | 94 0 | 95 0 | 96 0 |

Details of assets and liabilities referring to group companies and other companies in which a significant interest is held

II: Liabilities

| | Parent companies | Affiliated companies | Affiliated of parent companies | Associated companies | Other | Total |
|--|------------------|----------------------|--------------------------------|----------------------|----------|------------------|
| Subordinated liabilities | 97 | 0 | 98 | 0 | 99 | 0 |
| Deposits received from reinsurers | 103 | 0 | 104 | 0 | 105 | 0 |
| Creditors arising out of direct insurance operations | | 9,710 | | 0 | 106 | 9,710 |
| Creditors arising out of reinsurance operations | 109 | 0 | 110 | 0 | 111 | 0 |
| Amounts owed to credit institutions | 115 | 0 | 116 | 0 | 117 | 0 |
| Loans guaranteed by mortgages | 121 | 0 | 122 | 0 | 123 | 0 |
| Other financial liabilities | 127 | 0 | 128 | 0 | 129 | 0 |
| Other liabilities | 133 | 0 | 134 | 0 | 135 | 0 |
| Miscellaneous liabilities | 139 | 0 | 140 | 0 | 141 | 0 |
| | 145 | 0 | 146 | 0 | 147 | 0 |
| Total | 151 | 0 | 152 | 5,374,132 | 153 | 0 |
| | | | | 154 | 155 | 156 |
| | | | | 18 | 0 | 5,374,150 |

Notes on the accounts - Attachment 17

Company

Assicurazioni Generali S.p.A.

Year 2016

Details of "guarantees, commitments and other evidence accounts"

| | Current year | | Previous year | |
|---|--------------|------------------|---------------|------------------|
| I. Guarantees issued: | | | | |
| a) sureties and endorsements issued in the interest of parent companies, affiliated companies and affiliates of parent companies | 1 | 269,500 | 31 | 269,500 |
| b) sureties and endorsements issued in the interest of associated companies and other companies in which a significant interest is held | 2 | 0 | 32 | 0 |
| c) sureties and endorsements issued in the interest of third parties | 3 | 0 | 33 | 0 |
| d) other personal guarantees issued in the interest of parent companies, affiliated companies and affiliates of parent companies | 4 | 2,369,000 | 34 | 3,588,982 |
| e) other personal guarantees issued in the interest of associated companies and other companies | 5 | 0 | 35 | 0 |
| f) other personal guarantees issued in the interest of third parties | 6 | 0 | 36 | 0 |
| g) guarantees secured by mortgages for obligations of parent companies, affiliated companies and affiliates of parent companies | 7 | 0 | 37 | 0 |
| h) guarantees secured by mortgages for obligations of associated companies and companies in which a significant interest is held | 8 | 0 | 38 | 0 |
| i) guarantees secured by mortgages for third parties obligations | 9 | 0 | 39 | 0 |
| l) guarantees issued for obligations of the Company | 10 | 47,578 | 40 | 42,871 |
| m) assets deposited for accepted reinsurance operations | 11 | 0 | 41 | 0 |
| Total | 12 | 2,686,078 | 42 | 3,901,353 |
| II. Guarantees received: | | | | |
| a) from group companies, associated companies and other | 13 | 0 | 43 | 0 |
| b) from third parties | 14 | 376,396 | 44 | 354,741 |
| Total | 15 | 376,396 | 45 | 354,741 |
| III. Guarantees issued by third parties in the interest of the Company: | | | | |
| a) from group companies, associated companies and other | 16 | 0 | 46 | 0 |
| b) from third parties | 17 | 97,958 | 47 | 89,188 |
| Total | 18 | 97,958 | 48 | 89,188 |
| IV. Commitments: | | | | |
| a) commitments for acquisitions with obligation to resale | 19 | 0 | 49 | 0 |
| b) commitments for sales with obligation to buy back | 20 | 0 | 50 | 0 |
| c) other commitments | 21 | 3,156,189 | 51 | 3,140,013 |
| Total | 22 | 3,156,189 | 52 | 3,140,013 |
| V. Assets relating to pension funds managed in the name | | | | |
| and on behalf of third parties | 23 | 0 | 53 | 0 |
| VI. Securities deposited with third parties | 24 | 6,882,753 | 54 | 6,518,841 |
| Totale | 25 | 6,882,753 | 55 | 6,518,841 |

Notes on the accounts - Attachment 18
Year 2016

Company Assicurazioni Generali S.p.A.

Breakdown of derivatives according to type of contracts

| Contratti derivati | Current year | | | | Previous year | | | | | |
|--------------------------|--------------|------------------|-------|-----------------|---------------|------------------|-------|----------------|----|------------------|
| | Purchases | | Sales | | Purchases | | Sales | | | |
| | (1) | (2) | (1) | (2) | (1) | (2) | (1) | (2) | | |
| Futures: | | | | | | | | | | |
| on shares | 0 | 101 | 0 | 21 | 0 | 121 | 0 | 41 | 0 | |
| on debt securities | 0 | 102 | 0 | 22 | 0 | 122 | 0 | 42 | 0 | |
| on currencies | 0 | 103 | 0 | 23 | 0 | 123 | 0 | 43 | 0 | |
| on rates | 0 | 104 | 0 | 24 | 0 | 124 | 0 | 44 | 0 | |
| others | 0 | 105 | 0 | 25 | 0 | 125 | 0 | 45 | 0 | |
| Options: | | | | | | | | | | |
| on shares | 0 | 106 | 0 | 26 | 0 | 126 | 0 | 46 | 0 | |
| on debt securities | 0 | 107 | 0 | 27 | 0 | 127 | 0 | 47 | 0 | |
| on currencies | 0 | 108 | 0 | 28 | 0 | 128 | 0 | 48 | 0 | |
| on rates | 0 | 109 | 0 | 29 | 0 | 129 | 0 | 49 | 0 | |
| others | 0 | 110 | 0 | 30 | 0 | 130 | 0 | 50 | 0 | |
| Swaps: | | | | | | | | | | |
| on currencies | 11 | 1,299,213 | 111 | -440,185 | 31 | 469,812 | 131 | -815 | 51 | 1,786,082 |
| on rates | 12 | 0 | 112 | 0 | 32 | 605,539 | 132 | -34,890 | 52 | 0 |
| others | 13 | 0 | 113 | 0 | 33 | 255,000 | 133 | 0 | 53 | 0 |
| Other operations: | | | | | | | | | | |
| | 14 | 0 | 114 | 0 | 34 | 0 | 134 | 0 | 54 | 0 |
| Total | 15 | 1,299,213 | 115 | -440,185 | 35 | 1,330,351 | 135 | -35,705 | 55 | 1,786,082 |

Only transactions on derivatives extant at the balance sheet date and that represent commitments for the Company must be included. In the event of a contract not belonging precisely to the above-mentioned types or a contract which has characteristics of different types of contracts, the contract must be included in the nearest type. Items compensations are not allowed, unless they refer to purchase/sale transactions referring to the same type of contract (same content, deadline, underlying asset...)

Contracts providing for currency swaps must be shown only once, with conventional reference to the currency to be purchased. Contracts that allow both currency swaps and interest rate swaps must be reported exclusively among currency contracts. Derivative contracts providing for interest rate swaps are conventionally classified as "purchases" or "sales", depending on whether they commit the insurance company to purchase or sell the fixed rate.

(1) For derivatives that imply or could imply futures contracts, the settlement price of the contracts has to be indicated; in all other cases, the nominal value of the reference capital has to be indicated.

(2) Indicate the fair value of derivatives

Notes on the accounts - Attachment 19
Year 2016

Company Assicurazioni Generali S.p.A.

Details of the non life business technical account

| | Gross written premiums | Earned written premiums | Gross cost of claims | Operating expenses | Reinsurance balance |
|--|------------------------|-------------------------|----------------------|--------------------|---------------------|
| Direct insurance: | | | | | |
| Accident and Health (class of insurance 1 and 2) | 1 24,626 | 2 25,606 | 3 18,717 | 4 6,233 | 5 -1,928 |
| Motor TPL (class of insurance 10) | 6 88 | 7 124 | 8 171 | 9 5 | 10 -6 |
| Motor, other classes (class of insurance 3) | 11 8,174 | 12 6,671 | 13 4,102 | 14 95 | 15 1,123 |
| Marine, aviation and transport (classes of insurance 4, 5, 6, 7, 11 and 12) | 16 20,624 | 17 20,188 | 18 13,921 | 19 4,703 | 20 137 |
| Fire and other damage to property (classes of insurance 8 and 9) | 21 38,646 | 22 30,160 | 23 29,918 | 24 8,233 | 25 4,796 |
| General liability (class of insurance 13) | 26 54,499 | 27 52,942 | 28 32,871 | 29 11,826 | 30 -3,621 |
| Credit and suretyship (classes of insurance 14 and 15) | 31 2,941 | 32 325 | 33 -5 | 34 115 | 35 248 |
| Miscellaneous financial loss (class of insurance 16) | 36 9,173 | 37 7,586 | 38 1,231 | 39 2,135 | 40 -1,911 |
| Legal expenses (class of insurance 17) | 41 3 | 42 2 | 43 -20 | 44 2 | 45 0 |
| Assistance (class of insurance 18) | 46 63 | 47 98 | 48 -24 | 49 6 | 50 -6 |
| Total direct insurance | 51 158,837 | 52 143,702 | 53 100,882 | 54 33,353 | 55 -1,168 |
| Inward reinsurance | 56 192,548 | 57 196,652 | 58 45,671 | 59 15,317 | 60 -105,404 |
| Total Italian portfolio | 61 351,385 | 62 340,354 | 63 146,553 | 64 48,670 | 65 -106,572 |
| Foreign portfolio | 66 1,308,708 | 67 1,257,992 | 68 779,749 | 69 256,826 | 70 -164,079 |
| Total | 71 1,660,093 | 72 1,598,346 | 73 926,302 | 74 305,496 | 75 -270,651 |

Notes on the accounts - Attachment 20

Company **Assicurazioni Generali S.p.A.** Year **2016**

Summary of life business: premiums and reinsurers' share.

| | Direct business | Reinsurance | Total |
|---|-----------------|--------------|--------------|
| Gross premiums: | 1 486,321 | 11 1,521,186 | 21 2,007,507 |
| a) 1. individual policies | 2 340,580 | 12 420,575 | 22 761,155 |
| 2. group policies | 3 145,741 | 13 1,100,611 | 23 1,246,352 |
| b) 1. regular premiums | 4 216,362 | 14 1,521,186 | 24 1,737,548 |
| 2. single premiums | 5 269,959 | 15 0 | 25 269,959 |
| c) 1. policies without profit sharing | 6 436,982 | 16 1,484,151 | 26 1,921,133 |
| 2. policies with profit sharing | 7 0 | 17 0 | 27 0 |
| 3. policies where the investment risk is borne by the policyholders and relating to the administration of pension funds | 8 49,339 | 18 37,035 | 28 86,374 |

| | | | |
|---------------------------|---------|-----------|-----------|
| Reinsurance balance | 9 1,316 | 19 -9,798 | 29 -8,482 |
|---------------------------|---------|-----------|-----------|

Notes on the accounts - Attachment 21

Company **Assicurazioni Generali S.p.A.**Year **2016**

Income from investments (items II.2 e III.3)

| | Non-life business | Life business | Total |
|--|----------------------|---------------------|----------------------|
| Income from equities: | | | |
| Dividends and other income from shares and participations in group companies and other companies in which a significant interest is held | 1 896,431 | 41 956,621 | 81 1,853,052 |
| Dividends and other income from equities | 2 1,198 | 42 3,185 | 82 4,383 |
| Total | 3 897,629 | 43 959,806 | 83 1,857,435 |
| Income from land and buildings | 4 4,983 | 44 0 | 84 4,983 |
| Income from other investments: | | | |
| Income from debt securities of group companies and other companies in which a significant interest is held | 5 0 | 45 961 | 85 961 |
| Income from loans to group companies and other companies in which a significant interest is held | 6 21,177 | 46 11,991 | 86 33,168 |
| Income from shares in common investment funds | 7 1,376 | 47 0 | 87 1,376 |
| Income from debt securities and other fixed-income securities | 8 18,237 | 48 58,059 | 88 76,296 |
| Interests on loans | 9 16 | 49 78 | 89 94 |
| Income from participation in investment pools | 10 0 | 50 0 | 90 0 |
| Interests on deposits with credit institutions | 11 555 | 51 363 | 91 918 |
| Income from other financial investments | 12 37,081 | 52 49,396 | 92 86,477 |
| Interests on deposits with ceding companies | 13 3,265 | 53 256,664 | 93 259,929 |
| Total | 14 81,707 | 54 377,512 | 94 459,219 |
| Value re-adjustments on other investments: | | | |
| Land and buildings | 15 0 | 55 0 | 95 0 |
| Shares and participations in group companies and other companies .. | 16 6,072 | 56 0 | 96 6,072 |
| Debt securities issued by affiliated companies and other companies in which a significant interest is held | 17 0 | 57 5 | 97 5 |
| Other equities | 18 43 | 58 0 | 98 43 |
| Other debt securities | 19 1,438 | 59 8,829 | 99 10,267 |
| Other financial investments | 20 12,194 | 60 0 | 100 12,194 |
| Total | 21 19,747 | 61 8,834 | 101 28,581 |
| Gains on the realisation of investments: | | | |
| Surplus on the sale of land and buildings | 22 0 | 62 0 | 102 0 |
| Gains on shares and participations in group companies and other companies in which a significant interest is held | 23 1,999 | 63 0 | 103 1,999 |
| Gains on debt securities issued by group companies and other companies in which a significant interest is held | 24 0 | 64 0 | 104 0 |
| Gains on other equities | 25 3,267 | 65 0 | 105 3,267 |
| Gains on other debt securities | 26 34 | 66 2,625 | 106 2,659 |
| Gains on other financial investments | 27 8,799 | 67 8,665 | 107 17,464 |
| Total | 28 14,099 | 68 11,290 | 108 25,389 |
| GRAND TOTAL | 29 1,018,165 | 69 1,357,442 | 109 2,375,607 |

Notes on the accounts - Attachment 22

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

Year 2016

Income and unrealised gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds (item II.3)

I. Investments relating to investment funds and market index

| | Amounts | |
|---|---------|---------------|
| Income arising from: | | |
| Land and buildings | 1 | 0 |
| Investments in group companies and other companies in which a significant interest is held | 2 | 25,696 |
| Shares in common investment funds | 3 | 2 |
| Other financial investments | 4 | 1,890 |
| - of which income from debt securities 5.... | | 1,200 |
| Other | 6 | 15 |
| Total | 7 | 27,603 |
| Gains on the realisation of investments: | | |
| Surplus on the sale of land and buildings | 8 | 0 |
| Gains on invest. in group companies and other companies in which a significant interest is held | 9 | 0 |
| Gains on common investment funds | 10 | 638 |
| Gains on other financial investments | 11 | 737 |
| - of which debt securities 12.... | | 734 |
| Other income | 13 | 0 |
| Total | 14 | 1,375 |
| Unrealised gains | 15 | 23,119 |
| GRAND TOTAL | 16 | 52,097 |

II. Investments relating to the management of pension funds

| | Amounts | |
|--|---------|----------|
| Income arising from: | | |
| Investments in group companies and other companies in which a significant interest is held | 21 | 0 |
| Other financial investments | 22 | 0 |
| - of which income from debt securities 23.... | | 0 |
| Other assets | 24 | 0 |
| Total | 25 | 0 |
| Profits on the realisation of investments: | | |
| Investments in group companies and companies where a significant interest is held | 26 | 0 |
| Profits on other financial investments | 27 | 0 |
| - of which debt securities 28.... | | 0 |
| Other income | 29 | 0 |
| Total | 30 | 0 |
| Unrealised gains | 31 | 0 |
| GRAND TOTAL | 32 | 0 |

Notes on the accounts - Attachment 23

Company

Assicurazioni Generali S.p.A.

Year 2016

Details of investment charges (items II.9 e III.5)

| | Non-life | Life business | Total |
|---|-------------------|-------------------|-------------------|
| Investment management charges and other charges: | | | |
| Charges referring to equities | 1 2,470 | 31 6,869 | 61 9,339 |
| Charges referring to investment in land and buildings | 2 2,275 | 32 0 | 62 2,275 |
| Charges referring to debt securities | 3 1,629 | 33 3,474 | 63 5,103 |
| Charges referring to shares in common investment funds | 4 0 | 34 0 | 64 0 |
| Charges referring to shares in common investments | 5 0 | 35 0 | 65 0 |
| Charges referring to other financial investments | 6 56,227 | 36 76,503 | 66 132,730 |
| Interests on deposits received from reinsurers | 7 108 | 37 5,943 | 67 6,051 |
| Total | 8 62,709 | 38 92,789 | 68 155,498 |
| Value re-adjustments on investments referring to: | | | |
| Land and buildings | 9 1,209 | 39 0 | 69 1,209 |
| Shares and participations in group comp. and other companies | 10 58,003 | 40 0 | 70 58,003 |
| Debt securities issued by group companies and other companies | 11 0 | 41 0 | 71 0 |
| Other equities | 12 606 | 42 4,560 | 72 5,166 |
| Other debt securities | 13 9,200 | 43 6,381 | 73 15,581 |
| Other financial investments | 14 8,002 | 44 0 | 74 8,002 |
| Total | 15 77,020 | 45 10,941 | 75 87,961 |
| Losses on the realisation of investments: | | | |
| Losses on the sale of land and buildings | 16 0 | 46 0 | 76 0 |
| Losses on equities | 17 844 | 47 0 | 77 844 |
| Losses on debt securities | 18 0 | 48 157 | 78 157 |
| Losses on other financial investments | 19 62,171 | 49 170 | 79 62,341 |
| Total | 20 63,015 | 50 327 | 80 63,342 |
| GRAND TOTAL | 21 202,744 | 51 104,057 | 81 306,801 |

Notes on the accounts - Attachment 24

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

Year **2016**

Investment charges and unrealised losses relating to investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds (item II.10)

I. Investments relating to investment funds and market index

| | Amounts | |
|--|---------|---------------|
| Charges arising from: | | |
| Land and buildings | 1 | 0 |
| Investments in group comp. and other companies in which a significant interest is held | 2 | 0 |
| Shares in common investment funds..... | 3 | 0 |
| Other financial investments | 4 | -1 |
| Other activities..... | 5 | 141 |
| Total | 6 | 140 |
| Losses on the realisation of investments: | | |
| Losses on the sale of land and buildings | 7 | 0 |
| Losses on investments in group companies and other companies in which a significant interest is held | 8 | 0 |
| Losses on common investment funds | 9 | 275 |
| Losses on other financial investments | 10 | 9 |
| Other losses..... | 11 | 1 |
| Total | 12 | 285 |
| Unrealised losses..... | 13 | 9,746 |
| GRAND TOTAL | 14 | 10,171 |

II. Investments relating to the pension funds management

| | Amounts | |
|--|---------|----------|
| Charges arising from: | | |
| Investments in group comp. and other companies in which a significant interest is held | 21 | 0 |
| Other financial investments | 22 | 0 |
| Other activities..... | 23 | 0 |
| Total | 24 | 0 |
| Losses on the realisation of investments: | | |
| Losses on investments in group companies and other companies in which a significant interest is held | 25 | 0 |
| Losses on other financial investments..... | 26 | 0 |
| Total | 27 | 0 |
| Unrealised losses | 28 | 0 |
| GRAND TOTAL | 29 | 0 |

Company

Assicurazioni Generali S.p.A.

Summary layout of technical account

| | Lob 01 | | Lob 02 | |
|---|----------|------------------|-----------------|----------------------------|
| | Accident | | Health | |
| Direct business gross of reinsurance | | | | |
| Written premiums | + | 1 3,074 | 1 21,552 | |
| Change in the provision for unearned premiums (+ o -) | - | 2 98 | 2 -1,078 | |
| Claims incurred | - | 3 3,781 | 3 14,936 | |
| Change in other technical provisions (+ o -) | - | 4 0 | 4 0 | |
| Balance of other technical income and charges (+ o -) | + | 5 -2 | 5 0 | |
| Operating expenses | - | 6 36 | 6 6,197 | |
| Balance on the technical account for direct business (+ o -) | | 7 -843 | 7 1,497 | A |
| Balance of reinsurance ceded (+ o -) | | 8 -139 | 8 -1,789 | B |
| Net balance of accepted business (+ o -) | | 9 11,045 | 9 -985 | C |
| Change in the equalisation provision (+ o -) | | 10 0 | 10 0 | D |
| Allocated investment return transf. from the non-technical account | | 11 3,765 | 11 1,827 | E |
| Net balance of accepted business (+ o -) | | 12 13,828 | 12 550 | (A + B + C - D + E) |

| | Lob 07 | | Lob 08 | |
|---|--------|-----------------|-------------------------|----------------------------|
| | Cargo | | Fire and natural events | |
| Direct business gross of reinsurance | | | | |
| Written premiums | + | 1 5,505 | 1 18,024 | |
| Change in the provision for unearned premiums (+ o -) | - | 2 419 | 2 4,338 | |
| Claims incurred | - | 3 5,138 | 3 18,820 | |
| Change in other technical provisions (+ o -) | - | 4 0 | 4 0 | |
| Balance of other technical income and charges (+ o -) | + | 5 0 | 5 316 | |
| Operating expenses | - | 6 1,349 | 6 4,140 | |
| Balance on the technical account for direct business (+ o -) | | 7 -1,401 | 7 -8,958 | A |
| Balance of reinsurance ceded (+ o -) | | 8 799 | 8 -778 | B |
| Net balance of accepted business (+ o -) | | 9 -437 | 9 -2,318 | C |
| Change in the equalisation provision (+ o -) | | 10 0 | 10 92 | D |
| Allocated investment return transf. from the non-technical account | | 11 1,050 | 11 3,867 | E |
| Net balance of accepted business (+ o -) | | 12 11 | 12 -8,279 | (A + B + C - D + E) |

| | Lob 13 | | Lob 14 | |
|---|-------------------|------------------|---------------|----------------------------|
| | General liability | | Credit | |
| Direct business gross of reinsurance | | | | |
| Written premiums | + | 1 54,499 | 1 0 | |
| Change in the provision for unearned premiums (+ o -) | - | 2 1,557 | 2 -1 | |
| Claims incurred | - | 3 32,871 | 3 -5 | |
| Change in other technical provisions (+ o -) | - | 4 0 | 4 0 | |
| Balance of other technical income and charges (+ o -) | + | 5 -268 | 5 -1 | |
| Operating expenses | - | 6 11,826 | 6 11 | |
| Balance on the technical account for direct business (+ o -) | | 7 7,977 | 7 -6 | A |
| Balance of reinsurance ceded (+ o -) | | 8 -3,621 | 8 0 | B |
| Net balance of accepted business (+ o -) | | 9 23,203 | 9 734 | C |
| Change in the equalisation provision (+ o -) | | 10 0 | 10 -2 | D |
| Allocated investment return transf. from the non-technical account | | 11 12,843 | 11 20 | E |
| Net balance of accepted business (+ o -) | | 12 40,402 | 12 750 | (A + B + C - D + E) |

Notes on the accounts - Attachment 25

Year 2016

by branch - Non-life business -Italian portfolio

| Lob 03 | Lob 04 | Lob 05 | Lob 06 |
|----------------------|--------|-----------|-------------|
| Motor, other classes | Trains | Aircrafts | Watercrafts |
| 1 | 8,174 | 309 | 8,154 |
| 2 | 1,503 | -30 | 121 |
| 3 | 4,102 | 0 | 6,238 |
| 4 | 0 | 0 | 0 |
| 5 | 0 | -7 | 0 |
| 6 | 95 | 4 | 2,004 |
| 7 | 2,474 | 328 | -209 |
| 8 | 1,123 | 0 | -143 |
| 9 | 258 | -88 | 2,327 |
| 10 | 0 | 0 | 0 |
| 11 | 906 | 19 | 992 |
| 12 | 4,761 | 259 | 2,967 |

| Lob 09 | Lob 10 | Lob 11 | Lob 12 |
|--------------|-----------|--------------|-----------------|
| Other damage | Motor TPL | Aviation TPL | Watercrafts TPL |
| 1 | 20,622 | 88 | 0 |
| 2 | 4,148 | -36 | 0 |
| 3 | 11,098 | 171 | 63 |
| 4 | 0 | 0 | 0 |
| 5 | -10 | -10 | 0 |
| 6 | 4,093 | 5 | 3 |
| 7 | 1,273 | -62 | -66 |
| 8 | 5,574 | -6 | -3 |
| 9 | 3,998 | -14,068 | 5 |
| 10 | 0 | 0 | 0 |
| 11 | 1,998 | 2,186 | 92 |
| 12 | 12,843 | -11,950 | 28 |

| Lob 15 | Lob 16 | Lob 17 | Lob 18 |
|------------|-------------------------|----------------|------------|
| Suretyship | Miscell. financial loss | Legal expenses | Assistance |
| 1 | 2,941 | 3 | 63 |
| 2 | 2,617 | 1 | -35 |
| 3 | 0 | -20 | -24 |
| 4 | 0 | 0 | 0 |
| 5 | 0 | -9 | 0 |
| 6 | 104 | 2 | 6 |
| 7 | 220 | 20 | 116 |
| 8 | 248 | 0 | -6 |
| 9 | 2,129 | 109 | 0 |
| 10 | 0 | 0 | 0 |
| 11 | 284 | 35 | 6 |
| 12 | 2,881 | 164 | 116 |

Notes on the accounts - Attachment 26
Year 2016

Company Assicurazioni Generali S.p.A.

Summary layout of technical accounts of non-life business

Italian portfolio

| | Direct insurance | | Reinsurance | | Risks retained Total 5 = 1 - 2 + 3 - 4 |
|--|-------------------|------------------|---------------------|--------------------|--|
| | Direct risks 1 | Ceded risks 2 | Risks accepted 3 | Retrocessions 4 | |
| Written premiums | 1 | 11 | 21 | 31 | 41 |
| Change in the provision for unearned premiums (+ o -) | 2 | 12 | 22 | 32 | 42 |
| Claims incurred | 3 | 13 | 23 | 33 | 43 |
| Change in other technical provisions (+ o -) | 4 | 14 | 24 | 34 | 44 |
| Balance of other technical income and charges (+ o -) | 5 | 15 | 25 | 35 | 45 |
| Operating expenses | 6 | 16 | 26 | 36 | 46 |
| Technical balance (+ o -) | 7 | 17 | 27 | 37 | 47 |
| Change in the equalisation provision (+ o -) | | | | | 48 |
| Allocated investment return transf. from the non-technical account | 9 | | 29 | | 49 |
| Balance on the technical account (+ o -) | 10 | 20 | 30 | 40 | 50 |

Notes on the accounts - Attachment 27

Year 2016

Company Assicurazioni Generali S.p.A.

Life insurance - Summary layout of technical accounts by branch - Italian portfolio

| | Life | Marriage and birth | Unit linked |
|--|----------------|--------------------|---------------|
| | Lob 01 | Lob 02 | Lob 03 |
| Direct business gross of reinsurance | | | |
| Written premiums | 80,764 | 0 | 0 |
| Claims incurred | 115,461 | 0 | 50 |
| Change in mathematical provision and in other technical provisions (+ o -) | -9,157 | 0 | 6,067 |
| Balance of other technical income and charges (+ o -) | 0 | 0 | 8,098 |
| Operating expenses | 5,272 | 0 | 1 |
| Allocated investment return transferred to the non-technical account (*) | 74,058 | 0 | 99 |
| | | | 12,669 |
| Balance of direct business gross of reinsurance(+ o -) | 43,246 | 0 | -1,544 |
| Balance of reinsurance ceded (+ o -) | 4,263 | 0 | -7 |
| Net balance of accepted business (+ o -) | 213,229 | 0 | -65 |
| Balance of direct business gross of reinsurance(+ o -) | 260,738 | 0 | -1,616 |
| | | | |
| Direct business gross of reinsurance | | | |
| Written premiums | 24,052 | 414 | 0 |
| Claims incurred | -15,882 | 4,735 | 0 |
| Change in mathematical provision and in other technical provisions (+ o -) | 35,361 | 471 | 0 |
| Balance of other technical income and charges (+ o -) | -1,803 | 0 | 0 |
| Operating expenses | 3,421 | 2 | 0 |
| Allocated investment return transferred to the non-technical account (*) | 2,304 | 7,960 | 0 |
| | | | 0 |
| Balance of direct business gross of reinsurance(+ o -) | 1,653 | 3,166 | 0 |
| Balance of reinsurance ceded (+ o -) | 0 | 0 | 0 |
| Net balance of accepted business (+ o -) | 0 | 0 | 0 |
| Balance of direct business gross of reinsurance(+ o -) | 1,653 | 3,166 | 0 |

(*) Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Accounts

Notes on the accounts - Attachment 28
Year 2016

Assicurazioni Generali S.p.A.

Company

Summary layout of technical accounts of life business

Italian portfolio

| | Direct insurance | | Reinsurance | | Risks retained Total 5 = 1 - 2 + 3 - 4 |
|--|----------------------------|----------------------------|-----------------------------|-------------------------|--|
| | Direct risks 1 | Ceded risks 2 | Risks accepted 3 | Retrocessions 4 | |
| Written premiums | 105,280 ¹¹ | 26,886 ²¹ | 281,188 ³¹ | 1,314 ⁴¹ | 358,268 |
| Cost of claims | 110,381 ¹² | 27,458 ²² | 778,473 ³² | 0 ⁴² | 861,396 |
| Change in mathematical provision and in other technical provisions(+ o -) | 34,773 ¹³ | 511 ²³ | -433,191 ³³ | 0 ⁴³ | -398,929 |
| Balance of other technical income and charges (+ o -) | -1,802 ¹⁴ | 0 ²⁴ | -103 ³⁴ | 0 ⁴⁴ | -1,905 |
| Operating expenses | 8,794 ¹⁵ | 3,173 ²⁵ | 22,811 ³⁵ | 858 ⁴⁵ | 27,574 |
| Allocated investment return transferred to the non-technical account (*) | 96,991 | | 300,628 | | 397,619 |
| Balance on the technical account (+ o -) | 46,521¹⁷ | -4,256²⁷ | 213,620³⁷ | 456⁴⁷ | 263,941 |

(*) Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Accounts

Notes on the accounts - Attachment 29

Company **Assicurazioni Generali S.p.A.** Year **2016**

Summary layout of technical accounts of non-life and life business - Foreign portfolio

Section I: Non Life Business

| | | Total lines of business | |
|--|----------|-------------------------|--------------------|
| Direct business gross of reinsurance | | | |
| Written premiums | + | 1 | 242,353 |
| Change in the provision for unearned premiums (+ o -) | - | 2 | 12,856 |
| Claims incurred | - | 3 | 109,409 |
| Change in other technical provisions (+ o -) | - | 4 | 0 |
| Balance of other technical income and charges (+ o -) | + | 5 | 658 |
| Operating expenses | - | 6 | 64,760 |
| Balance on the technical account for direct business (+ o -) | A | 7 | 55,986 |
| Balance of reinsurance ceded (+ o -) | B | 8 | -47,562 |
| Net balance of accepted business (+ o -) | C | 9 | 48,552 |
| Change in the equalisation provision (+ o -) | D | 10 | 0 |
| Allocated investment return transferred from the non-technical account | E | 11 | 92,351 |
| Balance on the technical account for direct business (+ o -) | | 12 | 149,327 |
| | | | (A+B+C-D+E) |

Section II: Life Business

| | | Total lines of business | |
|---|----------|-------------------------|--------------------|
| Direct business gross of reinsurance | | | |
| Written premiums | + | 1 | 381,041 |
| Claims incurred | - | 2 | 68,999 |
| Change in mathematical provision and in other technical provisions(+ o -) | - | 3 | 264,970 |
| Balance of other technical income and charges (+ o -) | + | 4 | 19,435 |
| Operating expenses | - | 5 | 64,413 |
| Allocated investment return transferred to the non-technical account (1) | + | 6 | 24,947 |
| Balance of direct business gross of reinsurance(+ o -) | A | 7 | 27,041 |
| Balance of reinsurance ceded (+ o -) | B | 8 | -2,941 |
| Net balance of accepted business (+ o -) | C | 9 | 73,233 |
| Balance on the technical account (+ o -) | | 10 | 97,333 |
| | | | (A+B+C-D+E) |

(1) 'Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Accounts

Notes on the accounts - Attachment 30
Year 2016

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

Layout of the links with Group companies and companies where a significant interest is held

I: Income

| | Parent companies | Affiliated companies | Affiliated of parent companies | Associated companies | Other | Total |
|---|-------------------|----------------------|--------------------------------|----------------------|----------|--------------|
| Investment income | | | | | | |
| Income from land and buildings | 1 0 2 0 | 0 | 3 0 | 4 0 | 5 0 | 6 0 |
| Income from equities | 7 0 8 1,827,102 | 0 | 9 0 | 10 18,418 | 11 7,532 | 12 1,853,052 |
| Income from debt securities | 13 0 14 61 | 0 | 15 0 | 16 0 | 17 899 | 18 960 |
| Interests on loans | 19 0 20 33,168 | 0 | 21 0 | 22 0 | 23 0 | 24 33,168 |
| Income from other financial investments | 25 0 26 24 | 0 | 27 0 | 28 0 | 29 0 | 30 24 |
| Interests on deposits with ceding companies | 31 0 32 245,905 | 0 | 33 0 | 34 15 | 35 0 | 36 245,920 |
| Total | 37 0 38 2,106,260 | 0 | 39 0 | 40 18,433 | 41 8,431 | 42 2,133,124 |
| Unrealised income and gains on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds | | | | | | |
| Other income | | | | | | |
| Interests on credits | 43 0 44 25,696 | 0 | 45 0 | 46 0 | 47 0 | 48 25,696 |
| Interests on credits | 49 0 50 4,886 | 0 | 51 0 | 52 0 | 53 0 | 54 4,886 |
| Interests on credits | 55 0 56 27,193 | 0 | 57 0 | 58 0 | 59 0 | 60 27,193 |
| Interests on credits | 61 0 62 102,168 | 0 | 63 0 | 64 0 | 65 0 | 66 102,168 |
| Total | 67 0 68 134,247 | 0 | 69 0 | 70 0 | 71 0 | 72 134,247 |
| Profits on realisation of investments (*) | 73 0 74 1,999 | 0 | 75 0 | 76 0 | 77 0 | 78 1,999 |
| Extraordinary income | 79 0 80 46,878 | 0 | 81 0 | 82 0 | 83 0 | 84 46,878 |
| GRAND TOTAL | 85 0 86 2,315,080 | 0 | 87 0 | 88 18,433 | 89 8,431 | 90 2,341,944 |

Layout of the links with Group companies and companies where a significant interest is held
II: Charges

| | Parent companies | Affiliated companies | Affiliated of parent companies | Associated companies | Other | Total |
|---|--|--|--------------------------------|----------------------|-------|-------|
| Charges on investments and passive interests: | | | | | | |
| Investment charges | 91 0 92 10,854 93 0 94 0 95 0 96 10,854 | | | | | |
| Interests on subordinated liabilities | 97 0 98 11,754 99 0 100 0 101 0 102 11,754 | | | | | |
| Interests on deposits from reinsurers | 103 0 104 0 105 0 106 0 107 0 108 0 | | | | | |
| Interests on debits from direct insurance operations | 109 0 110 0 111 0 112 0 113 0 114 0 | | | | | |
| Interests on debits from reinsurance operations | 115 0 116 9,854 117 0 118 0 119 0 120 9,854 | | | | | |
| Interests on debits towards banks and financial institutions | 121 0 122 3 123 0 124 0 125 0 126 3 | | | | | |
| Interests on mortgages | 127 0 128 0 129 0 130 0 131 0 132 0 | | | | | |
| Interests on other debits | 133 0 134 74,733 135 0 136 0 137 0 138 74,733 | | | | | |
| Losses on credits | 139 0 140 0 141 0 142 0 143 0 144 0 | | | | | |
| Administration charges and charges for third parties | 145 0 146 27,193 147 0 148 0 149 0 150 27,193 | | | | | |
| Total | 151 0 152 43,892 153 0 154 97 155 462 156 44,451 | 157 0 158 178,283 159 0 160 97 161 462 162 178,842 | | | | |
| Unrealised charges and losses on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds | 163 0 164 0 165 0 166 0 167 0 168 0 | | | | | |
| Losses on realisation of investments (*) | 169 0 170 15 171 0 172 0 173 0 174 15 | | | | | |
| Extraordinary charges | 175 0 176 1,526 177 0 178 0 179 0 180 1,526 | | | | | |
| GRAND TOTAL | 181 0 182 179,824 183 0 184 97 185 462 186 180,383 | | | | | |

(*) with reference to the counterpart in the operation

Notes on the accounts - Attachment 31
Year 2016

Company Assicurazioni Generali S.p.A.

Summary layout of direct business premiums written

| | Non-life | | Life | | Total | |
|-------------------------------------|------------------|----------------|-------------------|-------------|-------------------|-----------------|
| | Affiliates | FoS | Affiliates | FoS | Affiliates | FoS |
| Written premiums: in Italy | 1 41,201 | 5 199 | 11 10,558 | 15 0 | 21 51,759 | 25 199 |
| in other EU countries | 2 114,064 | 6 3,347 | 12 94,722 | 16 0 | 22 208,786 | 26 3,347 |
| in third countries | 3 242,353 | 7 27 | 13 381,041 | 17 0 | 23 623,394 | 27 27 |
| Total | 4 397,618 | 8 3,573 | 14 486,321 | 18 0 | 24 883,939 | 28 3,573 |

Notes on the accounts - Attachment 32

Company **Assicurazioni Generali S.p.A.** Year **2016**

Layout of costs with regard to staff, administrators and auditors

I: Staff costs

| | Non-life business | | Life business | | Total | |
|--|-------------------|----------------|---------------|---------------|-------|----------------|
| Employees' costs: | | | | | | |
| Italian portfolio: | | | | | | |
| - Wages | 1 | 152,458 | 31 | 3,275 | 61 | 155,733 |
| - Social contributions | 2 | 43,828 | 32 | 1,142 | 62 | 44,970 |
| - Severance payments and other obligations | 3 | 8,921 | 33 | 221 | 63 | 9,142 |
| - Other employee costs | 4 | 9,825 | 34 | 61 | 64 | 9,886 |
| Total | 5 | 215,032 | 35 | 4,699 | 65 | 219,731 |
| Foreign portfolio: | | | | | | |
| - Wages | 6 | 40,715 | 36 | 21,561 | 66 | 62,276 |
| - Social contributions | 7 | 10,414 | 37 | 6,172 | 67 | 16,586 |
| - Other employee costs | 8 | 3,311 | 38 | 2,878 | 68 | 6,189 |
| Totale | 9 | 54,440 | 39 | 30,611 | 69 | 85,051 |
| Grand total | 10 | 269,472 | 40 | 35,310 | 70 | 304,782 |
| Costs of non subordinate workforce: | | | | | | |
| Italian portfolio | 11 | 9,031 | 41 | 119 | 71 | 9,150 |
| Foreign portfolio | 12 | 401 | 42 | 3 | 72 | 404 |
| Total | 13 | 9,432 | 43 | 122 | 73 | 9,554 |
| Total cost of workforce | 14 | 278,904 | 44 | 35,432 | 74 | 314,336 |

II: Details of items entered

| | Non-life business | | Life business | | Total | |
|--|-------------------|----------------|---------------|---------------|-------|----------------|
| Investments charges | 15 | 323 | 45 | 1,096 | 75 | 1,419 |
| Costs of claims | 16 | 192,004 | 46 | 1,764 | 76 | 193,768 |
| Other acquisition costs | 17 | 16,129 | 47 | 5,099 | 77 | 21,228 |
| Other administration costs | 18 | 30,379 | 48 | 21,979 | 78 | 52,358 |
| Administrative charges and charges for third parties | 19 | 223,474 | 49 | 4,125 | 79 | 227,599 |
| Holding costs | 20 | 0 | 50 | 0 | 80 | 0 |
| Total | 21 | 462,309 | 51 | 34,063 | 81 | 496,372 |

III: Average number of staff

| | Number | |
|--------------------|--------|--------------|
| Managers | 91 | 266 |
| Employees | 92 | 1,669 |
| Salaried | 93 | 0 |
| Others | 94 | 15 |
| Total | 95 | 1,950 |

IV: Administrators and auditors

| | Number | Wages due | | |
|----------------------|--------|-----------|----|-------|
| Administrators | 96 | 13 | 98 | 4,013 |
| Auditors | 97 | 3 | 99 | 350 |

Securities and urban

real estate

**on which revaluation
have been**

Securities on which revaluations have been carried out (Art. 10 of Law 19/3/1983 n. 72)

(values in euro)

| Name | Entered value 2016 | Monetary revaluations | Other revaluations |
|-------------------------------|----------------------|-----------------------|--------------------|
| ASEGURADORA GENERAL SA | 1,168,742 | 25,578 | - |
| GENERALI (SCHWEIZ) HOLDING AG | 611,395,858 | 85,639 | - |
| GENERALI FRANCE | 529,486,198 | 110,443 | 502,204 |
| Total | 1,142,050,797 | 221,660 | 502,204 |

Urban real estate on which revaluations have been carried out

| Place ITALY | Total book values at 31/12/2016 ^(*) | (Art. 10 of Law 19/3/83 n. 72) | |
|---------------------|---|--------------------------------|-----------------------|
| | | Monetary revaluations | Other revaluations |
| BARLETTA | 266,082 | 11,517.00 | 366,050 |
| BOLOGNA | 3,285,281 | - | 4,499,215 |
| BUSTO ARSIZIO | 277,110 | 23,756.00 | 464,515 |
| CALTAGIRONE | 89,275 | - | 65,067 |
| CALTANISSETTA | 99,012 | 6,881.00 | 122,469 |
| CASALECCHIO DI RENO | 188,043 | 13,189.00 | 174,214 |
| CASORIA | 128,639 | 9,086.00 | 235,396 |
| CATANIA | 256,072 | - | 58,172 |
| CATANZARO | 306,922 | - | 387,942 |
| CORSICO | 247,382 | 22,746.00 | 488,864 |
| FABRIANO | 1,811,731 | - | 1,529,568 |
| FERMO | 217,872 | - | 296,271 |
| FIGLINE VALDARNO | 306,811 | 17,552.00 | 594,504 |
| FOGGIA | 1,197,455 | 930.00 | 2,237,135 |
| FOLIGNO | 941,368 | 16,828.00 | 591,561 |
| FUCECCHIO | 198,098 | - | 267,018 |
| LATINA | 326,607 | 26,004.00 | 363,491 |
| MATERA | 201,424 | 10,770.00 | 293,961 |
| MELEGNANO | 294,550 | 22,450.00 | 450,438 |
| MONSELICE | 257,335 | 19,291.00 | 274,227 |
| MUGGIA | 721,719 | - | - |
| PADUA | 16,511,563 | 308,881.00 | 13,805,894 |
| PERUGIA | 79,262 | - | 111,393 |
| PESCARA | 732,364 | - | 1,123,300 |
| PISTOIA | 1,307,490 | - | 1,145,810 |
| RAGUSA | 356,829 | - | 274,118 |
| REGGIO DI CALABRIA | 405,897 | - | 391,385 |
| REGGIO NELL'EMILIA | 1,375,515 | - | 2,727,637 |
| ROMA | 52,588,922 | - | 39,588,421 |
| SARZANA | 148,437 | 7,006.00 | 218,351 |
| SASSARI | 128,638 | 18,722.00 | 155,838 |
| SERIATE | 89,152 | - | 141,501 |
| SIGNA | 217,701 | 14,689.00 | 327,729 |

*

total book value includes as amount of Euro 1.696.197
for work in progress

| Place ITALY | Total book values at 31/12/2016 ⁽¹⁾ | (Art. 10 of Law 19/3/83 n. 72) | |
|--------------------|---|--------------------------------|-----------------------|
| | | Monetary revaluations | Other revaluations |
| TARANTO | 148,450 | 25,055.00 | 83,778 |
| TERRACINA | 148,444 | 13,773.00 | 218,641 |
| TRAPANI | 118,846 | - | 79,562 |
| TREVIGLIO | 217,784 | 9,936.00 | 326,621 |
| TRIESTE | 2,884,810 | - | 4,696,432 |
| VENICE | 1,147,964 | 50,109.00 | 1,031,994 |
| VERONA | 2,195,285 | - | 2,413,108 |
| VOLTERRA | 148,528 | - | 144,443 |
| TOTAL ITALY | 92,570,665 | 649,171 | 82,766,033 |

Urban real estate on which revaluations have been carried out

| Place FOREIGN COUNTRY | Total book values at 31/12/2016 | (Art. 10 Legge 19/3/83 n. 72) | |
|--------------------------|--|-------------------------------|---------------------------|
| | | Monetary revaluations | Voluntary Revaluations |
| GREAT BRITAIN - LONDON | 565,074 | - | 670,973 |
| FRANCE - PARIS | 1,810,667 | - | 75,567 |
| MAROCCO - CASABLANCA | 993,358 | 232,929 | 676,022 |
| EGYPT - CAIRO | 2,722,303 | 64,328 | 11,757,511 |
| LEBANON - BEIRUT | 9,383,020 | 12,865 | 5,281,190 |
| TOTAL ABROAD | 15,474,422 | 310,123 | 18,461,262 |

SUMMARY (in euro)

| | | | |
|----------------------------|--------------------|----------------|--------------------|
| BUILDINGS IN CITIES ITALY | 92,570,665 | 649,171 | 82,766,033 |
| BUILDINGS IN CITIES ABROAD | 15,474,422 | 310,123 | 18,461,262 |
| GRAND TOTAL | 108,045,087 | 959,294 | 101,227,295 |





Attestation of the Financial Statements

persuant to the provisions of Article 154-bis
of Legislative Decree 58 of February, 1998
and Consob regulations 11971 of May 14, 1999

Attestation of the financial statements pursuant to the provisions of art. 154-bis, paragraph 5, of legislative decree 58 of february 24, 1998 and art. 81-ter of consob regulation no. 11971 of 14 may 1999 and following amendments and integrations

1. The undersigned, Philippe Donnet, in his capacity as Managing Director and Group CEO, and Luigi Lubelli, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A. and Group CFO, having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree No. 58 dated 24 February 1998, hereby certify:
 - the adequacy in relation to the characteristics of the Company and
 - the effective implementationof the administrative and accounting procedures for the preparation of the financial statements over the course of the period from 1 January to 31 December 2016.
2. The adequacy of the administrative and accounting procedures in place for preparing the financial statements as at 31 December 2016 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.
3. The undersigned further confirm that:
 - 3.1 the financial statements as at 31 December 2016:
 - a) are prepared in compliance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with the provisions of the Italian Civil Code, of Legislative Decree No. 173 of 26 May 1997, of Legislative Decree No. 209 of 7 September 2005 and with applicable provisions, regulations and circular letters issued by ISVAP (now IVASS);
 - b) correspond to the related books and accounting records;
 - c) provide a true and fair representation of the financial position of the issuer;
 - 3.2 the management report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertain situations to which it is exposed.

Milan, 15 marzo 2017

Philippe Donnet
Managing Director and Group CEO

Luigi Lubelli
*Manager in charge of preparing
the Company's financial reports and Group CFO*

ASSICURAZIONI GENERALI S.p.A.

ASSICURAZIONI GENERALI S.p.A.







Board of

Auditors'

Report

Statutory Auditors' Report to the General Meeting of Assicurazioni Generali S.p.A. called to approve the Financial Statements as at 31 December 2016 pursuant to s. 153 of Legislative Decree 58/1998

Dear Shareholders,

in compliance with s. 153 of Legislative Decree no. 58 of 24 February 1998 (CFBA) and the indications contained in Consob notice no. 1025564 of 6 April 2001, as amended, and having regard to the code of conduct recommended by the National Accountants' and Bookkeepers' Council, the Board of Statutory Auditors of Assicurazioni Generali S.p.A. reports on the supervisory activities conducted during the 2016 financial year.

1. Activities of the Board of Statutory Auditors during the financial year ending on 31 December 2016 (*point 10 of Consob Notice no. 1025564/01*)

The Board of Statutory Auditors (BSA) performed the activities for which it is responsible during the 2016 financial year by holding 35 meetings, with an average duration of about two hours thirty minutes.

The BSA also:

- attended the 16 meetings of the Board of Directors (BoD);
- attended the 13 meetings of the Risk and Control Committee (RCC);
- attended the 4 meetings of the Related-Party Transactions Committee (RPTC) (formerly the Related-Party Transactions Sub-Committee (RPTSC));
- attended, in the person of its Chairman or another statutory auditor, the 4 meetings of the Remuneration Committee (RemCom) and the 6 meetings of the Appointments and Remuneration Committee (ARC), set up in May 2016, with specific reference to subjects involving remuneration;
- attended, in the person of its Chairman or another statutory auditor, the 10 meetings of the Investment Committee (InvCom).
-

In addition to the above activities, in the course of its activity plan, the Board of Statutory Auditors, among other things:

- obtained a report on the proceedings of the Appointments and Corporate Governance Committee (replaced, from May 2016, by two committees, the Corporate Governance and Social and Environmental Sustainability Committee (CGS) and the Appointments and Remuneration Committee (ARC)), which met 5 times in the first 4 months of the year, until its replacement;
- held meetings with, and obtained information from

the Group Audit Manager, the Group Compliance Manager, the Risk Management Manager, the Group Actuarial Manager, the Group Financial Crime Manager, the Manager in Charge of Preparation of the Company's Financial Reports, Group General Counsel and the Corporate Affairs Manager, and the managers of the Company's functions affected by the supervisory activities of the BSA at various times;

- met members of the Surveillance Body instituted pursuant to Legislative Decree no. 231/2001 for a useful exchange of information;
- pursuant to ss. 151.1 and s.151.2 of the CFBA, held meetings and exchanged information with the supervisory bodies of the main subsidiaries (Generali Italia S.p.A., Generali Investment Europe S.p.A., Banca Generali S.p.A., Generali France Assurances and Generali Deutschland Holding AG);
- in the course of the statutory dealings between the Board of Statutory Auditors and the External Auditors, held periodic meetings with the external auditors EY S.p.A., at which data and information relevant to the performance of their respective duties were exchanged.

2. Transactions having a significant impact on the economic, financial and assets position. Other noteworthy events (*point 1 of Consob Notice no. 1025564/01*)

The BSA monitored compliance by the Company with the legislation and the Articles of Association and observance of the principles of correct administration, with special reference to transactions having a significant impact on the economic, financial and assets position, by regularly attending meetings of the Board of Directors and examining the documentation supplied.

In this context, the BSA received information from the Managing Director and the Board of Directors about the activities performed and transactions with a significant impact on the economic, financial and assets position conducted by the Company, including through directly or indirectly controlled companies.

On the basis of the information provided, the BSA reasonably concluded that the said transactions can be deemed to comply with the legislation, the Articles of Association and principles of sound management, and that they do not appear to be manifestly imprudent, rash or in conflict with the resolutions passed by the General Meeting, or such as to prejudice the integrity of the Company's assets.

In particular, the BSA was informed about transactions in which Directors declared an interest, on their own account or on behalf of third parties, and has no comments to make about the compliance of the corresponding resolutions with the legislation and regulations.

The most significant events involving the Company and the Group in 2016 are also reported on in the Directors' Report and the Integrated Annual Report. They include the following events.

- On 26 January 2016, Group CEO Mario Greco announced that he was not available to serve a further term of office as Managing Director. On 9 February 2016 the Board of Directors approved the termination by mutual consent of Mario Greco's contract with the Company.
- In March 2016 IVASS (the Insurance Companies Supervision Institute), following an application for authorisation submitted by Assicurazioni Generali S.p.A., authorised the use, as from 1 January 2016, of a partial internal model for the calculation of the consolidated Group Solvency Capital Requirement and the Solvency Capital Requirements of its main Italian and German insurance companies, the French non-life companies and Czech company Ceska Pojistovna, a.s.
- On 17 March 2016, the Board of Directors co-opted Philippe Donnet, granting him executive powers and appointing him Group CEO. The Board of Directors also appointed Group CFO Alberto Minali as the Company's General Manager.
- On 22 April 2016 the Company increased the share capital to € 1,559,883,538, by way of implementation of the Long-Term Incentive Plan approved by the General Meeting on 30 April 2013.
- On 28 April 2016 the General Meeting elected the new Board of Directors, to hold office for three financial years, until the approval of the financial statements as at 31 December 2018. The Board of Directors also appointed, for the three-year period 2016-2018, Gabriele Galateri di Genola as Company Chairman, Francesco Gaetano Caltagirone and Clemente Rebecchini as Vice-Chairmen, and Philippe Donnet as Managing Director and Group CEO.
- In May 2016 Generali issued a subordinated bond amounting to a total of € 850 million, aimed at institutional investors. The issue, which concluded on 8 June 2016, is designed to refinance the subordinated debt.
- In June 2016, subsidiary Generali Finance B.V. exercised an early repayment option on two subordinated bonds, for € 1,275 million and £ 700 million.
- On 28 November 2016 the Board of Directors examined the voluntary Public Offer made by Banca Monte dei Paschi di Siena S.p.A. (BMPS) to purchase subordinated instruments issued or guaranteed by it, with the obligation for the proceeds to be reinvested in new BMPS shares. The Board of Directors approved the conversion, authorising the Group CEO to convert the Company's exposure to BMPS subordinated debt to which the offer relates to BMPS shares; however, the conversion operation did not reach a successful conclusion, as announced by Banca Monte dei Paschi di Siena S.p.A. on 22 December 2016.
- On 12 December 2016 the Board of Directors appointed as Country Manager for Italy Marco Sesana, who maintains his position as Managing Director of Generali Italia. The Board of Directors also appointed Timothy Ryan as the new Group Chief Investment Officer (CIO), with effect from 9 January 2017.

The most significant transactions performed after the year end included the following:

- On 23 January 2017 the Company purchased the voting rights to 505 million Intesa Sanpaolo shares, namely 3.01% of the share capital, by means of a stock loan.
- On 25 January 2017 the Board of Directors resolved to terminate the contract of employment of General Manager and Group CFO Alberto Minali, with effect from 31 January 2017, with an agreement drawn up in accordance with the Group's remuneration policies. Also on 25 January 2017, the Board of Directors appointed Luigi Lubelli (previously Group Head of Corporate Finance) as Group CFO and Manager in Charge of Preparation of the Company's Financial Reports. Luigi Lubelli also became a member of the Group Management Committee (GMC). As a result of these decisions, all the first-level company functions that reported to the General Manager and Group CFO were required to report directly to the Group CEO (for further details, see paragraph 4 "*Organisational structure of the Company and the Group*").
- Also on 25 January 2017, the Board of Directors resolved to grant the Investment Committee responsibilities relating to examination of strategic operations. As from that date, therefore, the Investment Committee's name changed to "*Investment and Strategic Operations Committee*", and its composition partly changed.

- On 8 February 2017 subsidiary Generali Finance B.V. exercised the option of early repayment of the perpetual subordinated bond issued by it on 8 February 2007. Refinancing of the subordinated debt has already been completed, with the subordinated bond issue that concluded on 8 June 2016 for a total of € 850 million, aimed at institutional investors.
- On 17 February 2017 the Company purchased 510 million ordinary shares of Intesa Sanpaolo S.p.A., namely 3.04% of its share capital, and began the procedure for terminating the said stock loan. At the same time, Generali performed a transaction in collateralised derivative instruments to hedge the whole of the economic risk associated with the purchase of the said shares.

As regards the ongoing litigation relating to former company executives Giovanni Perissinotto and Raffaele Agrusti, the Board of Statutory Auditors has received periodic updates on the progress of the proceedings at meetings of the Board of Directors.

3. Related-party and intercompany transactions. Atypical and/or unusual transactions (*points 2 and 3 of Consob Notice no. 1025564/01*)

The Company has “*Related-Party Transaction Procedures*” (“*RPT Procedures*”), adopted in compliance with Consob Regulation 17221/2010, as amended, and s. 2391-*bis* of the Civil Code, which are also applicable to transactions performed by subsidiaries.

These procedures underwent a first update in December 2013 and a new update on 17 March 2016, as illustrated below.

In 2015 the Board of Statutory Auditors, as part of its supervisory and monitoring activities, requested the conduct of an in-depth study of the RPT Procedures and controls for identification and management of related-party transactions in the Generali Group. The Company therefore conducted the required analyses, which concluded in the early months of 2016, with the aid of the Group Audit Function, which in turn obtained assistance from an external legal adviser.

The external legal adviser expressed the opinion that the procedural structure complied on the whole with the applicable legislation, and was in line with the best practices found on the market. However, some suggestions were made by the legal adviser, with a view to further refinement of the procedures.

The Group Compliance Function, having examined the suggestions made by the legal adviser and the Group Audit Function, drew up a proposal for amendment of the RPT Procedures and the internal operating regulation of the RPT Sub-Committee, as it was then called. The said proposals were approved by the RPT Sub-Committee on 9 March 2016, after consulting the Board of Statutory Auditors, and then submitted to and approved by the Board of Directors on 17 March 2016.

The Group Audit Function in turn expressed an overall assessment of adequacy of the organisational structure and architecture of the main phases of related-party transaction management process, formulating some suggestions for continuous improvement of processes, and a concrete plan of management actions was agreed on the basis of the said suggestions.

In 2016, the BSA regularly monitored the actual implementation of the said management plan, receiving periodic updates from the Group Audit Function. All the measures specified in the action plan were completed by February 2017, apart from a single planned measure currently being finalised.

In the last financial year the Board of Statutory Auditors also requested the Group Audit Function to include, among the activities for the first half-year of the 2017 Plan, a specific audit of specific aspects of the concrete operation of the RPT Procedures in the parent company and its subsidiaries, including the operation of the Related-Party Transactions Committee and compliance of the preliminary activities performed by the internal functions in support of the said Committee with the Company's procedures.

This activity was added to the Audit Plan, and duly commenced; it will be monitored by the BSA in the ambit of the periodic updates planned with the Group Audit Function.

Finally, the Related-Party Transactions Committee requested an external adviser to analyse some questions relating to relations between the Related-Party Transactions Committee and the other Board Committees; this activity indicated the advisability of a refinement to the RPT Procedures and the Regulation of the Board of Directors and the Board Committees to ensure better interaction between the various Board Committees and a complete flow of information to the Related-Party Transactions Committee. The new text of the RPT Procedures, incorporating the refinements suggested by the external adviser, was approved by the Board of Directors on 15 February 2017, after obtaining a favourable opinion from the Related-Party Transactions Committee. On the same date, the Board of Directors also approved the corre-

sponding amendments to the Regulation of the Board of Directors and the Board Committees.

In view of the factors set out above, the Board of Statutory Auditors concludes that the Company's RPT Procedures comply with Consob Regulation 17221/2010, as amended.

The annual Financial Report illustrates the economic and asset-related effects of the related-party transactions, and describes the most significant relationships.

No operations classified as major transactions pursuant to the above-mentioned Procedures were submitted for the attention of the Related-Party Transactions Committee during the 2016 financial year, nor were any urgent related-party transactions performed.

With regard to intercompany transactions during the year, the supervisory activities of the BSA indicate that they were performed in accordance with the annual guidelines approved by the Board of Directors, as required by ISVAP Regulation no. 25 of 27 May 2008, and subsequently by IVASS Regulation no. 30 of 26 October 2016. The main intercompany activities, with payment at market prices or at cost, refer to operations conducted in relation to reinsurance and coinsurance agreements, administration and management of securities and real estate, claims management and settlement, IT and administrative services, loans and guarantees, and personnel loans. The said services allowed the rationalisation of the operational functions and a better level of services.

The BSA also concluded that the information provided by the Board of Directors in the draft financial statements relating to intercompany and related-party transactions was adequate.

As far as we are aware, no atypical and/or unusual transactions were conducted.

4. Organisational structure of the Company and the Group (*point 12 of Consob Notice no. 1025564/01*)

The organisational structure of the Company and the Group and its developments are described in detail in the Corporate Governance and Share Ownership Report. The Group's organisational structure is confirmed in its Functions, with a matrix model of Business Units and Group Head Office (GHO) Functions; the latter act as strategic policy, guidance and coordination structures for the business units.

The organisational governance is ensured by integration and coordination mechanisms between the Business Units and the Group Head Office functions, represented by:

- the Group Management Committee (GMC), namely the group of top management executives which discusses the main strategic decisions;
- the Quarterly Business Review processes, whereby local businesses establish their objectives in line with the global strategy;
- three main cross-functional committees that support the Group CEO in guiding the Group's strategic decisions: the Balance Sheet Committee, Finance Committee and Product & Underwriting Committee;
- the Functional Guidelines and Functional Councils, through which functional coordination is implemented at global level;
- a matrix system of reporting lines.

Some organisational changes in the organisational structure of Group Head Office and the Group Management Committee took place in 2016, as described in the Corporate Governance and Share Ownership Report. The main changes included the following:

- in March 2016, the Board of Directors appointed Philippe Donnet as Group CEO and Alberto Minali as General Manager and Group CFO, also approving the consequent updates to the Group's organisational structure. In particular, the Board of Directors granted all powers and responsibilities for the management of the Company and the Group to the new Group CEO. The General Manager and Group CFO was granted powers in the Strategy & Business Development, Insurance & Reinsurance, Finance Operations, Marketing and Data areas, to be exercised in accordance with the guidelines established by the Board of Directors and the Group CEO;
- in May 2016, a new position called CEO Global Business Lines & International was instituted, to which Frédéric de Courtois was appointed;
- the Group Insurance and Reinsurance Function was renamed Group Chief Insurance Office, managed by Valter Trevisani, who became a member of the Group Management Committee;
- with effect from 1 December 2017, the Board of Directors appointed as Country Manager for Italy Marco Sesana (who maintains his position as Managing Director and General Manager of Generali Italia). Marco Sesana also became a member of the Group Management Committee;

- with effect from 9 January 2017, the Board of Directors appointed Timothy Ryan as new Group Chief Investment Officer, and he also became a member of the Group Management Committee.

Further organisational changes were made during the early months of the 2017 financial year, including the following:

- at the end of January 2017, Alberto Minali left the Group as a result of the decision taken by the Board on 25 January 2017 to terminate the contract of employment of the General Manager and Group CFO. The office of General Manager specified in the Articles of Association was left vacant for the time being. As a result of those decisions, all the first-level company functions that reported to the General Manager were required to report directly to the Group CEO;
- on 25 January 2017 Luigi Lubelli was appointed Group Chief Financial Officer, and became a member of the Group Management Committee in that capacity;
- the review and reinforcement of the Group Head Office functions was completed;
- the Group Compliance Function commenced its resource strengthening programme, which is due to be completed by the end of the 2017 financial year.

The Board of Statutory Auditors, by obtaining information from the managers of the relevant company functions, monitored the adequacy of the overall organisational structure of the Company and the Group as well as the adequacy of the instructions issued by the Company to its subsidiaries pursuant to s. 114.2 of the CFBA, to rapidly obtain the information required to meet the statutory communication obligations

From examination of the reports of the supervisory bodies of the subsidiaries, and/or the information sent by them to the BSA following specific requests, no information emerged that requires inclusion in this report.

5. Internal Control and Risk Management System, administrative accounting system and financial reporting process (*points 13 and 14 of Consob Notice no. 1025564/01*)

5.1. Internal Control and Risk Management System

The main characteristics of the internal control and risk

management system are described in the Corporate Governance and Share Ownership Report.

The Company has an internal regulatory system applicable to the whole Group, called the Generali Internal Regulation System (GIRS). That system is structured on three levels:

- Group Policy, approved by the Board of Directors;
- Group Guidelines, approved by the Group CEO or the managers of the Control Functions;
- Group Operating Procedures, approved by the relevant functions of Group Head Office.

The company functions operate in accordance with an organisational model based on three levels of control:

- the managers of the operational areas (risk owners);
- the functions of the second level of control, in particular Group Risk Management, Group Compliance and the Group Actuarial Function;
- Group Audit.

The Group CEO also holds the position of director responsible for the internal control and risk management system.

The Company monitored legislative developments during the year, activated compliance checking plans and continued its ongoing reinforcement of the procedural structure, as described in the parent company's Risk Report and Financial Statements. The internal control and risk management system policies are also adopted by the main subsidiaries, having regard to the specific legislation in each country in which the Group operates, and any special features of the business. These policies are continuously updated.

As regards risk assessment, including prospective risks, in accordance with Regulation 20/2008 and the IVASS Letter to the Market of 15 April 2014, and with the "ORSA (Own Risk Solvency Assessment) Policy" approved by the Company as an integral part of the Risk Management Policy, the Group ORSA Report as at 31 December 2015 was submitted to IVASS in June 2016. The "Main Risk Self-Assessment" process, designed to identify the main risks with a view to establishing the major impacts in terms of the Group's profits, liquidity profile and capital position deriving from each scenario, was also adopted by the Risk Management Function. That process is continuously developing, and the project involving integration of operational risks into the said process was commenced (*inter alia*) in 2016.

On 7 March 2016, IVASS authorised the use of the "Partial Internal Model" for the calculation of the Solvency Capital Requirement of the Group and its main Italian

and German insurance companies, the French non-life insurance company and Czech company Ceska Pojistovna A.s. In October 2016, the Company submitted an application to the Board of Regulators to make some amendments to the said Internal Model, to take effect from 31 December 2016, and to extend the Internal Model to French life insurance company Generali Vie. By resolution dated 28 February 2017, IVASS authorised, with effect from 31 December 2016, the extension of the sphere of application of the Group Internal Model to Generali Vie, and the calculation of its Solvency Capital Requirement, and substantial amendments to the Partial Internal Model used to calculate the consolidated Group Solvency Capital Requirement and the Solvency Capital Requirements of the insurance and reinsurance companies already included in the sphere of application of the Internal Model.

The implementation of the Remediation Plan agreed with IVASS during the preliminary process regarding the said application is proceeding as planned by the Group Risk Management Function. This implementation is monitored by the Risk and Control Committee and the Board of Directors; the Board of Statutory Auditors in turn has received regular updates on the matter as a result of its attendance at meetings of the Risk and Control Committee and the Board of Directors.

The Company recently sent the Remediation Plan to IVASS, updated with some further actions, as a result of the request for additional documentation sent by the Regulator in December 2016, following the analyses conducted by the Board of Regulators during the year.

In that context of constant development and reinforcement of controls, in accordance with the applicable industry regulations, the Board of Statutory Auditors has constantly monitored the adequacy of the internal control and risk management system of the Company and its Group. In particular, the BSA:

- i) took note of the favourable opinion of the adequacy of the internal control and risk management system issued by the Board of Directors after consulting the Risk and Control Committee;
- ii) examined the summary document regarding the assessment of the adequacy and efficacy of the internal control and risk management system drawn up by the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions;
- iii) obtained information about the development of the corresponding organisational structures and the activities performed by the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions, partly by attendance at the meetings of

the Risk and Control Committee and discussions with the managers concerned;

- iv) examined the reports on the activities of the Group Compliance, Group Risk Management and Group Actuarial Functions submitted to the Risk and Control Committee and the Board of Directors;
- v) examined the half-yearly reports of the Group Audit Manager;
- vi) examined the Audit Plan drawn up by the Group Audit Function, which further developed methodological aspects of risk-based planning, and accepted some of the BSA's suggestions on the subject;
- vii) observed that the Audit Plan approved by the Board of Directors had been complied with, and received information about the audit results;
- viii) obtained information about the activities of the Surveillance Body instituted by the Company in compliance with Legislative Decree no. 231/2001, by means of specific reports and update meetings regarding the activities performed by it;
- ix) obtained information from the managers of the respective company functions;
- x) exchanged information with the supervisory bodies of the subsidiaries, as required by ss. 151.1 and 151.2 of the CFBA;
- xi) obtained information about the development of the Group's regulatory system, in particular the Company's structure of policies, regulations, guidelines and procedures designed to ensure compliance with the specific regulations by the insurance industry and listed companies (including, on the subject of market abuse, management of privileged information, internal dealing and related-party transactions).

As regards the latter aspect, in July 2016 the Board of Directors approved the "Group Policy Control Framework" which is designed, among other things, to monitor the Group Policy implementation process at local level.

In the course of its supervisory activities relating to the internal control and risk management system, the BSA, since first taking office, has always paid particular attention to the aspects of compliance with the anti-money laundering legislation.

The BSA, in liaison with the statutory audit committees of the subsidiaries concerned, has constantly monitored the actual implementation of the action plan adopted by the Company in this respect and submitted by it to the Regulator, in relation to the issues that emerged in earlier years, which were illustrated in the reports issued pursuant to s. 153 of the CFBA for the

2014 and 2015 financial years. This plan involved a broader scope of action relating to anti-money laundering and anti-terrorism measures, including the adoption of a new Group Policy ("Group Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF) Policy") and the consequent activities required for its concrete implementation in each company belonging to the Group, having regard to the different and diversified legislative situations.

When the plan had been substantially completed, the Group Compliance Officer confirmed that the procedures approved by the local companies were fully in line with the terms of the Group Anti-Money Laundering Policy, and also stated that the procedures adopted adequately monitor the risk, while taking account of some formal refinements which are still in progress. As regards Italy, which forms the subject of a specific programme of measures, the Board of Statutory Auditors of Generali Italia S.p.A. confirmed that such plan has also been substantially completed.

In 2016, the Group Compliance Function also coordinated the definition of the key controls in the process of management of insurance intermediaries designed to mitigate the risks correlated with anti-money laundering and counter-terrorism financing (having regard to the Fourth European Directive, which comes into force in 2017), and the international sanctions and related-party transactions.

Having regard to the summary document submitted to the Risk and Control Committee and the Board of Directors by the managers of the Control Functions and the IT management, the Company planned dedicated projects relating to IT subjects with a view to gradual strengthening of the related controls.

The Control Functions also found variations in some cases in the actual timing of implementation and the dates initially scheduled for completion of the action plans at the end of the audit activities. The Risk and Control Committee and the Board of Directors agreed on the importance of drawing the management's attention to the need for action plans to be completed by the scheduled dates, and informing those bodies of the reasons for any delays and rescheduling of the corresponding deadlines.

The said actions and projects will be implemented by the Director in charge of the internal control and risk management system, and regularly monitored by the Board of Statutory Auditors.

In the light of all the above information and having regard to the above-mentioned areas requiring attention, no factors emerged from the analyses conducted or the information obtained that could lead this BSA to consider the Company's internal control and risk management system as not adequate as a whole.

In any event, in view of the evolutionary nature of any internal control system, the Company has already planned specific updates for 2017, as part of the process of ongoing improvement of the efficacy of the system pursued by it.

In particular, during the current year, the Board of Directors and the Risk and Control Committee have already begun actions involving further reinforcement of the internal control system to take account of the new requirements which will become applicable pursuant to the European money-laundering, data protection, insurance distribution and Packaged Retail Investment-based Insurance Products (PRIIPS) legislation.

5.2. Administrative accounting system and financial reporting process.

As regards the administrative accounting system and the financial reporting process, the Board of Statutory Auditors monitored (*inter alia*) the Company's activities designed to assess their adequacy continuously.

This objective was pursued by the Company by adopting a "financial reporting model" consisting of a set of principles, rules and procedures designed to guarantee an adequate administrative and accounting system.

The Corporate Governance and Share Ownership Report describes the main characteristics of the model, as defined by the Manager in Charge of Preparation of the Company's Financial Reports, who is supported by the Financial Reporting Risk structure.

No significant deficiencies in the internal control system relating to the financial reporting process emerged from the report issued by the External Auditors pursuant to s. 19.3 of Legislative Decree 39/2010. That report was discussed and analysed at information exchanges between the Board of Statutory Auditors and the External Auditors.

In September 2016, consistently with the evolution of the applicable legislation, the Company decided to modify its quarterly financial reporting, as from the third quarter of 2016, by producing a more concise representation of its business, focusing on relevant information.

6. Other activities performed by the Board of Statutory Auditors

In addition to the matters described above, the Board of Statutory Auditors performed further specific periodic checks in accordance with the statutory and regulatory provisions applicable to the insurance industry.

In particular the BSA, partly by attending meetings of the Risk and Control Committee:

- monitored compliance with the investment policy guidelines resolved on, following the issue of ISVAP Regulation no. 36 of 31 January 2011, by the Board of Directors on 13 May 2011, and updated in 2012, 2013, 2014, 2015 and finally in September 2016, after IVASS Regulation no. 24 of 6 June 2016 came into force;
- checked transactions in derivative financial instruments in accordance with the guidelines and limitations issued by the Board of Directors, and checked that the Company had duly submitted periodic communications to IVASS;
- analysed the administrative procedures adopted for handling, safekeeping and accounting of financial instruments, checking the instructions issued to depositaries regarding periodic despatch of statements of account with suitable indications of any encumbrances;
- checked that the assets destined for covering the technical reserves were free of encumbrances and fully available;
- checked on correspondence with the register of assets destined to cover the technical reserves.

In the Notes to the Financial Statements, the Company supplied a report on share-based payment agreements, in particular the incentive plans based on equity instruments allocated by the parent company and other companies belonging to the Group.

7. Organisational and management model pursuant to Legislative Decree no. 231/2001

The Board of Statutory Auditors has perused and obtained information about the organisational and procedural activities conducted pursuant to Legislative Decree 231/2001, as amended, regarding the administrative liability of organisations. The main aspects connected with the organisational and procedural activities conducted by the Company pursuant to Legislative Decree 231/2001

are illustrated in the “*Corporate Governance and Share Ownership Report*”.

No noteworthy facts and/or circumstances emerged from the information communicated by the Surveillance Body regarding the activities performed.

8. Ratification of the Corporate Governance Code, Composition of the Board of Directors, and remuneration (point 17 of Consob Notice no. 1025564/01)

The Company adheres to the Corporate Governance Code issued by the Corporate Governance Committee promoted by Borsa Italiana S.p.A.. This BSA has evaluated the procedures for concrete implementation of the Code in question, with reference to the principles and application criteria, and has no observations to make.

The Board of Statutory Auditors notes that the Board of Directors has evaluated the operation, size and composition of the Board of Directors and the Board Committees, with the support of a leading firm of consultants.

The Board of Statutory Auditors has also checked on the correct application of the criteria and process initiated by the Board of Directors to assess the independence of directors classed as “independent”; it also established that its own independence requirements were met.

With reference to the aspects connected with evaluation process by the directors in establishing that directors meet the independence requirements, the activities commenced in 2015, following requests for analysis and action by this BSA, as illustrated in the report issued pursuant to s. 153 of the CFBA relating to the prior financial year, continued in 2016. In particular, the updated Regulation of the Board of Directors and the Board Committees, which introduced some innovations into the procedure for establishing whether directors meet the independence requirement as defined in the CFBA and the Corporate Governance Code, was approved on 15 June 2016.

In that context, bearing in mind that the Board of Directors conducts its own assessments of whether the independence requirement is met on the basis of all the information available to the Company from any source, specific supplementary declarations were defined, which were used upon the appointment of the new Board of Directors in April 2016, in order to obtain from Directors declaring themselves as independent precise, accurate information about the existence of any commercial, financial or professional relations, relations involving

self-employment, employment or other pecuniary or professional relations, which are relevant as defined in the Corporate Governance Code and the CFBA.

Specific quantitative criteria predefined to evaluate the significance of the said relations/dealings were also formalised in the Regulation of the Board of Directors and the Board Committees, in line with the best market practices and the recommendations set out in art. 3 of the Corporate Governance Code.

To provide the Board of Directors, after examination by the Corporate Governance and Social and Environmental Sustainability Committee, with the completest possible information in readiness for the independence assessments, the activities for the formulation of internal procedures and operational guidelines for the assessment process and the implementation of systematic procedures for the collection of relevant information, expressly requested by the Board of Statutory Auditors, continued in 2016.

In particular, the Corporate Affairs Function has drafted and is in the process of finalising an operating procedure designed to ensure, by means of formal processes, information flows from the various Company functions involved to the Board of Directors and the Corporate Governance and Social and Environmental Sustainability Committee. The said procedure also governs the procedures for delivery to the bodies responsible for independence assessments of relevant information already collected by the Company and the Group, even for other purposes, primarily those managed by the Group Compliance Function in the ambit of the RPT Procedures.

In addition, as requested by the BSA, the necessary amendments were also made to the Regulation of the Board of Directors and the Board Committees to enable it to attend meetings of the Corporate Governance and Social and Environmental Sustainability Committee, which performs preliminary activities in readiness for the independence assessment by the Board of Directors.

The BSA notes that the Board of Directors has adopted a specific top management succession policy and plan. The BSA has no comments to make about the consistency of the remuneration policy with the recommendations of the Corporate Governance Code and its compliance with ISVAP Regulation no. 39 of 9 June 2011.

Finally, the BSA notes that on 6 July 2016 the Board of Directors resolved to submit for approval by the next General Meeting, pursuant to s. 114-bis of the CFBA, a special share plan in favour of the Managing Director/ Group CEO.

9. External Auditors (*points 4, 7, 8 and 16 of Consob Notice no. 1025564/01*)

The firm EY S.p.A. was appointed as External Auditors to audit the financial statements of Assicurazioni Generali S.p.A. and the consolidated financial statements of the Group; during the 2016 financial year the said External Auditors checked that the Company's accounts were properly kept and transactions properly recorded in the books of account.

On 30 March 2017 the External Auditors issued the reports required by ss. 14 and 16 of Legislative Decree 39/2010 relating to the financial statements and the consolidated financial statements of the Group as at 31 December 2016. The said reports indicate that the financial statements were drawn up clearly, and truthfully and correctly represent the assets and financial situation, profit and cash flows for the year ending on that date, in accordance with the related standards and rules.

The Manager in Charge of Preparation of the Company's Financial Reports and the Managing Director and Group CEO issued the declarations and certifications required by s. 154-bis of the CFBA with reference to the financial statements and the consolidated financial statements of Assicurazioni Generali S.p.A. as at 31 December 2016.

The BSA monitored, within the terms of its remit, the general layout of the financial statements and the consolidated financial statements in accordance with the legislation and specific regulations governing drafting of insurance companies' financial statements. The BSA notes that the consolidated financial statements of the Assicurazioni Generali Group were drawn up in compliance with the IAS/IFRS International Accounting Standards issued by the IASB and approved by the European Union, in compliance with EU Regulation no. 1606 of 19 July 2002 and the CFBA, and Legislative Decree 209/2005 as amended. The consolidated financial statements were drawn up as required by ISVAP Regulation no. 7 of 13 July 2007 as amended, and contain the information required by Consob Notice no. 6064293 of 28 July 2006. The Notes to the Financial Statements illustrate the evaluation criteria used, and provide the information required by the applicable legislation.

The Management Report included in the draft financial statements of the parent company illustrates the business trend, indicating current and prospective developments, and the Group's development and reorganisation process.

The Board of Statutory Auditors also declares that it was consulted, together with the External Auditors, by the Risk and Control Committee in the course of the evaluations falling within that Committee's remit, together with the Manager in Charge of Preparation of the Company's Financial Reports, regarding the correct use of the accounting standards and the uniformity of their use for the purposes of preparing the consolidated financial statements.

On 30 March 2017, EY S.p.A. issued its report pursuant to s. 19.3 of Legislative Decree 39/2010. No issues which need to be drawn to your attention emerge from that report.

The BSA also held meetings with the managers of External Auditors EY S.p.A. pursuant (*inter alia*) to s. 150.3 of the CFBA, during which useful exchanges of data and information relevant to the performance of their respective tasks took place, and no noteworthy facts or situations emerged. In that context, in the ambit of the supervision referred to in s. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors also obtained information from EY S.p.A. regarding the planning of its auditing activities.

The BSA examined the further tasks/services commissioned from External Auditors EY S.p.A. and companies belonging to its network. Their fees are set out in detail in the Notes to the Financial Statements, to which the reader is referred.

Having regard to the declaration of confirmation of its independence issued by EY S.p.A. as required by s. 17.9 of Legislative Decree no. 39/2010, and the nature of the tasks commissioned from it and the companies belonging to its network by Assicurazioni Generali S.p.A. and the Group, no situations were found that prejudiced the independence of the External Auditors or any grounds for incompatibility pursuant to the applicable legislation.

During the 2016 financial year, in view of art. 5.4 of Regulation EU 537/2014, which will be applicable from the 2017 financial year, the BSA drew up a specific procedure for approval of the commissioning of non-auditing services allowed by the legislation to the External Auditors and companies belonging to its network. As requested by the BSA, on 1 January 2017 the Company adopted the specific "Guideline for the assignment of non-audit services to auditors".

10. Opinions issued by the Board of Statutory Auditors during the financial year (*point 9 of Consob Notice no. 1025564/01*)

During the year, the Board of Statutory Auditors also issued the opinions, comments and certifications required by the applicable legislation.

In particular, the Board of Statutory Auditors expressed a favourable opinion, pursuant to s. 2386.1 of the Civil Code, of the appointment by co-opting of Philippe Donnet at the meeting of the Board of Directors held on 17 March, having examined the process followed in this respect by the Company and its Committees. On that occasion, it also issued a favourable opinion of the proposed resolution pursuant to s. 2389 of the Civil Code regarding the remuneration of the new Managing Director/Group CEO.

On the same occasion, the BSA also issued a favourable opinion of the resolution to increase the share capital for the purposes of the 2013 LTI Plan.

Again in the first few months of 2016, the BSA expressed a favourable opinion of the remuneration of the Group Audit Manager (meeting of 2015 targets and setting of 2016 targets) and the Audit Plan for 2016.

In May 2016, after the renewal of the Board of Directors for the three-year period 2016-2018 resolved on by the General Meeting on 28 April 2016, the Board of Statutory Auditors expressed a favourable opinion of the proposed remuneration of the Chairman of the Board of Directors and the proposed fee payable to members of the Board Committees. In July 2016 it also expressed a favourable opinion of the Group CEO's remuneration.

During the 2016 financial year the BSA also regularly commented on the Half-Year Reports on complaints prepared by the Group Audit Manager in accordance with ISVAP Regulation no. 24 of 19 May 2008, as amended. The reports did not highlight any particular problems or organisational deficiencies. The BSA also checked that the Company sent the reports and associated comments by the BSA promptly to IVASS.

With reference to the first few months of 2017, at the meeting of the Board of Directors held on 25 January 2017, the Board of Statutory Auditors expressed, pursuant to s. 154-*bis*.1 of the CFBA and art. 40.2 of the Company's Articles of Association, a favourable opinion of the proposed appointment of Luigi Lubelli as new Manager in Charge of Preparation of the Company's Financial Reports.

At the meeting of the Board of Directors held on 15 February 2017, the Board of Statutory Auditors expressed a favourable opinion of the remuneration of the Group Audit Manager (meeting of 2016 targets and setting of 2017 targets) and the Audit Plan for 2017.

11. Complaints pursuant to s. 2408 of the Civil Code. Omissions, reprehensible actions or irregularities found *(points 5, 6 and 18 of Consob Notice no. 1025564/01)*

The Board of Statutory Auditors received no complaints during the 2016 financial year apart from the three complaints received in the first quarter of the year, already illustrated in the Report issued pursuant to s. 153 of CFBA by this BSA on 4 April 2016, in preparation for the General Meeting held on 28 April 2016.

No complaints pursuant to s. 2408 of the Civil Code were received in the first few months of the 2017 financial year. No reprehensible actions, omissions or irregularities requiring reports to the Regulators emerged from the supervisory activities performed.

On the basis of all the factors set out in this Report, the Board of Statutory Auditors finds no reason to object to the approval of the financial statements of Assicurazioni Generali S.p.A. for the financial year ending on 31 December 2016, as submitted to you by the Board of Directors, and expresses a favourable opinion of the proposed dividend distribution, partly funded by the profit for the year and partly from the special reserve formed by the profits of the preceding years.

Trieste, 31 March 2017

Board of Statutory Auditors

Carolyn Dittmeier, Chair
Lorenzo Pozza
Antonia Di Bella





Independent Auditor's

Report

**Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
and with article 102 of Legislative Decree n. 209, dated 7 September 2005**

(Translation from the original Italian text)

To the Shareholders of
Assicurazioni Generali S.p.A.

Report on the financial statements

We have audited the accompanying financial statements of Assicurazioni Generali S.p.A. which comprise the balance sheet as at December 31, 2016, the income statement for the year then ended, and the related explanatory notes.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with Italian regulations governing financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Assicurazioni Generali S.p.A. as at December 31, 2016, and of its financial performance for the year then ended, in accordance with Italian regulations governing financial statements.

Report on other legal and regulatory requirements

Opinion on the consistency of the Management Report and of specific information of the Report on Corporate Governance and Share Ownership with the financial statements

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion, as required by law, on the consistency of the Management Report and of specific information of the Report on Corporate Governance and Share Ownership, as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58/1998, with the financial statements. The Directors of Assicurazioni Generali S.p.A. are responsible for the preparation of the Management Report and of the Report on Corporate Governance and Share Ownership in accordance with the applicable laws and regulations. In our opinion, the Management Report and the specific information of the Report on Corporate Governance and Share Ownership are consistent with the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2016.

Opinion pursuant to the article 102, paragraph 3 of Legislative Decree n. 209, dated 7 September 2005 of the non-life segment

In performing the engagement assigned by Assicurazioni Generali S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the non-life technical provisions recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2016. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts. Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2016, are sufficient in conformity with the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.

Opinion pursuant to the article 102, paragraph 3 of Legislative Decree dated 27 January 2010, n. 39 of the life segment

In performing the engagement assigned by Assicurazioni Generali S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the life technical provisions recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December, 31 2016. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts. Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December, 31 2016, are sufficient in conformity with the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.



Other aspects

The determination of the technical provisions is a complex estimation process that involves many subjective variables for which any change thereof may have an effect on the results. For this reason, we developed a range of reasonably possible outcomes, distinctively for non-life and life segments, in order to take into consideration the uncertainty of these subjective variables. In assessing the sufficiency of the above-mentioned technical provisions, we tested that those reserves fall within such ranges.

Trieste, 30 March 2017

EY S.p.A.

Signed by: Paolo Ratti, Partner

This report has been translated into the English language solely for the convenience of international readers

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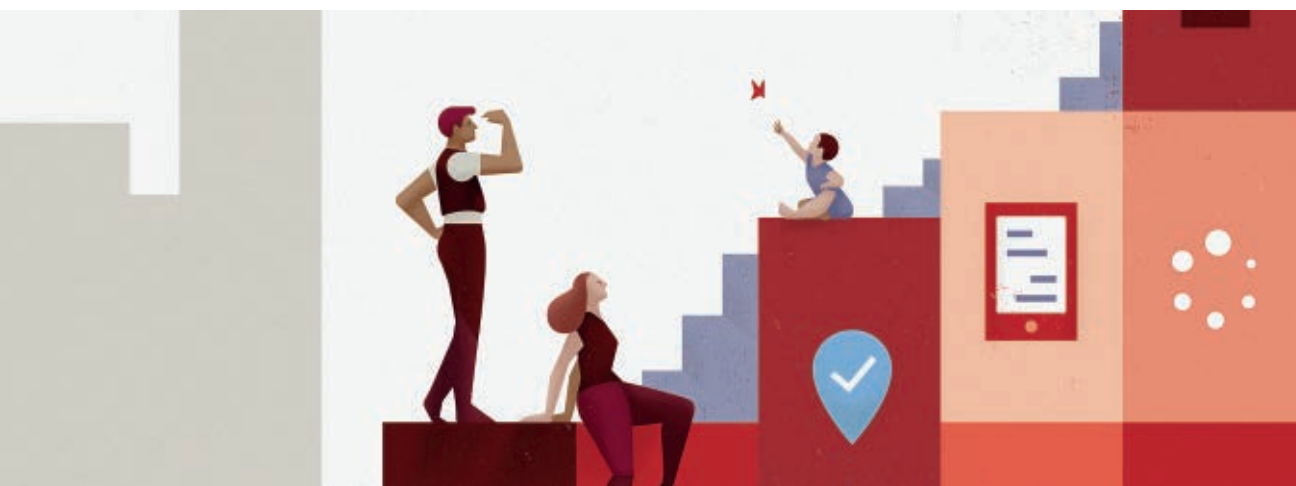
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Since 2015, our new corporate website generali.com has had a more agile and modern layout, a significant focus on the visual approach, a broader range of content on topics of international interest and a specific focus on the most interesting news about the Group.

The website was designed to be viewed on any device and developed based on the Group's web guidelines, which also meet the international standards defined by the Web Accessibility Initiative (WAI).

Editing
Group Integrated Reporting

Coordination
**Group Communications
& Public Affairs**

The document is
available on
www.general.com

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