



15/03/2018
PRESS RELEASE

GENERALI GROUP CONSOLIDATED RESULTS AT 31 DECEMBER 2017 ¹





OPERATING RESULT HITS RECORD HIGH, NET PROFIT OVER € 2.1 BILLION, DIVIDEND RISES 6% TO € 0.85 PER SHARE. CONFIRMING GENERALI STRATEGY FULLY ON TRACK

- **Operating result at record of € 4.89 billion (+2.3%) thanks to the Life segment, the Investments, Asset & Wealth Management business and cost reduction target reached ahead of schedule**
- **Net profit over € 2.1 billion (+1.4%)**
- **Operating RoE at 13.4%, in line with the strategic plan target (>13%)**
- **Increase in profitability of life products, with New Business Value (NBV) rising 53.8%. Life net cash inflows at € 9.7 billion, among the highest levels in the European sector. Life technical reserves increased by 4.2%**
- **Combined Ratio at 92.8%, confirmed as the best among large peers**
- **The capital position is further strengthened: Regulatory Solvency Ratio at 208%; Economic Solvency Ratio at 230%**
- **Dividend per share at € 0.85, up 6% (€ 0.80 FY2016)**

Media Relations
T +39.02.248248884
media@generali.com

Investor Relations
T +39.040.671402
ir@generali.com

www.generali.com

 user: Generali
 user: @GENERALI
 user: generaligroup
 user: GruppoGenerali

Generali Group CEO Philippe Donnet declared: *“The excellent results that we presented today confirm the validity and effectiveness of our strategic plan in this current market context. We are perfectly positioned to reach all of our objectives that we had set for 2018. In light of these results, the Board of Directors will propose a dividend of 0.85 Euro per share, an increase of 6 per cent from 0.80 Euro in 2016. Our focus on technical excellence, combined with the results of our Investments, Asset & Wealth Management business and the cost reduction target hit two years ahead of schedule, have pushed the operating result to record levels. In 2017, we implemented a series of important projects, such as the launch of the new asset management strategy, the rationalizing of the international footprint and the transformation of our German business - all initiatives that contribute to the overall resilience of our Group. These results, obtained thanks to the daily commitment and passion of our colleagues, agents and collaborators, allow us to look to the future with confidence and to create sustainable value for all of our stakeholders.”*

¹ Changes in premiums, net cash inflows, PVNBP (the present value of new business premiums) and NBV (New Business Value) are presented in equivalent terms, that is at constant exchange rates and scope of consolidation. With reference to the divestment of the Dutch and Irish companies in application of IFRS 5, their value of assets and liabilities, and economic result - net of taxes - were separately entered in the specific items of the financial statements. The 2016 comparative figures were likewise reclassified. For more information, please refer to the paragraph “Change in presentation of the Group performance measures” in the Note to the Management Report.

Milan - At a meeting chaired by Gabriele Galateri di Genola, the Assicurazioni Generali Board of Directors approved the consolidated financial statements and the Parent Company's draft financial statements for the year 2017.

EXECUTIVE SUMMARY

The Group closed the year 2017 with strong results and excellent capital position. In particular, the operating result and net profit both increased. There was improvement of the quality of life net cash inflows and strongly increased new business margins. They confirm the full implementation of the strategy presented in 2016 that will be completed by year-end.

The **Group's operating result** reached the record level of € 4,895 million, up 2.3% thanks to the positive performance of the life segment and the Investments, Asset & Wealth Management business² and to the cost reduction reached two years ahead of schedule (-€200 million in mature markets). The 1.8% increase in the Life result is due to a better investment performance; the growth in the result of the segment Holding and Other Activities, reaching € 59 million, reflects the excellent results of Banca Generali and the enhanced performance of Asset Management Europe. Both segments balance the decrease of the P&C operating result (€ 1,972 million, -4.9%) affected by €416 million in natural catastrophe claims that mainly came from the US hurricanes and the storms that swept Central Europe as well as by the lower contribution of investment returns in a low interest rate context. Excluding the impact of natural catastrophe claims in both years under comparison, the P&C operating result would be stable.

The **operating return on equity**, the Group's main economic profitability indicator, came to 13.4% (unchanged compared with the 31 December 2016 figure), confirming the strategic objective (>13%).

Net profit reached € 2,110 million, up 1.4% due to the improvement in the operating and non-operating results that mostly benefit from lower impairment losses and notwithstanding the impact of the discontinued operations and the increase in fiscal obligations.

As for production, **the total premiums** of the Group were steady at € 68,537 million (-0.2%), with the life segment slightly down at € 47,788 million (-1%) while the P&C segment rose 1.7% to € 20,749 million.

Life net inflows amounted to € 9,718 million, proving to be among the highest levels of the market. The life technical reserves stood at €388.7 billion, up 4.2%. In particular, the unit linked reserves grew by 12.1%.

The strategic reorientation toward the unit-linked and pure risk businesses, together with the effective redefinition of the financial guarantees, resulted in significant growth of profitability (margin on PVNBP) of 1.46 p.p., rising to 4.01% (2.56% at 31 December 2016). Also the new business value (NBV) improved consequently (+53.8%), standing at € 1,820 million (€ 1,193 million at 31 December 2016).

²As communicated on 21 February 2018, there is a new geographic segmentation created by three main markets – Italy, France and Germany, and four regional structures (CEE countries, International, Investments, Asset & Wealth Management and Group Holding and other companies)



Growth in P&C premiums is due to both the motor and non-motor segments.

The **Combined Ratio**, at 92.8% (+0.5%), ranks number one among our large European peers and is consistent with the Group's proven track record of technical excellence. In particular, not considering the impact of natural catastrophes, the loss ratio – the effect of claims on premiums – improved by 0.6% (62.9% from 63.5% in 2016).

The **Regulatory Solvency Ratio** – which represents the regulatory view of the Group's capital and is based on use of the internal model, solely for companies that have obtained the relevant approval from IVASS, and on the Standard Formula for other companies – stood at 208% (178% FY 2016).

The **Economic Solvency Ratio** of the Group, which represents the economic view of the Group's capital and is calculated by applying the internal model to the entire Group perimeter, stood at 230% (194% FY 2016).

DIVIDEND PER SHARE

The **dividend per share** to be proposed at the next Shareholders' Meeting is €0.85, up by € 5 cents per share (+6%) compared to the previous year (€ 0.80 FY2016). The pay-out ratio is equal to 63%, from 60% in 2016.

The total dividend relating to shares outstanding amounts to €1,330 million. The dividend payment date shall be from May 23 with record date on May 22 and ex-dividend date from May 21.

LIFE SEGMENT

- Operating result up to € 3.1 billion (+1.8%)
- Increased new business value (NBV) to € 1.8 billion (+53.8%) and the new business margin (NBM) +1.46 p.p. thanks to products having better characteristics in terms of return vs. risk
- Net cash inflows at € 9.7 billion
- Premiums at € 47.8 billion (-1%)
- Technical reserves up by 4.2%

The **net cash inflows** stood at € 9,718 million, one of the highest levels in the market. The trend (-17,1%) reflects in particular the decline registered in Italy (-20.8%) due to payments coming from surrenders and the strategy for rebalancing the portfolio. International declined as well (-57.9%) that takes into account a decline in inflows in Asia and EMEA combined with higher payments. Compared to 2016, the net cash inflows are composed exclusively of unit linked policies and protection while it is negative for traditional savings policies. The life technical reserves stood at €388.7 billion, up 4.2%. In particular, the unit linked reserves grew by 12.1%.

The reorientation toward the unit linked and pure risk businesses, together with the reduction of financial guarantees, resulted in significant margin expansion (margin on PVNBP) of 1.46

p.p., rising to 4.01% (2.56% at 31 December 2016).

New business in terms of present value of new business premiums (PVNBP) amounted to €45,429 million, down by 2.3%, in both the single premium (-2.8%) and the annual premium policies (-2.6%). Unit linked production rose sharply (+28.7%) and the protection line improved slightly (+3%). The traditional savings and pension line premiums posted a significant decrease (-19.0%) due to the Group's strategic actions aimed at reducing business subject to financial guarantees. As a result of the strategic objectives, the **new business value (NBV)** improved significantly (+53.8%), standing at € 1,820 million (€1,193 million at 31 December 2016).

Life premiums totalled € 47,788 million (-1%). The performance was consistent with the underwriting policy that led to an increase in unit linked premiums (+22.4%) in particular in Italy (+57.3%) and France (+52.1%). **Premiums for protection policies** grew 7% reflecting the general increase across the countries where the Group is present.

(€ million)	Operating result			NBV		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	Change
Italy	1,246	1,305	-4.5%	903	579	+56%
France	607	593	+2.3%	211	28	n.m.
Germany	526	457	+15.2%	243	273	-11.1%
Central Eastern Europe	229	249	-8.0%	97	78	+20.9%
International	659	645	+2.2%	367	235	+64.7%
Group Holding and other companies	-126	-163	-23.0%	-	-	-
Total	3,141	3,084	+1.8%	1,820	1,193	+53.8%

P&C SEGMENT

- Premiums up to € 20.7 billion (+1.7%)
- Both the motor (+3%) and non-motor (+0.9%) segments improved
- Combined Ratio at 92.8%, best among large peers

Premiums of the P&C segment totalled € 20,749 million, up 1.7% due to the motor segment (+3.0%) driven by Germany (+4.2%), CEE Countries (+3.2%), the Americas (+25.7%), France (+2.6%) and Spain (+3.8%), which more than offset the drop in motor premium income in Italy (-4.5%) where the average premium in the market continues to fall, and measures are being taken by the Group to recover the returns of the portfolio. Also non-motor premium income is up (+0.9%), which mainly benefited from the development in the CEE Countries (+3.6%), in the EMEA region (+2.6%) and by Europ Assistance (+14%). Italy and France fell 1.8% and 2%, respectively, because of the weak market conditions in the corporate and property lines.

The **operating result** of the P&C was € 1,972 million (€ 2,073 million at 31 December 2016). The decrease (-4.9%) was mostly influenced by the greater impact of natural catastrophe claims, which on the whole affected the year for € 416 million, mainly due to the US hurricanes and the storms that struck Central Europe. Excluding the impact of natural catastrophe claims



in both years under comparison, the P&C operating result would be stable.

The **Group Combined Ratio** stood at 92.8% (+0.5 p.p. compared to 31 December 2016), confirming its leadership position among large European peers. In particular, the loss ratio remained stable. Not considering the impact of natural catastrophes, the loss ratio improved by 0.6% (62.9% from 63.5% in 2016).

(€ million)	Operating result			Combined ratio		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	Change
Italy	651	714	-8.8%	90.0%	89.9%	+ 0.1 %pts
France	155	137	+12.8%	98.4%	99.4%	-1.0 %pts
Germany	327	428	-23.6%	92.6%	90.0%	+ 2.6 %pts
Central Eastern Europe	249	204	+22.2%	87.8%	89.5%	-1.7 %pts
International	520	597	-13.0%	96.2%	94.8%	+ 1.3 %pts
Group Holding and other companies	72	-6	n.m.	52.6%	68.7%	- 16.1 %pts
Total	1,972	2,073	-4.9%	92.8%	92.3%	+ 0.5 %pts

HOLDING AND OTHER ACTIVITY SEGMENT³

The **operating result** of the Holding and other businesses segment amounted to € 59 million, considerably up compared to the loss of € 74 million in 2016.

The operating result of the financial and other businesses segment grew to € 513 million (€ 384 million at 31 December 2016). The increase (33.6%) was driven by the performance of the financial segment, particularly the excellent results of Banca Generali, which rose from € 190 million to € 241 million, due to higher performance fees as well as the positive results of the other asset management and real estate companies.

At 31 December 2017, the third party assets managed by the Group companies amounted to €67,474 million (€56,324 million at 31 December 2016), up by 19.8%.

OUTLOOK

In an improving macroeconomic and financial context still characterised by low interest rates and uncertainty in the financial markets, the disciplined execution of the current strategic plan will continue. The Group will continue to rebalance the portfolio in the life segment with the

³ This segment includes the activities of the Group companies in the asset and wealth management sectors, the costs incurred for management and coordination and business financing, and all other operations that the Group considers to be ancillary to the core insurance business.

goal of optimising its profitability and allowing capital to be allocated more efficiently through the simplification and innovation of the range of product solutions. Despite the strong competitive pressure in the P&C business, premium income is expected to rise. The above-mentioned initiatives will permit the Group to offset the prolonged low-interest rate scenario and will encourage growth, confirming the objectives set in the strategic plan.

The Manager in charge of preparing the company's financial reports, Luigi Lubelli, 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.

THE GENERALI GROUP

Generali is an independent, Italian Group, with a strong international presence. Established in 1831, it is among the world's leading insurers and it is present in over 60 countries with total premium income exceeding €68 billion in 2017. With nearly 71,000 employees in the world and 57 million customers, the Group has a leading position in Western Europe and an increasingly significant presence in Central and Eastern Europe as well as in Asia. In 2017, Generali Group was included among the most sustainable companies in the world by the Corporate Knights ranking.

NOTE TO EDITORIAL STAFF

At 7:30 a.m. the following documents will be available on www.generali.com: press release, pre-recorded video with transcription, presentation for analysts, financial statements and other financial documents.

The Analyst Call will take place at 12:00. Journalists may listen in by dialling +39 02 3600 8045 (listen-only mode).

The Generali corporate app offers the most recent institutional information package, which has been optimized for mobile devices. The app may be downloaded free of charge from Apple and Android stores.

List of annexes:

1. Group balance sheet and income statement
2. Parent Company balance sheet and income statement

1. GROUP'S BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET

Assets			
References:	(€ million)	31/12/2017	31/12/2016
	1 INTANGIBLE ASSETS	8,784	8,866
4	1.1 Goodwill	6,679	6,664
19	1.2 Other intangible assets	2,105	2,202
	2 TANGIBLE ASSETS	4,075	4,476
20	2.1 Land and buildings (self used)	2,606	2,810
20	2.2 Other tangible assets	1,469	1,666
14	3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	4,294	3,933
39, 40, 41, 42	4 INVESTMENTS	471,233	469,172
11	4.1 Land and buildings (investment properties)	12,993	12,584
3	4.2 Investments in subsidiaries, associated companies and joint ventures	1,171	1,194
7	4.3 Held to maturity investments	2,267	2,168
8	4.4 Loans and receivables	40,262	44,178
9	4.5 Available for sale financial assets	320,641	313,933
10	4.6 Financial assets at fair value through profit or loss	93,897	95,114
	of which financial assets where the investment risk is borne by the policyholders and related to pension funds	75,372	78,317
21	5 RECEIVABLES	11,676	11,790
	5.1 Receivables arising out of direct insurance operations	7,238	7,155
	5.2 Receivables arising out of reinsurance operations	1,441	1,163
	5.3 Other receivables	2,997	3,471
22	6 OTHER ASSETS	30,170	15,414
	6.1 Non-current assets or disposal groups classified as held for sale	16,146	772
15	6.2 Deferred acquisition costs	2,119	2,083
	6.3 Deferred tax assets	2,091	2,477
	6.4 Tax receivables	2,961	2,974
	6.5 Other assets	6,853	7,108
12	7 CASH AND CASH EQUIVALENTS	6,849	7,533
	TOTAL ASSETS	537,080	521,184

Equity and liabilities

References:	(€ million)	31/12/2017	31/12/2016
16	1 SHAREHOLDERS' EQUITY	26,177	25,668
	1.1 Shareholders' equity attributable to the Group	25,079	24,545
	1.1.1 Share capital	1,562	1,560
	1.1.2 Other equity instruments	0	0
	1.1.3 Capital reserves	7,098	7,098
	1.1.4 Revenue reserves and other reserves	9,209	8,604
	1.1.5 (Own shares)	-8	-7
	1.1.6 Reserve for currency translation differences	-115	42
	1.1.7 Reserve for unrealized gains and losses on available for sale financial assets	6,279	6,319
	1.1.8 Reserve for other unrealized gains and losses through equity	-1,055	-1,153
	1.1.9 Result of the period	2,110	2,081
	1.2 Shareholders' equity attributable to minority interests	1,098	1,123
	1.2.1 Share capital and reserves	915	879
	1.2.2 Reserve for unrealized gains and losses through equity	-3	86
	1.2.3 Result of the period	185	158
23	2 OTHER PROVISIONS	1,950	1,804
13	3 INSURANCE PROVISIONS	430,489	421,477
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	67,997	60,799
	4 FINANCIAL LIABILITIES	42,316	51,416
17	4.1 Financial liabilities at fair value through profit or loss	8,935	19,484
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	7,360	17,404
18	4.2 Other financial liabilities	33,381	31,932
	of which subordinated liabilities	8,379	9,126
24	5 PAYABLES	10,494	9,550
	5.1 Payables arising out of direct insurance operations	3,602	3,465
	5.2 Payables arising out of reinsurance operations	848	579
	5.3 Other payables	6,043	5,506
25	6 OTHER LIABILITIES	25,653	11,269
	6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	15,745	702
	6.2 Deferred tax liabilities	2,642	2,616
	6.3 Tax payables	1,487	1,644
	6.4 Other liabilities	5,779	6,307
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	537,080	521,184

INCOME STATEMENT

Income statement			
References:	(€ million)	31/12/2017	31/12/2016
26	1.1 Net earned premiums	64,604	64,944
	1.1.1 Gross earned premiums	66,363	66,733
	1.1.2 Earned premiums ceded	-1,759	-1,789
27	1.2 Fee and commission income and income from financial service activities	1,080	959
28	1.3 Net income from financial instruments at fair value through profit or loss	5,326	1,784
	of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	4,107	1,706
29	1.4 Income from subsidiaries, associated companies and joint ventures	135	131
30	1.5 Income from other financial instruments and land and buildings (investment properties)	14,880	14,782
	1.5.1 Interest income	9,542	9,878
	1.5.2 Other income	2,221	2,043
	1.5.3 Realized gains	2,881	2,604
	1.5.4 Unrealized gains and reversal of impairment losses	237	258
31	1.6 Other income	3,180	2,916
	1 TOTAL INCOME	89,204	85,518
32	2.1 Net insurance benefits and claims	-65,748	-63,616
	2.1.1 Claims paid and change in insurance provisions	-67,374	-64,558
	2.1.2 Reinsurers' share	1,626	942
33	2.2 Fee and commission expenses and expenses from financial service activities	-608	-611
34	2.3 Expenses from subsidiaries, associated companies and joint ventures	-18	-43
35	2.4 Expenses from other financial instruments and land and buildings (investment properties)	-2,784	-3,403
	2.4.1 Interest expense	-1,029	-1,088
	2.4.2 Other expenses	-388	-350
	2.4.3 Realized losses	-612	-471
	2.4.4 Unrealized losses and impairment losses	-755	-1,494
36	2.5 Acquisition and administration costs	-10,868	-10,698
	2.5.1 Commissions and other acquisition costs	-8,122	-7,964
	2.5.2 Investment management expenses	-171	-188
	2.5.3 Other administration costs	-2,575	-2,546
37	2.6 Other expenses	-5,493	-4,032
	2 TOTAL EXPENSES	-85,518	-82,403
	EARNINGS BEFORE TAXES	3,686	3,115
38	3 Income taxes	-1,173	-915
	EARNINGS AFTER TAXES	2,513	2,199
	4 RESULT OF DISCONTINUED OPERATIONS	-217	40
	CONSOLIDATED RESULT OF THE PERIOD	2,295	2,239
	Result of the period attributable to the Group	2,110	2,081
	Result of the period attributable to minority interests	185	158
16	EARNINGS PER SHARE		
	Basic earnings per share (€)	1.35	1.34
	From continuing operations	1.49	1.34
	Diluted earnings per share (€)	1.33	1.32
	From continuing operations	1.47	1.32

BALANCE SHEET

(in thousands euro)

BALANCE SHEET ASSETS

		Year 2017		Year 2016
A. SUBSCRIBED CAPITAL UNPAID			0	0
of which called-up capital	0			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised				
a) life business	0			
b) non-life business	0	0		
2. Other acquisition costs		0		
3. Formation and development expenses		0		
4. Goodwill		0		
5. Other intangible assets		30,127	30,127	33,197
C. INVESTMENTS				
I Land and Buildings				
1. Property used for own activities		7,716		
2. Property used by third parties		97,110		
3. Other properties		0		
4. Other realty rights		0		
5. Assets in progress and payments on account		1,787	106,613	
II Investments in affiliated companies and other shareholdings				
1. Interests in				
a) parent companies	0			
b) affiliated companies	29,491,857			
c) affiliates of parent companies	0			
d) associated companies	219,431			
e) other	20,530	29,731,819		
2. Debt securities issued by				
a) parent companies	0			
b) affiliated companies	650			
c) affiliates of parent companies	0			
d) associated companies	0			
e) other	0	650		
3. Loans to				
a) parent companies	0			
b) affiliated companies	1,662,883			
c) affiliates of parent companies	0			
d) associated companies	0			
e) other	0	1,662,883	31,395,352	
			30,127	33,197

		Year 2017		Year 2016
C. INVESTMENTS (follows)				
III Other financial investments				
1. Equities				
a) quoted shares	15,540			
b) unquoted shares	12,822			
c) other interests	5,308	33,670		
2. Shares in common investment funds		40,314		
3. Debt securities and other fixed-income securities				
a) quoted	1,962,570			
b) unquoted	36,375			
c) convertible bonds	367	1,999,312		
4. Loans				
a) mortgage loans	0			
b) loans on policies	760			
c) other loans	2,146	2,905		
5. Participation in investment pools		0		
6. Deposits with credit institutions		128,799		
7. Other		9,990		
IV Deposits with ceding companies		2,214,991		
		6,927,863	40,644,819	40,998,308
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		3,268,077		
II - Investments relating to the administration of pension funds		0	3,268,077	3,456,300
D.bis REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS				
I NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums	124,702			
2. Provision for claims outstanding	733,252			
3. Provision for profit sharing and premium refunds	0			
4. Other technical provisions	0	857,954		
II - LIFE INSURANCE BUSINESS				
1. Mathematical provision	36,165			
2. Unearned premium provision for supplementary coverage	23,645			
3. Provision for claims outstanding	341,307			
4. Provision for profit sharing and premium refunds	19,424			
5. Other provisions	0			
6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds	0	420,541	1,278,495	914,222
			45,221,517	45,402,026

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' FUNDS

	Year 2017		Year 2016
A. SHAREHOLDERS' FUNDS			
I - Subscribed capital or equivalent funds	1,561,808		
II - Share premium account	3,568,250		
III - Revaluation reserve	2,010,835		
IV - Legal reserve	312,362		
V - Statutory reserve	0		
VI - Reserve for parent company shares	0		
VII - Other reserve	5,970,810		
VIII - Profit or loss brought forward	0		
IX - Profit or loss for the financial year	1,404,459		
X - Negative reserve for own shares held	3,040	14,825,483	14,670,385
B. SUBORDINATED LIABILITIES		7,051,952	7,089,925
C. TECHNICAL PROVISIONS			
I - NON-LIFE INSURANCE BUSINESS			
1. Provision for unearned premiums	380,979		
2. Provision for claims outstanding	1,916,612		
3. Provision for profit sharing and premium refunds	0		
4. Other provisions	0		
5. Equalisation provision	314	2,297,906	
II - LIFE INSURANCE BUSINESS			
1. Mathematical provision	7,026,151		
2. Unearned premium provision for supplementary coverage	31,850		
3. Provision for claims outstanding	1,230,942		
4. Provision for profit sharing and premium refunds	84,475		
5. Other provisions	17,895	8,391,312	10,689,218
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	3,265,804		
II Provisions relating to the administration of pension funds	0	3,265,804	3,454,111
		35,832,457	36,733,326

		Year 2017		Year 2016
E. PROVISIONS FOR OTHER RISKS AND CHARGES				
1. Provision for pensions and similar obligations		0		
2. Provisions for taxation		45,278		
3. Other provisions		57,143	102,420	113,298
F. DEPOSITS RECEIVED FROM REINSURERS			331,210	307,642
G. PAYABLES				
I - Payables arising out of direct insurance operations				
1. Insurance intermediaries	7,764			
2. Current accounts with insurance companies	4,907			
3. Premium deposits and premiums due to policyholders	6,377			
4. Guarantee funds in favour of policyholders	0	19,048		
II Payables arising out of reinsurance operations				
1. Reinsurance companies	172,580			
2. Reinsurance intermediaries	96,147	268,727		
III - Bond issues		3,191,654		
IV - Amounts owed to credit institutions		1,188,706		
V - Loans guaranteed by mortgages		0		
VI - Other financial liabilities		3,811,359		
VII - Provisions for severance pay		4,746		
VIII - Other Payables				
1. Premium taxes	5,256			
2. Other tax liabilities	33,046			
3. Social security	3,935			
4. Sundry creditors	2,606,292	2,648,529		
IX - Other liabilities				
1. Deferred reinsurance items	2,338			
2. Commissions for premiums in course of collection	13,751			
3. Miscellaneous liabilities	535,939	552,029	11,684,798	10,746,349
			47,950,886	47,900,615

		Year 2017		Year 2016
H. ACCRUALS AND DEFERRED INCOME				
1. Interests		276,515		
2. Rents		1,967		
3. Other accruals and deferred income		25,626	304,109	332,436
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS			48,254,994	48,233,051

PROFIT AND LOSS ACCOUNT

(in thousands euro)

PROFIT AND LOSS ACCOUNT

		Year 2017	Year 2016
I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS			
1. EARNED PREMIUMS, NET OF REINSURANCE:			
a) Gross premiums written	1,661,058		
b) (-) Outward reinsurance premiums	489,281		
c) Change in the gross provision for unearned premiums	24,269		
d) Change in the provision for unearned premiums, reinsurers' share	23,309	1,170,817	1,116,819
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III. 6)		137,629	123,337
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE		574	1,280
4. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE			
a) Claims paid			
aa) Gross amount	914,863		
bb) (-) Reinsurers' share	223,335	691,528	
b) Recoveries net of reinsurance			
aa) Gross amount	11,563		
bb) (-) Reinsurers' share	3,705	7,858	
c) Change in the provision for claims outstanding			
aa) Gross amount	155,490		
bb) (-) Reinsurers' share	15,639	139,850	823,519
5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE		0	0
6. PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE		41	28
7. OPERATING EXPENSES			
a) Acquisition commissions	230,161		
b) Other acquisition costs	28,850		
c) Change in commissions and other acquisition costs to be amortised	0		
d) Collecting commissions	753		
e) Other administrative expenses	51,012		
f) (-) Reinsurance commissions and profit sharing	58,048	252,728	248,073
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE		9,691	10,896
9. CHANGE IN THE EQUALISATION PROVISION		116	90
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS		222,924	218,770

II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS			Year 2017	Year 2016
1. PREMIUMS WRITTEN, NET OF REINSURANCE				
a)	Gross premiums written	<u>1,708,336</u>		
b)	(-) Outward reinsurance premiums	<u>363,580</u>	1,344,757	1,635,611
2. INVESTMENT INCOME:				
a)	From participating interests	<u>1,003,319</u>		
	(of which, income from Group companies)	<u>1,001,314</u>		
b)	From other investments			
aa)	income from land and buildings	<u>0</u>		
bb)	from other investments	<u>320,273</u>	320,273	
	(of which, income from Group companies)		<u>245,751</u>	
c)	Value re-adjustments on investment	<u>4,949</u>		
d)	Gains on the realisation of investments	<u>10,865</u>		
	(of which, income from Group companies)	<u>0</u>	1,339,406	1,308,046
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			93,674	52,097
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE			16,836	23,651
5. CLAIMS INCURRED, NET OF REINSURANCE				
a)	Claims paid			
aa)	gross amount	<u>2,104,367</u>		
bb)	(-) reinsurers' share	<u>236,248</u>	1,868,119	
b)	Change in the provision for claims outstanding			
aa)	gross amount	<u>154,924</u>		
bb)	(-) reinsurers' share	<u>40,708</u>	1,982,335	1,792,419
6. CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
a)	Provisions for policy liabilities			
aa)	gross amount	<u>-478,604</u>		
bb)	(-) reinsurers' share	<u>5,663</u>	-484,266	
b)	Change in the provision for claims outstanding			
aa)	gross amount	<u>5,358</u>		
bb)	(-) reinsurers' share	<u>10,247</u>	-4,888	
c)	Other provisions			
aa)	gross amount	<u>228</u>		
bb)	(-) reinsurers' share	<u>0</u>	228	
d)	Provisions for policies where the investment risk is borne by the shareholders and relating to the administration of pension funds			
aa)	gross amount	<u>-169,802</u>		
bb)	(-) reinsurers' share	<u>0</u>	-658,729	-211,500

		Year 2017	Year 2016
7. PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE		46,664	66,744
8. OPERATING EXPENSES			
a) Acquisition commissions	230,391		
b) Other acquisition costs	10,303		
c) Change in commissions and other acquisition costs to be amortised	0		
d) Collecting commissions	0		
e) Other administrative expenses	38,398		
f) (-) Reinsurance commissions and profit sharing	65,318	213,774	254,879
9. INVESTMENT CHARGES			
a) Investment administration charges, including interest	17,716		
b) Value adjustments on investments	3,567		
c) Losses on the realisation of investments	283	21,566	28,457
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		3,190	10,171
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE		8,173	8,362
12. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4)		729,570	696,659
13. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item III.2)		448,130	373,213
III. NON TECHNICAL ACCOUNT			
1. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10)		222,924	218,770
2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item I.13)		448,130	373,213
3. NON-LIFE INVESTMENT INCOME			
a) From participating interests	980,537		
(of which, income from Group companies)	979,930		
b) From other investments			
aa) income from land and buildings	4,944		
bb) from other investments	91,090	96,034	
(of which, income from Group companies)	64,611		
c) Value re-adjustments on investment	6,905		
d) Gains on the realisation of investments	36,869		
(of which, income from Group companies)	19,610	1,120,346	989,186

	Year 2017	Year 2016
4. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (item I. 2)	729,570	696,659
5. INVESTMENT CHARGES FOR NON-LIFE BUSINESS		
a) Investment administration charges, including interest	31,656	
b) Value adjustments on investments	36,893	
c) Losses on realisation of investments	10,099	
6. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I. 2)	137,629	123,337
7. OTHER INCOME	398,403	491,556
8. OTHER CHARGES	1,631,104	1,603,197
9. RESULT FROM ORDINARY ACTIVITY	1,071,991	871,276
10. EXTRAORDINARY INCOME	254,534	79,590
11. EXTRAORDINARY CHARGES	43,557	44,817
12. EXTRAORDINARY PROFIT OR LOSS	210,977	34,773
13. RESULT BEFORE TAXATION	1,282,969	906,049
14. INCOME TAXES	-121,491	-190,212
15. PROFIT (LOSS) FOR THE YEAR	1,404,459	1,096,261