

## SEGMENT REPORTING

Generali activities could be split in different lines of business according to the products and services offered. In particular, in accordance to IFRS 8, three main sectors of activity have been defined:

- Non life segment, which includes insurance activities performed in the non life business;
- Life segment, which includes insurance activities performed in the life business;
- Holding and other business segment.

### Life segment

Activities of Life segment include saving and protection business, both individual and for family, as well as unit linked products with investment purposes and complex plans for multinationals.

### Non life segment

Activities of Non life segment include both motor and non-motor businesses, among which motor third party liabilities, casualty, accident and health. It includes also more sophisticated covers for commercial and industrial risks and complex plans for multinationals.

Investment vehicles and entities supporting the activities of life companies are also reported in this segment.

### Holding and other business segment

This grouping is an heterogeneous pool of non insurance assets and in particular it includes banking and asset management activities, expenses regarding coordination activities and interest expenses on the Group financial debt, as well as other activities that the Group considers ancillary to the core insurance business. The holding expenses mainly include the holding and territorial sub-holding direction expenses regarding coordination activities, the expenses relating to the parent company of stock option and stock grant plans as well interest expenses on the Group financial debt.

## Methods of disclosure presentation

According to IFRS 8, the disclosure regarding operating segments of the Group is consistent with the evidence reviewed periodically at the highest managerial level for the purpose of making operational decisions about resources to be allocated to the segments and assessment of results.

Assets, liabilities, income and expenses of each segment are presented in the tables below, prepared as defined by the ISVAP Regulation No. 7 of 13 July 2007 and subsequent amendments.

Segment data derives from a separate consolidation of the amounts of subsidiaries and associated companies in each business segment, eliminating of the effects of transactions between companies belonging to the same segment and eliminating the carrying amount of the investments in subsidiaries of the same segment. The reporting and control process implemented by Generali Group implies that assets, liabilities, income and expenses of companies operating in different business segments are allocated to each segment through specific segment reporting. Intra-group balances between companies belonging to different business segments are accounted for in the consolidation adjustments column in order to reconcile segment information with consolidated information.

In this context, Generali Group adopts a business approach on segment reporting, characterized by the fact that some transactions between companies belonging to different segments are eliminated within each segment.

The main impacts are explained below:

- the elimination in the non-life segment and holding and other businesses segment of participations and loans to companies of other segments, belonging to the same country, as well as related income (dividends and interests)
- the elimination in the non-life segment and holding and other businesses segment of realized gains and losses arising from intra-segment operations
- the elimination in the life segment of participations and loans to companies of other segments, belonging to the same country, as well the related income (dividends and interests) if not backing technical reserves
- the elimination in the life segment of realized gains and losses arising from intra-segment operations if not backing technical reserves

Furthermore, loans and related interest expenses on loans between Group companies belonging to different segments are eliminated directly in each segment.

This approach allows to reduce consolidation adjustments, which in this view principally consist of investments and dividends received by life and non-life companies from companies belonging to other segments, intragroup financing and related interest income and fee and commissions income and expenses on financial services rendered or received by Group companies, still allowing for an adequate performance presentation for each segment.

As mentioned in previous sections of this document, the new geographical structure of Generali Group, fully reflecting Group country managers' responsibilities, consists of business units operating in three principal markets – Italy, France and Germany, and four regional structures. The latter are further described below:

- CEE - Central and Eastern European countries members of the EU
- International - consisting of EMEA, Americas, Asia, Europ Assistance and Other companies;
- Investments, Asset & Wealth Management - which includes the main Group entities operating in investment advisory, asset management and financial planning.
- Holding and other businesses – which includes the Parent Company's management and coordination activities, including Group reinsurance, other financial holding companies and suppliers of international services not included in the previous geographic areas.

The reporting by geographical area presented in this report has been adapted to the above geographical structure of the Group.

In order to provide a management view of the key performance indicators, the geographical reporting is disclosed as country's or regional structure's consolidated view, instead of contribution to the Group's results. The elimination of transactions between Generali Group companies in different geographic regions is included within the cluster "Holding and other businesses".

For more information on performance indicators used refer to Management report.

Balance sheet and Income statement by segment are reported in the following tables.

## Annex 1

## Segment reporting - Balance sheet

(€ million)	NON-LIFE SEGMENT		LIFE SEGMENT	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
1 INTANGIBLE ASSETS	3,530	3,538	4,788	4,847
2 TANGIBLE ASSETS	1,791	2,091	841	1,029
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	3,215	2,704	1,079	1,229
4 INVESTMENTS	36,959	37,418	425,810	425,202
4.1 Land and buildings (investment properties)	3,749	3,683	8,245	8,250
4.2 Investments in subsidiaries, associated companies and joint ventures	1,778	1,494	4,120	3,944
4.3 Held to maturity investments	31	34	1,256	1,403
4.4 Loans and receivables	3,258	3,377	35,792	39,843
4.5 Available for sale financial assets	27,073	27,444	284,078	278,202
4.6 Financial assets at fair value through profit or loss	1,070	1,385	92,319	93,562
5 RECEIVABLES	5,856	5,671	5,429	5,818
6 OTHER ASSETS	4,004	4,200	25,531	10,691
6.1 Deferred acquisition costs	276	277	1,843	1,806
6.2 Other assets	3,728	3,923	23,688	8,886
7 CASH AND CASH EQUIVALENTS	2,352	2,159	3,656	4,197
<b>TOTAL ASSETS</b>	<b>57,707</b>	<b>57,782</b>	<b>467,134</b>	<b>453,012</b>
1 SHAREHOLDERS' EQUITY				
2 OTHER PROVISIONS	994	904	640	639
3 INSURANCE PROVISIONS	32,902	33,349	397,588	388,128
4 FINANCIAL LIABILITIES	9,524	8,880	20,898	30,233
4.1 Financial liabilities at fair value through profit or loss	316	365	8,626	19,120
4.2 Other financial liabilities	9,208	8,515	12,272	11,114
5 PAYABLES	4,056	3,401	5,482	5,272
6 OTHER LIABILITIES	5,033	4,072	19,967	6,761
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>				

HOLDING AND OTHER BUSINESSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
467	482	-1	-1	8,784	8,866
1,443	1,355	0	0	4,075	4,476
0	0	0	0	4,294	3,933
20,908	18,256	-12,444	-11,705	471,233	469,172
999	652	0	0	12,993	12,584
324	320	-5,050	-4,563	1,171	1,194
980	731	0	0	2,267	2,168
8,607	8,099	-7,394	-7,142	40,262	44,178
9,491	8,287	0	0	320,641	313,933
508	167	0	0	93,897	95,114
399	310	-8	-9	11,676	11,790
724	592	-90	-70	30,170	15,414
0	0	0	0	2,119	2,083
724	592	-90	-70	28,051	13,331
1,345	1,841	-504	-664	6,849	7,533
<b>25,286</b>	<b>22,837</b>	<b>-13,047</b>	<b>-12,448</b>	<b>537,080</b>	<b>521,184</b>
				26,177	25,668
428	375	-113	-113	1,950	1,804
0	0	0	0	430,489	421,477
15,493	16,067	-3,600	-3,765	42,316	51,416
0	7	-8	-8	8,935	19,484
15,493	16,060	-3,592	-3,758	33,381	31,932
956	877	0	0	10,494	9,550
683	441	-30	-5	25,653	11,269
				<b>537,080</b>	<b>521,184</b>

## Annex 2

**Segment reporting - Income statement**

(€ million)	NON-LIFE SEGMENT		LIFE SEGMENT	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
1.1 Net earned premiums	19,661	19,446	44,943	45,498
1.1.1 Gross earned premiums	20,701	20,489	45,662	46,244
1.1.2 Eamed premiums ceded	-1,040	-1,043	-719	-746
1.2 Fee and commission income and income from financial service activities	1	0	165	167
1.3 Net income from financial instruments at fair value through profit or loss	114	-29	5,197	1,792
1.4 Income from subsidiaries, associated companies and joint ventures	89	110	206	215
1.5 Income from other financial instruments and land and buildings (investment properties)	1,487	1,693	13,064	12,721
1.6 Other income	1,505	1,122	1,594	1,749
<b>1 TOTAL INCOME</b>	<b>22,857</b>	<b>22,341</b>	<b>65,169</b>	<b>62,143</b>
2.1 Net insurance benefits and claims	-12,804	-12,663	-52,945	-50,954
2.1.1 Claims paid and change in insurance provisions	-13,874	-13,020	-53,500	-51,538
2.1.2 Reinsurers' share	1,071	357	556	584
2.2 Fee and commission expenses and expenses from financial service activities	0	0	-74	-85
2.3 Expenses from subsidiaries, associated companies and joint ventures	-9	-9	-1	-13
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-451	-672	-1,508	-1,816
2.5 Acquisition and administration costs	-5,562	-5,390	-5,067	-5,079
2.6 Other expenses	-2,208	-1,776	-2,829	-1,705
<b>2 TOTAL EXPENSES</b>	<b>-21,034</b>	<b>-20,511</b>	<b>-62,425</b>	<b>-59,653</b>
<b>EARNINGS BEFORE TAXES</b>	<b>1,823</b>	<b>1,831</b>	<b>2,744</b>	<b>2,490</b>

HOLDING AND OTHER BUSINESSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
0	0	0	0	64,604	64,944
0	0	0	0	66,363	66,733
0	0	0	0	-1,759	-1,789
1,420	1,228	-507	-436	1,080	959
14	20	0	0	5,326	1,784
24	22	-184	-215	135	131
444	489	-115	-120	14,880	14,782
388	330	-308	-284	3,180	2,916
<b>2,291</b>	<b>2,089</b>	<b>-1,113</b>	<b>-1,055</b>	<b>89,204</b>	<b>85,518</b>
0	0	0	0	-65,748	-63,616
0	0	0	0	-67,374	-64,558
0	0	0	0	1,626	942
-579	-551	45	25	-608	-611
-7	-25	0	4	-18	-43
-859	-960	34	46	-2,784	-3,403
-535	-479	296	250	-10,868	-10,698
-917	-983	461	432	-5,493	-4,032
<b>-2,897</b>	<b>-2,998</b>	<b>837</b>	<b>758</b>	<b>-85,518</b>	<b>-82,403</b>
<b>-606</b>	<b>-909</b>	<b>-276</b>	<b>-298</b>	<b>3,686</b>	<b>3,115</b>