GENERALI

05/11/2015

INTERIM MANAGEMENT STATEMENTS AS OF 30 SEPTEMBER 2015 – PRESS RELEASE [1]

Net result of the first 9 months to € 1.7 billion (+8.7%) above full year 2014 result

Gross written premiums over € 54 bln (+5.1%), thanks to the excellent Life performance (+7%) and progress in P&C (+0.8%)

Operating result over € 3.8 bn (+4.7%) thanks to the strong development of the profitability in P&C (+4.8%) and the good performance in Life (+3.9%)

Annualised operating RoE at 13.9% progressing strongly

Combined ratio further improved to 92.7% (-0.8 p.p.), despite the higher impact of natural catastrophe claims

Stable capital position: pro-forma internal model Economic Solvency ratio at 196% (+10 p.p.), and Solvency I ratio achieved 166%

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The **Generali Group CFO, Alberto Minali,** commented: *"In the first nine months of 2015 Generali has continued to improve technical performance. There has been significant growth in terms of premium income and profitability both in Life and, in particular, in P&C, reaching a net profit of € 1.7 billion, already surpassing 2014 full year result. In Life the strong development of linked and protection products progressed, with net inflows over € 11 billion, resulting in very positive expected impact on the profitability of the next years. In P&C segment, the combined ratio in the first nine months is further improved, despite heavier losses from natural catastrophes and continued highly competitive markets. The P&C premium income is increasing, driven in particular by the CEE countries and non-motor. These results, as well as our stable and strong capital position, have led to an operating RoE at 13.9% on an annual basis, well above the 13% target level. Furthermore, the cash generation, which is one of our main strategic targets for the coming years, is progressing in line with our plans.*
We are confident that we will close 2015 with a net profit significantly higher than 2014, also thanks to the good contribution that we expect in the last quarter of the year."

[1] Changes in premiums, net inflows and Annual Premium Equivalent (APE) are presented in equivalent terms (at constant exchange rates and scope of consolidation). Changes in operating results, own investments and third-party assets under management are presented excluding the BSI Group and the sold Argentinian companies. The comparative financial data and results of operations have been redetermined on a consistent basis.

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

Executive Summary

The Generali Group closed the first nine months of 2015 with a strong development of both premiums and operating result. In the current macro-economic scenario, still facing unstable markets and low interest rates, the premium income and operating results of the **Group** have been constantly growing in both segments: **gross written premiums** increased by 5.1% to € 54.2 billion (€ 51.2 bln 9M14) and the **operating result** grew by 4.7%, to € 3,840 million (€ 3,668 mln 9M14). As a consequence, the operating return of the last twelve months, calculated through the annualized operating RoE[2], is above the Group target, at 13.9%.
The **net profit** amounts to € 1,727 million (€ 1,588 mln 9M14), increased by 8.7%, thanks to the good operating and non-operating performance, already surpassing full year 2014 level.

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER 2015	THIRD QUARTER 2014
Consolidated operating result	**3,840**	**3,668**	**1,061**	**1,170**
life segment	2,338	2,251	625	737
property&casualty segment	1,605	1,530	501	452
holding and other businesses segment	56	87	-15	22
consolidation adjustments	-159	-200	-50	-40
Consolidated non-operating result	**-865**	**-924**	**-382**	**-266**
Income taxes	-1,041	-987	-284	-358
Profit or loss from discontinued operations	-35	-8	46	4
Result of the period attributable to minority interests	-171	-161	-22	-37
Result of the period attributable to the Group	**1,727**	**1,588**	**420**	**513**

The operating result of the **Life** segment remains solid at € 2,338 million (+3.9%; € 2,251 mln 9M14) thanks to the performance of the technical and investment margins. The positive development of the premium income continues, with an increase of 7% at € 38,425 million (€ 35,610 mln 9M14) thanks to the good performance of all business lines and in particular of the unit linked policies (+16.1%).
New business in terms of APE grew to € 3,784 million (+1.7%; € 3,666 mln 9M14), driven by the strong growth of unit linked (+23.9%) and protection policies (+21%), while savings business declined 10%. Single premiums experienced a significant growth (+12.1%), in particular in Italy, France and Germany. The new business value (NBV) is at € 757 million (€ 934 mln 9M14). The strong rebound of new business margin (NBM) in 3Q at 26.2% drove the 9M margin (NBM) to 20% (25.5% 9M14). Despite weaker external financial conditions, the decisive actions have taken by the Group to improve product mix and recalibrate guarantees have generated underlying profitability improvements.

The performance of **P&C** segment improved with an operating result 4.8% higher at € 1,605 million (€ 1,530 mln 9M14). In particular, the technical profitability further improved, with a combined ratio to 92.7% (-0.8 p.p.), due to the improvements in all main Group countries, and despite the higher impact of nat-cat by 0.4 p.p. (€ 57 mln) in the period. The CEE countries are once again the best Group's region in terms of technical profitability (86.5%).
Finally, the performance of premium income was positive, increasing by 0.8% to € 15,775 million (€ 15,564 mln 9M14), thanks to the development of the non-motor segment (+1.7%).

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[2] The annualized operating RoE is calculated as the sum of the last four quarterly operating Roe ratios.

The Group **shareholders' equity** remains solid at € 22.8 billion (-1.9%; € 23.2 mld FY14) despite the declines in the fair value on the financial assets available for sale, dividends paid as well as the disposal of the BSI Group[3].
The Group Solvency I stands at 166% (+2 p.p. as against FY14).

The **pro-forma internal model Economic Solvency ratio** stands at 196%, with an increase of 10 p.p. as against 31 December 2014. The increase is mainly driven by the contribution of the normalized operating earnings of the period. Furthermore, the Group applied to the College of Supervisors to use the own internal model for the calculation of the capital requirements according to the Solvency II regime. The application process outcome is expected by March 2016.

Life segment: strong development of premium income and operating performance

- Premium income strongly improved to € 38.4 bln (+7%); positive trends in the main Group countries
- Net inflows strongly increased to € 11 billion (+20.6%)
- APE increased to € 3,784 million (+1.7%)
- Operating result progressing to € 2.3 bln (+3.9%), thanks to technical margin and successful investment management policy

Thanks to the good development in all business lines, Life **premiums** amounted to € 38,425 million[4], with a 7% growth (€ 35,610 mln 9M14). The strong performance of linked contracts (+16.1%) is progressing thanks to the strategy focusing on insurance products with low capital absorption. Protection policies (+7.3%) as well as the savings and pension lines (+3.1%) also progressed.
The positive trend of the three main Group countries (Italy, France and Germany) offset the 9.7% decline of the EMEA countries, mainly due to the reduction of the single premium products in Ireland. A positive contribution was also witnessed from Asia (+44.7%), thanks to another excellent quarter.
As to the main operating countries, Italy confirmed the trend of the first part of the year with a strong 15% premium growth to € 13,511 million (€ 11,751 mln 9M14). The main driver of this trend is the significant increase of linked products (+62%). Savings and pension policies also increased (+7.2%) mainly thanks to the hybrid products. A positive performance also in France (+4.7%), Germany (+4%) and CEE countries (+8.6%), thanks to the unit linked policies and the protection lines.

The improvement in **Life net inflows** – collected premiums minus outflows for maturities and surrenders – amounts to approximately € 11 billion, showing a 20.6% increase. The trend reflects the performance in Italy (where net inflows nearly equal to the half of the Group), France and Germany offsetting the decline in the EMEA countries. This decline is due to the previously mentioned reduction in the premium income in Ireland and the performance in Austria, where net inflows were impacted by the strong increase in payments and the decrease in the premium income. With quadrupled net inflows, the contribution from Asia was excellent, following the development of premiums.

New business in terms of APE showed an increase by 1.7%, totalling € 3,784 million. Single premiums showed a remarkable growth (+12.1%), in particular in Italy, France and Germany, while annual premiums decreased (-6.3%). The trend is mainly due to the decline in Italy (-26.5%), having benefitted by some

[3] As a consequence of the completion of the BSI Group disposal, the respective assets and liabilities are no longer included in the Group consolidated financial statements. The impact of the disposal is included in the item "Profit or loss from discontinued operations" of Annex 3) FROM OPERATING RESULT TO GROUP RESULT.
[4] Including investment policies premiums of € 3,297 million.

significant renewals in the first months of 2014, only partially offset by the growth in France (+36.1%) and Asia (+56%).
Despite the strong recovery in the third quarter, thanks to the improvement in the financial markets the new business margin (NBM) is still affected by the difficult economic scenario with a decline in interest rates and strongly increased market volatility in the second quarter of 2015. As a consequence, the new business margin (NBM) at nine months is equal to 20% (25.5% 9M14). The new business value (NBV) amounted to € 757 million (-20.7%).

The **operating result** improved by 3.9% to € 2,338 million (€ 2,251 mln 9M14) driven by the good performance of the investment margin thanks to the improvement of current returns, despite the current financial market scenario. The contribution of the technical margin was also positive supported by the trend of net inflows and offset by the increase in acquisition and administration costs due to the premium trend. As a consequence, the expense ratio - above mentioned costs divided by premiums - is stable at 9.7%.

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER 2015	THIRD QUARTER 2014
Operating result	**2,338**	**2,251**	**625**	**737**
Technical margin	4,303	3,985	1,435	1,283
Net investment result	1,780	1,676	406	586
Total operating expenses	-3,745	-3,410	-1,216	-1,132

Property & Casualty segment: excellent performance of operating result and further improvement of technical profitability

- Premiums up to € 15,775 million (+0.8%)
- Operating result to € 1.6 bln (+4.8%), thanks to the decline in the loss ratio
- Combined ratio improved by 0.8 p.p. to 92.7%

Despite the rather still unstable market scenario, the **premium** income of the P&C segment grew by +0.8% totalling € 15,775 million (€ 15,564 mln 9M14). As to the various Group countries, CEE countries experienced a strong growth (+3.9%) and the positive trend was confirmed in Germany (+1%) and in the EMEA countries (+1.7%). France declined by 0.9%, despite a recovery of the premium income in the third quarter (+3.1%) due to the improvements in the non-motor segment in the period. Italy experienced a decline in premiums (-2.9%), although recovering as against the first six months, thanks to the recovery in the non-motor segment in the third quarter.
The development of the non-motor segment was positive (+1.7%) with good trends in the main Group markets, while premiums in the motor segment decreased by 0.9%, in particular due to the performance of Italy (-8.4%) and France (-5%).

The **operating result** grew by 4.8% to € 1,605 million (€ 1,530 mln 9M14) driven by the improvement of the technical performance increased by 11.8% despite the impact of natural catastrophes of approximately € 234 million, due to the storms in March and April in Italy and in early July in central Europe (last year the impact of similar events was approximately € 176 million).
The net investment result slightly declined, as a consequence of the current low interest rates.

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER 2015	THIRD QUARTER 2014
Operating result	**1,605**	**1,530**	**501**	**452**
Technical result	981	877	336	228
Investment result	768	789	239	281
Other operating items	-144	-135	-74	-58

The **combined ratio** improved by 0.8 p.p. at 92.7%, thanks to reduction of the loss ratio (-1 p.p.) to 65.6%, despite the 1.6 p.p. impact of nat cat claims in the period (1.2 p.p. 9M14). Both current year loss ratio excluding nat-cat claims (-1 p.p.) and the prior years' contribution (-0.3 p.p.) improved. The expense ratio however slightly increased to 27% (+0.2% p.p.), mainly due to the decline in premiums in France and the cost performance in Latin America.

As to the single Group countries, in France the significant improvement in the combined ratio is confirmed at 99.3% (-6.1 p.p.), mainly benefitting from the portfolio restructuring measures, as well as from the minor impact of natural catastrophes.The performance was also very strong in Germany, with a combined ratio at 91.6% (-1.9 p.p.) and in the CEE countries at 86.5% (-0.9 p.p.), despite the higher impact of nat cat claims in both areas, respectively of 1.6 p.p. and 0.7 p.p., mainly due to the storms at the end of March and early July. The combined ratio in Italy at 89.4% (+0.2 p.p.) is the second best Group ratio, after the CEE countries, despite the current competitive environment in the insurance market and the impact of natural catastrophes of 2.1 p.p., mainly due to the storms in early March and September.

Holding and other businesses segment [5]

The **operating result of the "Holding and other businesses" segment** is € 56 million (€ 87 mln 9M14). The operating result of the **financial segment** in particular showed a significant growth to € 319 million (€ 291 mln 9M14) thanks to the contribution of Banca Generali, attributable mostly to the net operating result from financial activities, primarily in the first half of 2015.
The overall performance was impacted by the increase in holding operating costs, from € -290 million to € -358 million. This reflects the reinforcement of the Group Head Office structures already started in 2013 and further developed in 2014, also with reference to the transition to the new Solvency II regime, as well as the development of Regional Offices in charge of leading, coordinating and controlling the key business areas for growth prospects, as in the case of Asia.

The Group operating costs, on equivalent exchange rates, are substantially stable at the levels of the nine months of 2014 and in line with the mid-term target.

From operating result to net profit

The **non-operating result** improved to € -865 million (€ -924 mln 9M14). The performance reflects in particular the significant growth in the investment result to € 247 million (€ -18 mln 9M14), thanks to lower impairments on financial investments.
Non-operating holding costs decreased to € -554 million (€ -606 million in 9M14) given the reduction in interest expenses on financial debt from € -564 million to € -513 million in the first nine months of 2015; the

[5] The "Holding and other businesses" segment includes the activities carried out by Group companies in the financial advisory and asset management sector (financial segment), the costs incurred for the management, coordination and financing of the business, and other activities that the Group considers subsidiary to its core insurance business.

decrease was driven by the debt-optimisation measures taken by the Group in 2014.
Finally, the other net non-operating costs amount to € -559 million (€ -300 mln 9M14). This item is primarily made up of € -99 million amortization of the acquisitions portfolio (€ -104 mln 9M14), € -246 million for non-recurring provisions (€ -111 mln 9M14), which mainly includes the strengthening of other provisions in the first half 2015, and € -213 million for the restructuring costs (€ -84 mln 9M14), including expenses of approximately € 100 million for the strategic repositioning in the German market, recorded in the first half of the 2015.

Thanks to the positive operating and non-operating performance, **earnings before tax** showed a 8.4% improvement to € 2,974 million (€ 2,744 mln 9M14).

The **tax rate** stands at 33.7% (34.3% 9M14).

The **result of the discontinued operations** amounts to € -35 million (€ -8 mln 9M14), reflecting the overall effects of the disposal of BSI.

The result of the period attributable to minority interests, i.e. a minority rate of 9% (9.2% 9M14), is broadly in line with the first nine months of 2014.

The **Group result of the period** thus amounts to € 1,727 million (€ 1,588 mln 9M14) with an improvement of 8.7%.

Shareholders' equity and Solvency I ratio

Shareholders' equity attributable to the Group amounted to € 22,764 million at 30 September 2015 compared to € 23,204 million at 31 December 2014. The change (-1.9%) is due to the declines in the fair value on the financial assets available for sale (€ 5,440 mln compared to € 6,499 mln as of 31 December 2014) caused by the trend of the interest rates and of the spread on corporate issuers in the first nine months of the year, to dividends paid (€ -934 mln) and to the disposal of the BSI Group (€ -623 mln). These trends were only partially offset by the Group result of the period at € 1,727 million, by the actuarial gains on pension liabilities at € 305 million and by the exchange-rate reserve at € 329 million.

The **Group Solvency I ratio** stands at 166% as of 30 September 2015 (+2 p.p. as against 31 December 2014). The required solvency capital amounts to €18.1 billion (€18.6 bln at 31 December 2014), while the available solvency capital is at € 30 billion (€ 29 bln at 31 December 2014), mainly thanks to the result of the period. The resulting surplus therefore grew to €11.9 billion (€ 10.4 bln at 31 December 2014).

Group investments policy

Group total Assets Under Management at 30 September 2015 increased by 2.9%, as against 31 December 2014, to € 493.8 billion. In particular, total investments amounted to € 444.3 billion while third party assets under management amounted to € 49.5 billion.

(in € million)	30/09/2015	(%) total of	30/06/2015	(%) total of	31/12/2014	(%) total of
Equity instruments	17,969	4.8%	18,578	5.1%	17,610	4.8%
Fixed-income instruments	323,306	87.0%	319,029	87.1%	318,884	87.3%
Investment properties	14,326	3.9%	14,848	4.1%	14,872	4.1%
Other investments	3,506	0.9%	3,453	0.9%	3,662	1.0%
Cash and cash equivalents	12,806	3.4%	10,167	2.8%	10,223	2.8%
General account investments	**371,913**	**100.0%**	**366,075**	**100.0%**	**365,250**	**100.0%**
Financial assets relating to unit and index linked contracts	72,437		76,435		67,707	
Total investments	**444,349**		**442,510**		**432,957**	

General account investments of € 371.9 billion, increased by 1.8% as against 31 December 2014 primarily due to the bond portfolio benefitting from the reinvestment of the premium income of the period in particular in corporate bonds. The equity portfolio and the investment properties remains broadly stable. Finally, cash and cash equivalents showed an increase, which can be explained as an ordinary trend within the regular development of the business activities.

The investment strategy for fixed-income investments aims at portfolio diversification, in both government bonds, where the European core rates are at record lows, and corporate bonds, including private placements and guaranteed loans. The objective is to ensure adequate returns for policyholders and a satisfactory return on capital, while maintaining a controlled risk profile.
Equity exposure will be kept substantially stable.
New real estate investments will selectively focus on new geographical areas such as Asia, UK and Eastern Europe, in order to improve the overall portfolio diversification. The Group will also implement a more active portfolio management approach to improve the overall profitability.

Significant events within the period and after 30 September 2015

Generali finalizes the acquisition of Generali PPF Holding
In January, the Generali Group reached 100% ownership of Generali PPF Holding B.V. (GPH) by acquiring the remaining 24% minority shareholding held by PPF Group, in line with the agreements signed in January 2013. With the acquisition of the full ownership of GPH, the holding company operating in Central Eastern Europe and one of the largest insurers on that market, the company changed its name to Generali CEE Holding B.V.
The acquisition of the remaining shares of GPH was completed under the terms previously announced to the market, for a final price of € 1,245.5 million.

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

Generali completes the disposal of BSI to BTG Pactual
On 15 September 2015 Generali announced the closing of the sale of BSI to Banco BTG Pactual. In line with the agreement executed on 14 July 2014, the final consideration for the sale is equal to ca. CHF

1,248 million, of which ca. CHF 1 billion1 in cash and the remaining portion in financial instruments (BTG Units listed on the Sao Paolo Stock Exchange - BM&FBOVESPA).
The disposal of BSI completes the Generali's strategy to focus on its core insurance business and improve its capital position, concluding the turnaround plan launched in January 2013. The transaction improves the Group's Solvency I ratio by 8 p.p.. Furthermore, the disposal of the bank significantly reduces Generali's non-insurance activities.

Generali strengthens its international management team
In April, Generali strengthened its governance with the arrival of two new managers joining the Group to lead the Asia and the Americas areas respectively. Jack Howell is the new Asia Regional Officer responsible for Generali's activities in China, Hong Kong, India, Indonesia, Japan, Philippines, Thailand, Vietnam, Malaysia and Singapore. In China, Generali is one of the leading foreign Life insurers. Jack Howell assumes the role held by Sergio Di Caro, who as from 1st January 2015 took over as Head of Generali Employee Benefits, the global market leader in this segment.
Antonio Cassio dos Santos joined the Group as Americas Regional Officer. Generali is amongst the leading foreign insurers in Latin America, operating in Brazil, Argentina, Colombia, Guatemala, Ecuador and Panama. The Group is also active in Northern America with the Generali U.S. Branch.

Generali: renewed the revolving credit facilities
In May, Assicurazioni Generali has renewed the revolving credit facilities, initially signed in May 2013 for a total value of € 2 billion, which may be used by the Company within a period of 3 to 5 years depending on the credit facility. This transaction will have an impact on the Group's financial debt only if the facility is drawn upon and allows Generali to improve its financial flexibility to manage future liquidity needs in a volatile environment. The new credit facilities substitute the previous ones – both those with a 2-year duration that have expired and those with a 3-year duration that have been closed in advance.
A group of 21 primary Italian and international lenders participated with strong commitment to the transaction. The total commitments received amount to € 13 billion, more than 6 times the company's offer. The competitive offer process adopted by Generali allowed the Group to select 7 lenders and obtain very favourable conditions, strongly improved with respect to May 2013, both in terms of offered size and pricing.

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

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

Investor Day
At the Investor Day at the end of May end Generali presented its new strategic plan with a commitment to set out a new business model and to achieve new, challenging financial targets focused on generating more cash and increased dividends. The goal of the Group is to become retail insurance leader in Europe, based on simple and smart products and services. Strong attention will be paid on customer experience throughout the whole journey from information search to contract renewal. With the new strategy the Group aims for net free cash flow generation of more than €7 billion cumulatively in the four years to 2018. Cumulative dividend over the same period will amount to over €5 billion. Generali has identified several

levers of value generation to reach its financial targets. They include new value-added services embedded in the offering, new business opportunities through partnerships and data analytics to improve pricing. The current cost efficiency programme will continue with annual cost savings of €250 million extended through to 2018, resulting in total savings of €1.5 billion from the beginning of 2012. A total of €1.25 billion will be reinvested in technology, data analytics and more flexible operating platforms.

Telco demerger closed

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

Generali acquired My Drive Solutions

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

Fitch upgrades ratings

Thanks to the improvement of the Group capital position and of the operating performance, the rating agency Fitch upgraded the rating on the Generali bonds. Key factors leading to the rating upgrade were the strong focus of the management on the capital strengthening and on reducing the financial leverage.

Deal with Obi Worldphones

Generali and Obi Worldphones™ announced a pioneering exclusive deal through which the Group expects to leverage the mobile channel in as many as 20 high-growth markets by 2017.

Under the terms of the deal, Generali and Obi - whose co-founder is John Sculley, former CEO of Apple - will jointly develop a mobile insurance platform based on native applications included in the standard set-up of the mobile devices, with the aim to reach a prospective customer base of more than 10 million people through the addition of relevant services right from the home screen of Obi Worldphones. The applications will be developed on a country-specific basis and offered to clients in the markets where Generali's and Obi's operations overlap, starting with Turkey, India, Indonesia, Vietnam, Philippines and United Arab Emirates.

Generali successfully placed subordinated bond for € 1.25 billion

On 20 October 2015 Generali launched a subordinated bond for an overall amount of € 1.25 billion, targeting institutional investors. The issue attracted around 400 orders for almost € 5 billion, 4 times the target. The bond is intended to refinance the 2016 subordinated call dates of the Group which amount to € 1.25 billion (Euro equivalent). The issue attracted strong interest from international investors, who accounted for approximately 89% of allocated orders, confirming the credit the Group enjoys on the international markets. 49% of the bond has been allocated to UK and Ireland investors, 11% to Italian investors, approximately 9% to French investors, 9% to German investors and 4% to investors of Nordics countries. There was also significant interest from Asian investors.

On 27 October 2015 the rating agency AM Best announced that it has assigned a "bbb+" rating to the subordinated bond issue.

Generali: AM Best affirms rating A and outlook stable

On 26 October 2015 the rating agency AM Best affirmed Generali's FSR rating at A (Excellent). For the first time, AM Best assigned the same FSR rating also to the subsidiaries Generali Italia and Česká pojišťovna. Moreover, AM Best affirmed the ratings of debt instruments issued or guaranteed by Generali. The outlook is confirmed stable.

AM Best said that ratings reflect the Group's very strong business position in continental Europe, solid operating performance and improving capitalization.

Generali removed from list of Global Systemically Important Insurers (GSIIs)
On 3 November 2015 the Financial Stability Board published its updated list of the Global Systemically Important Insurers (G-SIIs), based on their year end 2014 data, removing Generali from the list.

Outlook

At macro-economic level, a recovery in the GDP growth in the advanced economies - at record low interest rates - is awaited, due to the positive outlook for the American economy and the ECB expansionary policy.

Within this scenario a further increase of the premium income in both P&C and Life is expected. **Life** premiums will continue to reflect a prudent underwriting policy and a stronger focus on low capital absorption and higher value products. Initiatives will continue to enhance the in-force portfolio and to drive selective growth of some business lines, such as protection policy products and unit linked products.
In the **P&C** segment, the Group will continue to implement in force measures related to underwriting policy and claims management, resulting in good levels of technical profitability, excluding future natural catastrophes.

In the current uncertain macro-economic scenario and in line with its strategic objectives, **in the coming months of the year the Group will continue to take all actions aimed at improving the overall operating result, therefore expecting a net profit significantly higher than 2014.**

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

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DEFINITIONS AND GLOSSARY

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

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

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

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

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

Current year loss ratio = the ratio between:
- current year incurred claims (excluding nat cat claims) + related claims management costs net of recoveries and reinsurance to
- earned premiums net of reinsurance.

Prior- years loss ratio = the ratio between:

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

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

Equivalent consolidation area = refers to equivalent consolidation scope.

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

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

Annualized operating return on equity: the annualized operating RoE is calculated as the sum of the last four quarterly operating RoE ratios. In particular, the operating RoE is the ratio of the adjusted operating result return to the Group shareholders' equity adjusted for the other items of the Statement of comprehensive income.

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

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

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

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

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THE GENERALI GROUP

The Generali Group is one of the largest global insurance providers with 2014 total premium income of more than €70 billion. With 77,000 employees worldwide serving 72 million insured persons in more than 60 countries, the Group occupies a leadership position on West European markets and an increasingly important place on markets in Central Eastern Europe and Asia.
Generali ranked among the world's 50 smartest companies in 2015 according to the MIT Technology Review. Generali is the only insurer to be listed.

List of annexes:

1) Group highlights
2) Balance sheet
3) From operating result to net profit
4) Additional key data by segment

1) GROUP HIGHLIGHTS [6]

Economic highlights

(€ million)	30/09/2015	30/09/2014	Third quarter 2015	Third quarter 2014
Gross written premiums	54,200	51,174	16,028	15,887
of which life segment	38,425	35,610	11,519	11,492
of which property&casualty segment	15,775	15,564	4,509	4,395
Consolidated operating result	3,840	3,668	1,061	1,170
of which life segment	2,338	2,251	625	737
of which property&casualty segment	1,605	1,530	501	452
Result of the period	1,727	1,588	420	513

Balance sheet

(€ million)	30/09/2015	30/06/2015	31/12/2014
Total investments	444,349	442,515	432,957
Third parties asset under management	49,461	50,939	46,716
Shareholders' equity attributable to the Group	22,764	23,284	23,204
Solvency I ratio	166%	156%	156%
Pro-forma internal model Economic Solvency ratio	196%	200%	186%

[6] As mentioned above, the comparative data regarding operating results, own investments and assets under management on behalf of third parties (and related changes) have been restated excluding the BSI Group and the Argentinian companies, following their disposals.

2) BALANCE SHEET

(€ million)	30/09/2015	30/06/2015	31/12/2014
1 INTANGIBLE ASSETS	**8,655**	**8,635**	**8,601**
1.1 Goodwill	6,657	6,672	6,617
1.2 Other intangible assets	1,998	1,962	1,983
2 TANGIBLE ASSETS	**4,736**	**4,680**	**4,610**
2.1 Land and buildings (self used)	2,827	2,794	2,797
2.2 Other tangible assets	1,909	1,886	1,814
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	**4,164**	**4,308**	**4,378**
4 INVESTMENTS	**439,924**	**438,256**	**427,191**
4.1 Land and buildings (investment properties)	12,392	12,792	12,628
4.2 Investments in subsidiaries, associated companies and joint ventures	1,369	1,322	1,284
4.3 Held to maturity investments	2,046	2,142	2,940
4.4 Loans and receivables	49,067	49,666	50,780
4.5 Available for sale financial assets	283,044	278,398	276,498
4.6 Financial assets at fair value through profit or loss	92,006	93,936	83,061
of which financial assets where the investment risk is borne by the policyholders and related to pension funds	72,437	76,435	67,707
5 RECEIVABLES	**14,078**	**14,179**	**12,057**
5.1 Receivables arising out of direct insurance operations	7,714	7,988	7,462
5.2 Receivables arising out of reinsurance operations	1,085	1,179	1,143
5.3 Other receivables	5,279	5,013	3,452
6 OTHER ASSETS	**15,231**	**37,421**	**35,973**
6.1 Non-current assets or disposal groups classified as held for sale	0	21,803	21,304
6.2 Deferred acquisition costs	1,998	1,988	1,958
6.3 Deferred tax assets	2,663	2,638	2,715
6.4 Tax receivables	2,961	3,058	2,825
6.5 Other assets	7,610	7,935	7,172
7 CASH AND CASH EQUIVALENTS	**7,498**	**7,694**	**8,508**
TOTAL ASSETS	**494,285**	**515,172**	**501,318**

(€ million)	30/09/2015	30/06/2015	31/12/2014
1 SHAREHOLDERS' EQUITY	**23,805**	**24,326**	**24,185**
1.1 Shareholders' equity attributable to the Group	**22,764**	**23,284**	**23,204**
1.1.1 Share capital and reserves	16,284	16,806	16,218
1.1.2 Reserve for unrealized gains and losses through equity	4,754	5,170	5,316
1.1.3 Result of the period	1,727	1,307	1,670
1.2 Shareholders' equity attributable to minority interests	**1,041**	**1,042**	**981**
2 OTHER PROVISIONS	**1,844**	**1,887**	**1,751**
3 INSURANCE PROVISIONS	**398,629**	**398,149**	**386,202**
of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	55,556	58,788	51,674
4 FINANCIAL LIABILITIES	47,895	**49,555**	**48,794**
4.1 Financial liabilities at fair value through profit or loss	19,939	20,922	18,374
of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	16,904	17,706	15,886
4.2 Other financial liabilities	27,957	28,632	30,420
of which subordinated liabilities	8,418	8,440	8,315
5 PAYABLES	**10,169**	**9,880**	**9,379**
5.1 Payables arising out of direct insurance operations	3,230	3,528	3,553
5.2 Payables arising out of reinsurance operations	530	638	557
5.3 Other payables	6,409	5,715	5,270
6 OTHER LIABILITIES	**11,943**	**31,376**	**31,007**
6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0	19,850	19,700
6.2 Deferred tax liabilities	3,114	3,041	3,706
6.3 Tax payables	1,527	1,859	1,420
6.4 Other liabilities	7,303	6,626	6,181
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**494,285**	**515,172**	**501,318**

3) FROM OPERATING RESULT TO NET PROFIT

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER 2015	THIRD QUARTER 2014
Consolidated operating result	**3,840**	**3,668**	**1,061**	**1,170**
Net earned premiums	49,718	46,292	15,250	15,098
Net insurance benefits and claims	-49,091	-48,779	-11,183	-15,500
Acquisition and administration costs	-7,888	-7,539	-2,543	-2,470
Net fee and commission income and net income from financial service activities	373	340	100	112
Operating investment result	11,448	13,828	-389	4,039
Net operating income from financial instruments at fair value through profit or loss	1,163	3,700	-3,355	774
Net operating income from other financial instruments	10,285	10,128	2,965	3,265
Interest income and other income	9,187	9,092	2,997	3,072
Net operating realized gains on other financial instruments and land and buildings (investment properties)	2,151	2,043	374	565
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-345	-191	-167	-88
Interest expense on liabilities linked to operating activities	-308	-357	-97	-129
Other expenses from other financial instruments and land and buildings (investment properties)	-401	-461	-141	-155
Operating holding expenses	-358	-290	-107	-94
Net other operating expenses(*)	-362	-183	-66	-15
Consolidated non-operating result	**-865**	**-924**	**-382**	**-266**
Non operating investment result	247	-18	-104	61
Net non-operating income from financial instruments at fair value through profit or loss	-61	-104	-19	-12
Net non-operating income from other financial instruments(**)	309	86	-84	73
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	572	590	75	209
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-264	-504	-159	-136
Non-operating holding expenses	-554	-606	-187	-197
Interest expenses on financial debt	-513	-564	-171	-181
Other non-operating holding expenses	-41	-42	-16	-16
Net other non-operating expenses(***)	-559	-300	-91	-130
Earning before taxes	**2,974**	**2,744**	**679**	**904**
Income taxes(*)	-1,041	-987	-284	-358
Earnings after taxes	**1,933**	**1,757**	**395**	**546**
Profit or loss from discontinued operations	-35	-8	46	4
Consolidated result of the period	1,898	1,750	442	550
Result of the period attributable to the Group	**1,727**	**1,588**	**420**	**513**
Result of the period attributable to minority interests	171	161	22	37

(*) At 30 September 2015 the amount is net of operating taxes for € 48 million and of non-recurring taxes shared with the policyholders in Germany for € 10 million (at 30 September 2014 respectively for € 48 million and € 8 million).

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

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

4) ADDITIONAL KEY DATA PER SEGMENT

LIFE

Operating result by country

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER2015	THIRD QUARTER2014
Technical margin	**4,303**	**3,985**	**1,435**	**1,283**
Net earned premiums	34,897	31,597	10,357	10,271
Fee and commission from financial service activities	183	163	68	56
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	-30,894	-27,861	-9,051	-9,094
Other insurance items	117	86	61	50

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER2015	THIRD QUARTER2014
Net investment result	**1,780**	**1,676**	**406**	**586**
Operating income from investments	10,309	12,773	-736	3,659
Net income from investments	9,445	9,397	2,718	3,007
Current income from investments	8,324	8,183	2,758	2,773
Net operating realized gains on investments	2,082	1,983	342	548
Net operating impairment losses on investments	-339	-184	-164	-84
Other operating net financial expenses	-622	-585	-218	-230
Net income from financial instruments at fair value through profit or loss	864	3,376	-3,455	652
Net income from financial instruments related to unit and index-linked policies	595	2,576	-3,283	369
Net other income from financial instrumensts at fair value through profit or loss	269	800	-172	284
Policyholders' interests on operating income from own investments	-8,529	-11,097	1,142	-3,073

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER2015	THIRD QUARTER2014
Total operating expenses	**-3,745**	**-3,410**	**-1,216**	**-1,132**
Acquisition and administration costs related to insurance business	-3,684	-3,394	-1,202	-1,140
Net other operating expenses	-61	-16	-14	8

Life segment indicators by country

(€ million)	Gross written premiums		Net cash flows		APE	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Italy	13,511	11,751	5,003	3,652	1,619	1,706
France	6,608	6,313	999	398	730	627
Germany	10,316	9,920	2,696	2,183	628	608
Central and Eastern Europe	1,193	1,095	394	359	123	103
EMEA	4,816	5,206	1,260	2,194	481	514
Spain	656	684	-125	-146	81	82
Austria	925	938	-10	206	79	72
Switzerland	895	761	406	390	50	39
Other EMEA	2,341	2,823	989	1,744	271	321
Americas	234	181	105	89	18	11
Asia	1,330	777	514	125	186	98
International Operations	415	368	36	20		
Total	**38,425**	**35,610**	**11,008**	**9,020**	**3,784**	**3,666**

Direct written premiums by line of business

(€ million)	Savings and Pension		Protection		Unit/index linked		Total	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Italy	10,622	9,907	179	170	2,710	1,673	13,511	11,751
France	3,631	3,778	1,224	1,191	1,424	1,039	6,279	6,008
Germany	4,000	4,219	3,343	3,122	2,974	2,578	10,316	9,920
Central and Eastern Europe	556	570	225	184	412	341	1,193	1,095
EMEA	1,571	1,541	691	666	2,545	2,981	4,807	5,188
Spain	485	526	157	145	13	12	656	683
Austria	512	528	227	216	180	181	919	925
Switzerland	232	147	110	97	553	517	895	761
Other EMEA	342	340	197	208	1,798	2,271	2,337	2,819
Americas	22	20	211	160	0	0	233	180
Asia	948	513	282	191	99	74	1,329	777
International Operations	76	60	30	21	0	0	105	81
Total direct written premiums	**21,425**	**20,607**	**6,185**	**5,706**	**10,163**	**8,687**	**37,774**	**35,000**

(€ million)	Operating Result	
	30/09/2015	30/09/2014
Italy	916	1.076
France	452	420
Germany	317	259
Central and Eastern Europe	167	147
EMEA	385	285
Spain	94	92
Austria	52	58
Switzerland	123	112
Other EMEA	117	23
Americas	35	-1
Asia	86	39
International Operations	-19	26
Total	**2,338**	**2,251**

Property&Casualty

Operating result by driver

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER2015	THIRD QUARTER2014
Technical result	**981**	**877**	**336**	**228**
Net earned premiums	14,821	14,694	4,893	4,827
Net insurance benefits and claims	-9,726	-9,790	-3,270	-3,319
Net acquistion and administration costs	-4,005	-3,937	-1,266	-1,262
Other net technical income	-109	-91	-20	-18

(€ million)	30/09/2015	30/09/2014	THIRD QUARTER2015	THIRD QUARTER2014
Investment result	**768**	**789**	**239**	**281**
Current income from investments	996	1,058	308	350
Other operating net financial expenses	-228	-269	-69	-69

Property and Casualty indicators by country

(€ million)	Gross written premiums		Operating result	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Italy	4,035	4,155	507	611
France	1,985	2,002	125	14
Germany	2,910	2,881	317	267
Central and Eastern Europe	1,504	1,446	197	179
EMEA	3,541	3,394	306	323
Spain	1,023	962	113	140
Austria	1,142	1,138	133	135
Switzerland	700	619	55	54
Other EMEA	676	675	5	-5
Americas	879	773	23	14
Asia	91	78	2	2
International Operations	831	835	127	119
Total	**15,775**	**15,564**	**1,605**	**1,530**

Direct written premiums by line of business

(€ million)	Motor		Non motor		Total	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Italy	1,709	1,865	2,235	2,210	3,944	4,074
France	683	719	1,264	1,246	1,947	1,965
Germany	1,187	1,172	1,718	1,705	2,905	2,877
Central and Eastern Europe	739	696	743	724	1,482	1,420
EMEA	1,353	1,292	2,117	2,029	3,470	3,321
Spain	276	242	711	695	987	937
Austria	444	440	689	683	1,133	1,123
Switzerland	329	304	368	313	698	617
Other EMEA	303	305	350	338	653	643
Americas	653	567	221	202	874	769
Asia	9	7	61	56	70	63
International Operations	0	1	555	577	555	578
Total direct written premiums	**6,333**	**6,319**	**8,915**	**8,748**	**15,248**	**15,067**

(€ million)	Combined ratio*		Loss ratio		Expense ratio	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Italy	89.4%	89.1%	68.1%	67.9%	21.2%	21.3%
France	99.3%	105.4%	71.6%	78.0%	27.7%	27.4%
Germany	91.6%	93.5%	63.6%	65.2%	28.0%	28.3%
Central and Eastern Europe	86.5%	87.3%	55.1%	55.6%	31.4%	31.7%
EMEA	94.7%	94.5%	66.9%	66.6%	27.8%	27.9%
Spain	93.8%	91.7%	65.5%	63.4%	28.3%	28.3%
Austria	93.4%	94.2%	67.0%	67.3%	26.4%	26.9%
Switzerland	92.7%	93.0%	68.9%	69.7%	23.8%	23.3%
Other EMEA	101.7%	102.5%	67.2%	68.1%	34.5%	34.4%
Americas	103.3%	107.7%	63.3%	69.9%	40.0%	37.9%
Asia	97.0%	96.6%	50.7%	55.6%	46.2%	41.0%
International Operations	86.9%	81.2%	63.7%	58.3%	23.2%	22.9%
Total	**92.7%**	**93,4%**	**65.6%**	**66.6%**	**27.0%**	**26.8%**

(*) CAT calims impacted on the Group combined ratio for 1.6 pps of which 2.1 pps in Italy, 3.2 pps and 3 pps in Germany, 1.3 pps in European Eastern Countries, 1.2 pps in EMEA and 6.4 pps in Asia (At 30 September 2014 CAT claims impacted on the Group combined ratio for 1.2 pps, of which 0.9 pps in Italy, 3.2 pps in France, 1.7 pps in Germany, 0.6 pps in European Eastern Countries and 1.5 pps on the Holding's reinsurance activity).