# ANNUAL INTEGRATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2021

190th year
generali.com

GENERALI
190
1831-2021

# ANNUAL INTEGRATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2021

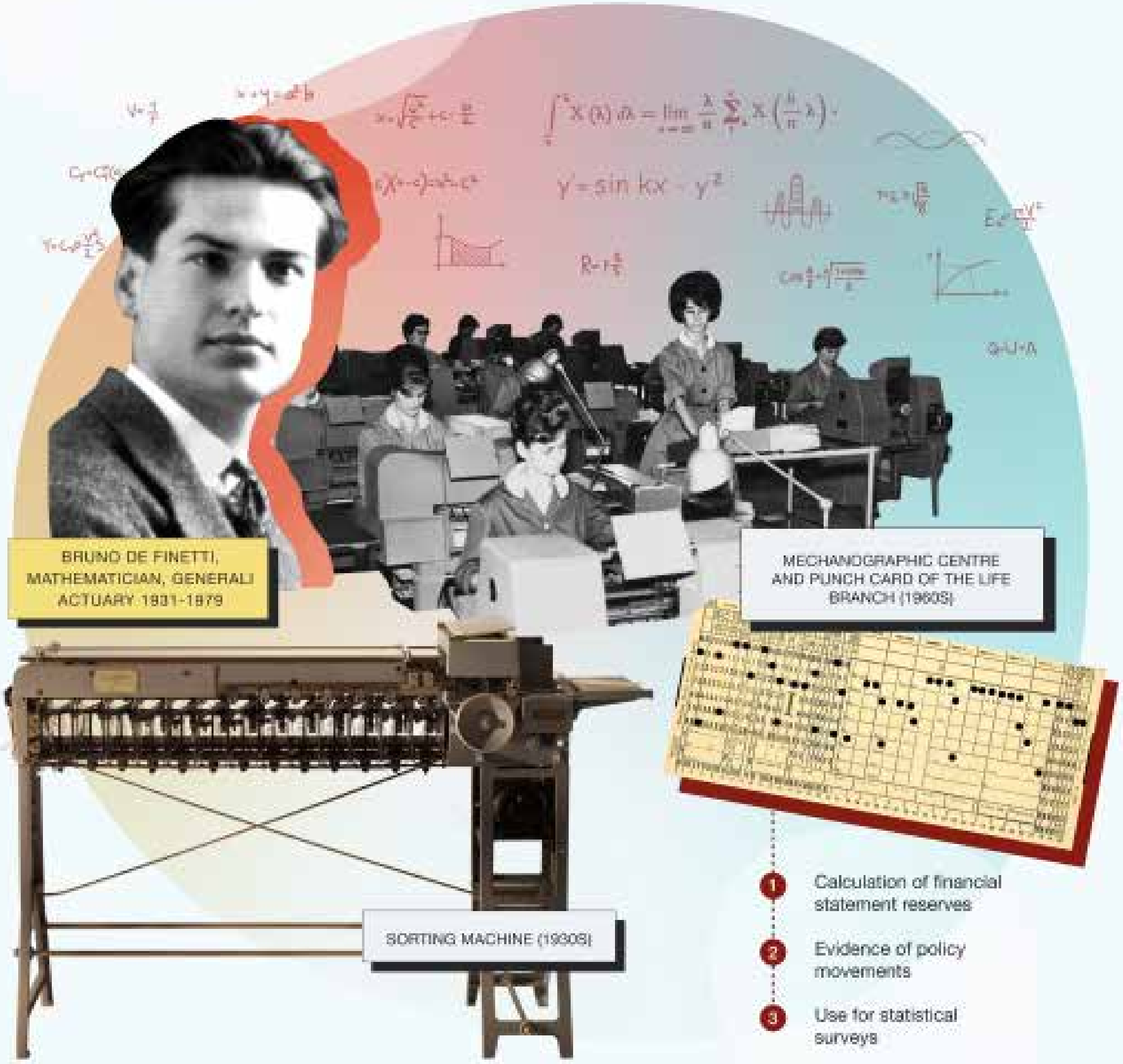
This Annual Integrated Report and Consolidated Financial Statements has not been filed, pursuant to art. 154-ter of legislative decree of 24 February 1998, no. 58 - Testo Unico delle disposizioni in materia di intermediazione finanziaria (TUF) - as amended and pursuant to art.8 and 21 of law of 6 February 1996, no.52.
The Company will publish the final version of the Annual Integrated Report and Consolidated Financial Statements 2021 in accordance with prevailing law, and include the Board of Statutory Auditors' Report and Independent Auditor's Reports.

In compliance with the provisions of Directive 2004/109/EC and Delegated Regulation EU 2019/815 (European Single Electronic reporting Format - ESEF), this Annual Integrated Report and Consolidated Financial Statements 2021 is drafted also in XHTML format and will be available in its final version on the Group website.

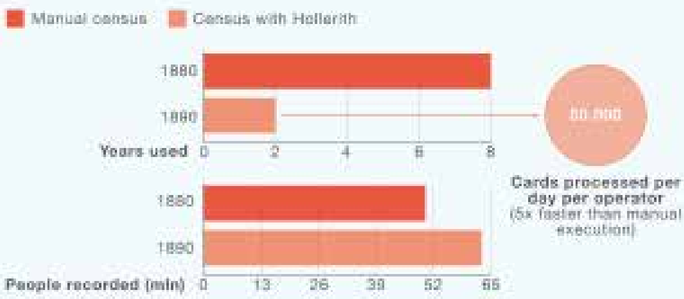
Please note that the Report is translated into English solely for the convenience of international readers.

# De Finetti the mathematician and the Hollerith revolution at Generali

190 1831-2021




Hollerith machine performance in the US census




**Bruno de Finetti** (1906-1985), an internationally renowned **mathematician**, left an indelible mark on Generali where, in the 1930s, he led the creation of the first mechanographic centre based on American IBM founder **Hermann Hollerith's punch card machines**. Generali used the most advanced technology of the time, punch cards, which, with a binary mechanism based on full and empty, made it possible to enhance and automate accounting operations. Adaptation to insurance work, starting with the life sector, was devised by de Finetti, creating to a system that soon made it possible to rationalise other business processes too, and which was then only surpassed by the advent of the personal computer.

Data: Assicurazioni Generali Historical Archive

# GENERALI LIFE STORIES

**In 2021, Generali celebrated the 190th anniversary of its foundation with events, initiatives, and projects involving the Group and its stakeholders.**

One of the most innovative communication projects was 'Generali Life Stories'. This multimedia initiative featured podcasts, sophisticated infographics, historical fact sheets and art shots of objects and documents from Generali's heritage, telling the company's story from the point of view of people and the impact the company has had on their lives. It is a collective story, involving different countries and cultures in the spirit of cosmopolitanism and openness. The collection consists of 19 stories based on the values of innovation, the ability to respond to challenges, connection, internationalism and sustainability - values that we always hold and build upon.

The Generali Group's 2021 reports will provide several insights and images from these stories, offering most of all a sense of the company's 190-year-long adventure made by people and for people.

**The cover of this report features Bruno de Finetti,** a brilliant mathematician with a very esteemed national and international profile. From 1932 he managed the company's transition from the era of manual to mechanised calculation.

Read more about the **Generali Life Stories**

# CORPORATE BODIES AT 14 MARCH 2022

| | |
|---|---|
| **Chairman** | Gabriele Galateri di Genola |
| **Vice-Chairmen** | Clemente Rebecchini |
| **Managing Director and Group CEO** | Philippe Donnet |
| **Board members** | Paolo Di Benedetto<br>Alessia Falsarone<br>Alberta Figari<br>Ines Mazzilli<br>Antonella Mei-Pochtler<br>Diva Moriani<br>Lorenzo Pellicioli<br>Roberto Perotti<br>Andrea Sironi<br>Luisa Torchia |
| **Board of Statutory Auditors** | Carolyn Dittmeier (Chairwoman)<br>Antonia Di Bella<br>Lorenzo Pozza<br>Silvia Olivotto (Alternate Auditor)<br>Tazio Pavanel (Alternate Auditor) |
| **Board secretary** | Giuseppe Catalano |

**Assicurazioni Generali S.p.A.**
Company established in Trieste in 1831

Registered office in Trieste (Italy), piazza Duca degli Abruzzi, 2
Share capital € 1,581,069,241 fully paid-up
Fiscal code and Venezia Giulia Companies' Register no. 00079760328
VAT no. 01333550323
Company entered on the Register of Italian insurance and reinsurance companies under no.1.00003
Parent Company of the Generali Group, entered on the Register of insurance groups under no. 026
Pec: assicurazionigenerali@pec.generaligroup.com

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

Contacts available at the end of this document

Comments and opinion on the Report can be sent to integratedreporting@generali.com

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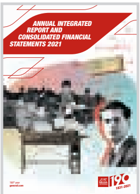
# THE INTEGRATED OVERVIEW OF OUR REPORTS

Our story of creating sustainable value continues to be based on the evolutionary adoption of integrated thinking, allowing us to live according to our values and to implement practices and processes aligned with our purpose.
In line with the Core&More[1] approach, the Annual Integrated Report represents the Group's Core report and illustrates our business model and our value creation process in a holistic way. Considering the expectations of our stakeholders, in the Core report we share information identified as material, both financial and non-financial. Through the More reporting, which includes other Group's reports and communication channels, we provide detailed information intended for a specialized audience or for actors who intend to deepen some specific issues.


## GROUP ANNUAL INTEGRATED REPORT

It provides a concise and integrated view of the Group's financial and non-financial performance, also pursuant to legislative decree (leg. decree) 254/2016 and Regulation EU 2020/852.



## ANNUAL INTEGRATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

It expands the content of the Group Annual Integrated Report, providing details of its financial performance in compliance with national and international regulations.

## CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.

## REPORT ON REMUNERATION POLICY AND PAYMENTS

It provides specific information on the remuneration policy adopted by the Group and its implementation.

## MANAGEMENT REPORT AND PARENT COMPANY FINANCIAL STATEMENTS

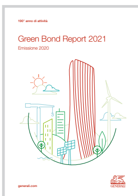
It provides information on the performance of Assicurazioni Generali, in accordance with currently effective regulations.

## GROUP ACTIVE OWNERSHIP REPORT

It reports how the Group implements its engagement policy, including a description of dialogue with investee companies, exercise of voting rights and cooperation with other investors.

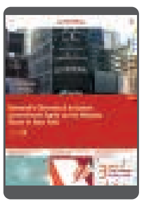
## CLIMATE-RELATED FINANCIAL DISCLOSURE

It provides investors and other stakeholders with relevant information to assess the adequacy of the Group's approach to climate change and its ability to manage the risks and opportunities it brings.



## GREEN BOND REPORT

It outlines the use of proceeds of the Generali's Green Bond issuance and associated impacts in terms of lower GHG emissions.



**generali.com**

for further information on the Group

1. The Core&More approach was developed by Accountancy Europe, that unites 50 professional organisations from 35 countries that represent one million qualified accountants, auditors and advisors. The approach provides for a core report, including a summary of all key information required to evaluate and understand a company, that is useful for all stakeholders, and more reports, presenting more detailed information for specific stakeholders. www.accountancyeurope.eu/ for further information.

# ABOUT THE ANNUAL INTEGRATED REPORT

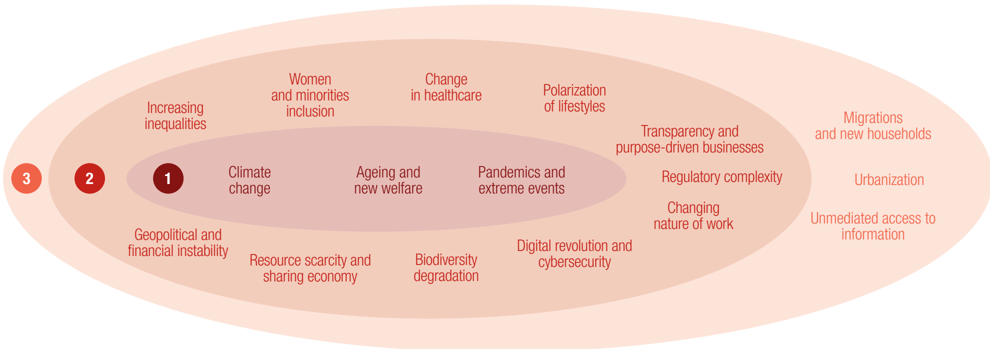
**This Annual Integrated Report carries the Group's financial and non-financial performance and explains, through our value creation process, the connections between the context in which we operate, the Generali 2021 strategy, the corporate governance structure and our remuneration policy.**

Information in the Annual Integrated Report refers to the topics identified as significant through a materiality analysis process, carried out by engaging both internal and external stakeholders. In 2019, we assessed with them the large social, environmental and governance transformations - also called mega trends - which are expected to be able to significantly change the world of enterprises, society and the natural environment over a ten-year horizon, and this entails risks and opportunities for the Group, its value chain and its stakeholders. Considered the crisis due to the Covid-19 pandemic, in 2020 the Generali top management reviewed the current relevance of mega trends and their distribution within the three priority clusters. While confirming mega trends in 2021, we considered the perspective of the double materiality, thus assessing the potential impact each mega trend might have on the Group and how they might be influenced by the Group, also through its value chain. Belonging to one of the three priority clusters determines the Group's approach for their management and reporting.

1 Central cluster that identifies the material mega trends on which the strategic initiatives common to the Group are focused and the disclosure of which is included in this Report

2 Intermediate cluster that groups the mega trends of considerable relevance, which are addressed by specific business units or functions

3 External cluster that groups the mega trends to be monitored, which are of minor relevance compared to the other factors analysed




Consolidated Non-Financial Statement, p. 167 for further information on the materiality analysis process and results

The Report is drafted in compliance with currently effective regulations, among which the provisions of leg. decree 254/2016 on the environmental, social, employee-related, respect for human rights and anti-corruption and bribery information, that forms the content of the Consolidated Non-Financial Statement (NFS) and is clearly identified through a specific infographic, as well as the provisions of Regulation EU 2020/852 (known as EU Taxonomy Regulation) and the relative Delegated Regulations which establish a common classification system for environmentally sustainable investments.
The Report is in accordance with the criteria of the International <IR> Framework issued by the International Integrated Reporting Council[2]. It adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 selected indicators from the Consolidated Set of GRI Sustainability Reporting Standards and indicators in accordance with a proprietary methodology.
The Report is in line with the 2021 priorities on non-financial information by ESMA[3] and considers the TCFD[4] recommendations and the Guidelines on non-financial reporting of the European Commission[5] as for the the environmental matters.

Notes to the Management Report, p. 180 for the criteria of the International <IR> Framework and selected indicators

## Responsibility for the Annual Integrated Report

The Board of Directors of Assicurazioni Generali is responsible for the Annual Integrated Report, which is presented also in accordance with the Guiding Principles and Content Elements established by the International <IR> Framework. The Board, through its competent Committees, and the Board of Statutory Auditors are regularly engaged by the management in specific meetings aiming at sharing the approach to the preparation and presentation of the Report.

2. The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs.
3. The document *European common enforcement priorities for 2021 annual financial reports* is available on www.esma.europa.eu.
4. The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) with the aim to formulate a set of recommendations on reporting climate-change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors.
5. *Guidelines on non-financial reporting: supplement on reporting climate-related information* (C/2019/4490) were published in June 2019. They are available on eur-lex.europa.eu.

# LETTER FROM THE CHAIRMAN AND THE GROUP CEO

Dear Reader and Generali Shareholder,

The past year was another year like no other. As the overall health situation remained challenging, with the persistence of the Covid-19 pandemic and the emergence of new variants of the virus, we witnessed a gradual economic recovery driven by the success of the vaccination campaign and the unprecedented economic and monetary support policies. Through the *Next Generation EU* recovery plan, Europe managed to redefine a single vision that had long been lacking and that is now finally directed towards sustainable development and digital transformation. This also benefited Italy, which has embarked on a deep transformation of many structural aspects through its National Recovery and Resilience Plan. This is a unique opportunity to redesign a future that currently presents many other issues. In addition to the ongoing pandemic, 2021 saw a resurgence of inflation that could weigh on household consumption and further deepen social inequalities, as well as bottlenecks in the global supply chain. Also, we cannot forget the concerns linked to the ecological transition and the international tensions in an increasingly critical geopolitical framework.

Against this backdrop, Generali celebrated its one hundred and ninetieth anniversary, having been founded in Trieste on 26 December 1831, and demonstrated its commitment, as it has done throughout its history, by taking action in the economic and social arenas. As part of this effort, we launched two large-scale projects: Fenice 190, a € 3.5 billion sustainable investment plan, and SME EnterPRIZE, an initiative aimed at promoting a culture of sustainability among European small- and medium-sized enterprises. The events also highlighted Generali's expertise in these particular fields. For almost two centuries, the company has often acted as an innovator not only within the insurance industry but also and more broadly in society. The new historic archive, housed in the newly renovated Palazzo Berlam in Trieste, provides many examples of how Generali has always looked ahead, anticipated trends and acted in the interests of all stakeholders and communities, with a view to protect individuals, families and businesses and help them build a safer and more sustainable future

*Generali 2021*, the three-year strategic plan that was presented to investors at the end of 2018, more than a year before the outbreak of the pandemic, reached its conclusion. It was a forward-looking plan that put a strong emphasis on digital innovation and sustainability, which are key elements of all the current recovery plans, and Generali was able to successfully deliver its targets even in unprecedented circumstances. Among the most remarkable achievements are the Group's excellent financial and capital position, diversified sources of income, steady and profitable growth and a proven ability to generate best-in-class returns for shareholders. At the same time, the ambition to be a Lifetime Partner to our customers has led the Group to improve significantly its Relationship Net Promoter Score, an indicator measuring customer loyalty and satisfaction.

The success of the three-year strategic plan was made possible also by the results achieved in 2021, which were marked by a positive development in all business lines. Generali posted record results, with strong growth in operating and net results and extremely solid capital postion. It confirmed its technical excellence in P&C, posting once again the best Combined Ratio among our peers. In Life, we recorded very solid growth in terms of net inflows with an excellent New Business Margin. Moreover, the Asset Management segment continued its development, thus positively contributing to the overall Group results. This allows us to distribute an increasing proposed dividend of € 1.07 per share.

Following up on these accomplishments, on December 15 we presented *Lifetime Partner 24: Driving Growth*, the new strategic plan for the 2022-2024 cycle, to the financial community. It is a plan based with the objective of generating sustainable growth, while further increasing our commitment as a Lifetime Partner to our customers. Generali will continue to strengthen its sources of revenues; it will increase the profitability of the Life business; it will invest more than € 1 billion in its digital and technological transformation; it will increase third-party revenues in the Asset Management segment and further improve operating efficiency.

Today, sustainability is the cornerstone of the Group's action in every area of activity – from governance to the insurance and financial business, to the initiatives for the communities. For example, to help accelerate reaching the goals of the Paris Agreement, in June we updated our strategy on climate change. As part of it, we will deploy between € 8.5 billion and € 9.5 billion in new green and sustainable investments between 2021 and 2025. We also aim to gradually reduce the exposure of the investment and insurance portfolios to the thermal coal sector to zero by 2030 in OECD countries and then in the rest of the world, as well as to make our investment and insurance portfolios climate neutral by 2050.
Just a few weeks after that, at the G20 Climate Summit that was held in Venice in mid-July, we presented the goals of the Net-Zero Insurance Alliance, of which Generali is one of the eight founding members. This important initiative marks the commitment of the insurance industry to accelerate the transition to a net-zero global economy.
In the social sphere, the commitment to our communities continued through the programmes of The Human Safety Net foundation, whose goal is to unlock human potential in the most vulnerable contexts. To give further prominence to these initiatives, we are about to unveil the new home of The Human Safety Net in the unique setting of the Procuratie Vecchie in St Mark's Square in Venice, restored and ready to reopen to the public for the first time in 500 years. Sustainability also means promoting an innovative, open and inclusive company culture. Every day, we work to increase Generali’s ability to attract and retain talents, and we foster the well-being and continuous professional growth of our people, valuing the uniqueness and diversity that have always contributed to our Group's success. Such commitment is supported by concrete and ambitious goals in the framework of our new strategic plan, and it was recently acknowledged by the Top Employers Institute, which awarded the Top Employer certification to Assicurazioni Generali, Generali Italia, Cattolica Assicurazioni and Generali Spain.

In conclusion, we present this Report to all our shareholders and stakeholders knowing that, in such a meaningful year, we were able to write yet another page in Generali's history fully expressing our ultimate purpose as insurers, and we are ready to face the Next Normal with optimism and confidence.

Gabriele Galateri di Genola
*Chairman*

Philippe Donnet
*Group CEO*

# WE, GENERALI

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# GROUP'S HIGHLIGHTS[1]

Glossary available at the end of this document

**We are one of the largest global players in the insurance industry and asset management, with a strong international presence. In almost 200 years we have built a Group that operates in 50 countries, through more than 400 companies.**

Our performance, p. 79

Share performance, p. 136 for further information on the dividend

| | | | |
|---|---|---|---|
| **GROSS WRITTEN PREMIUMS** € 75,825 mln | +6.4% | **OPERATING RESULT** € 5,852 mln | +12.4% |
| **NET RESULT** € 2,847 mln | +63.3% | **ADJUSTED NET RESULT[2]** € 2,795 mln | +45.1% |
| **PROPOSED DIVIDEND PER SHARE** € 1.07 | + 5.9% | **PROPOSED TOTAL DIVIDEND** € 1,691 mln | +6.3% |
| **TOTAL ASSETS UNDER MANAGEMENT (AUM)[3]** € 710 bln | +8.4% | **SOLVENCY RATIO** 227% | +3 p.p. |

## LIFE

| | | | | | |
|---|---|---|---|---|---|
| **LIFE NET INFLOWS** € 12,729 mln | +4.4% | **NEW BUSINESS VALUE (NBV)** € 2,313 mln | +24.2% | **OPERATING RESULT** € 2,816 mln | +7.2% |

Gross written premiums € 51,680 mln (+6.0%)

## PROPERTY & CASUALTY (P&C)

| | | | | | |
|---|---|---|---|---|---|
| **GROSS WRITTEN PREMIUMS** € 24,145 mln | +7.0% | **COMBINED RATIO (CoR)** 90.8% | +1.7 p.p. | **OPERATING RESULT** € 2,650 mln | +7.9% |

## ASSET MANAGEMENT

| | | | | | |
|---|---|---|---|---|---|
| **OPERATING RESULT** € 672 mln | +22.9% | **NET RESULT** € 504 mln | +30.4% | **ASSETS UNDER MANAGEMENT** € 575 bln | +2.5% |

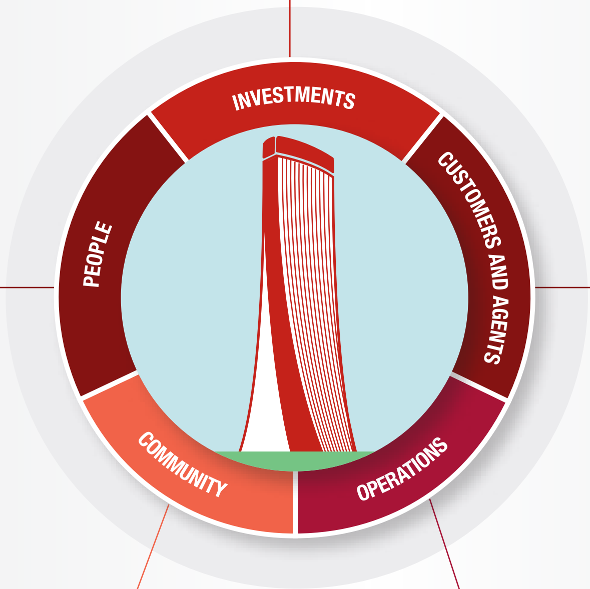
1. In November 2021, Assicurazioni Generali acquired control of the Cattolica group, with a stake equal to 84.475% of the Cattolica Assicurazioni's share capital, following the successful conclusion of the voluntary public tender offer on the totality of the ordinary shares of the issuer. The Cattolica group was then accounted for using the equity method for the first ten months of 2021 and consolidated line-by-line for the last two months of 2021.
All changes in this Report were calculated on 2020, unless otherwise reported. Changes in premiums, Life net inflows and new business were on equivalent terms, i.e. at constant exchange rates and consolidation scope; as a result, the contribution from the Cattolica group was neutralised in the calculation for changes on equivalent terms. Changes in operating result, general account investments and Life technical provisions excluded any assets under disposal or disposed of during the same period of comparison; as a result, they considered the contribution from the Cattolica group in percentage changes. The present value of new business premiums (PVNBP) and new business value (NBV) didn't include the Cattolica group in 2021.
The non-financial indicators in the NFS referred to consolidated line-by-line companies, unless otherwise reported in the chapters dedicated to them. All non-financial indicators - except for the number of employees and the breakdown by gender as well as for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations - excluded from their scope the information of the companies of the Cattolica group, the acquisition of which was completed in November 2021. As envisaged by the relevant legislation, such exclusion was based on the timing of the transaction that did not allow adequate harmonization of procedures and criteria, adopted by the Group, for the recognition and measurement of their non-financial information.
2. The adjusted net result - defined as the net result without the impact of gains and losses related to acquisitions and disposals - was equal to € 2,795 million in 2021 and excluded € 52 million relating to the acquisition of control of the Cattolica group and to extraordinary costs for its integration (+45.1% on € 1,926 million at 31 December 2020, which neutralised € 183 million resulting from the settlement agreement for the BSI disposal). In addition, excluding from the 2020 adjusted net result the one-off expense of € 77 million, net of taxes, from the establishment of the Extraordinary International Fund for Covid-19 and the expense of € 73 million, net of taxes, from the liability management transaction, the increase in adjusted net result would have been 34.7%.
3. The 2021 disclosure took into account, from a managerial view, a more consistent representation of the third-party assets under management. The value of the comparative period was therefore restated, on which the relative change was calculated.

The Generali 2021 strategy, p. 38

NFS

**NEW GREEN AND SUSTAINABLE INVESTMENTS (2021-2025)[4]**
€ 2,537 mln

**DIRECT INVESTMENTS BY THE GROUP'S INSURANCE COMPANIES SUBJECT TO RIG[5]**
€ 312,772 mln -4.2%




**OUR PEOPLE**
74,621 +2.7%

**DIVERSITY AND INCLUSION INDEX[11]**
115% +9 p.p.

**RESKILLED EMPLOYEES[12]**
68% +16 p.p.

**ORGANIZATIONAL ENTITIES WITH SMART WORKING POLICY[13]**
100% +17 p.p.

**OUR CUSTOMERS[6]**
67 mln +1.6%

**PREMIUMS FROM SOCIAL AND ENVIRONMENTAL PRODUCTS[7]**
€ 19,894 mln +17.5%

**OUR AGENTS[8]**
173 thousand +4.5%

**CHANGE IN RELATIONSHIP NPS[9] vs 1Q2019**
+14.2

The Human Safety Net

**ACTIVE COUNTRIES**
23 +4.5%

**INVESTMENTS IN INTERNAL STRATEGIC INITIATIVES (2019-2021)**
€ 1,224 mln

**TOTAL GHG EMISSIONS[10] (Scope 1 and Scope 2)**
33,964 $tCO_2e$ -21.0% vs base year 2019

4. They are investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.
5. The Responsible Investment Group Guideline (RIG) is the document that codifies responsible investment activities at Group level.
6. They are either physical persons or legal entities that hold at least one active insurance policy and pay a premium to Generali accordingly, a banking product or a pension fund product.
7. Social and environmental products are products which, due to the type of customer protected or coverage supplied, have specific social or environmental characteristics.
8. They represent the sales force within traditional distribution networks.
9. The Relationship Net Promoter Score (NPS) is based on customer research data and calculated deducting the percentage of detractors from the percentage of promoters. It is a score expressed as an absolute number and and not as a percentage. The change in Relationship NPS is calculated compared to 1Q2019, when the measurement started.
10 They represent greenhouse gas emissions from direct operations, calculated according to the market-based method of GHG Protocol - Corporate Accounting and Reporting Standard.
11. The index is calculated as an average that differently weighs, according to our priorities, the progress of a series of indicators related to gender, age, culture and inclusion compared to ambitions set in 2021.
12. It represents the percentage of employees who completed the training in accordance with the Group's programme We LEARN.
13 They are the organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy.

# 2021 KEY FACTS

www.generali.com/media/press-releases/all

## JAN 21

NFS

Following an in-depth assessment carried out to verify the full compliance of the Tax Control Framework adopted for the detection, management and control of tax risks, Assicurazioni Generali was admitted to the cooperative compliance regime that enables an innovative way to maintain constant and pre-emptive dialogue with the Italian Revenue Agency (Agenzia delle Entrate). The admission to the regime, which is already valid for the 2020 fiscal period, is in line with international best practices and is in continuity with the Generali's Tax Strategy. The Group's Tax Strategy is in line with Generali's sustainability principles, which consider tax revenues as a significant contributor to the economic and social development of the communities in which it operates.

Our rules for running business with integrity, p. 66

The Board of Directors of Assicurazioni Generali approved a proposal from Group CEO for a new Group organizational structure, resulting in the termination of the General Manager function. The new organizational structure is designed to address the following key strategic priorities for the continued successful execution of the Generali 2021 strategy and prepare the Group for the next strategic cycle: enhance further discipline in asset liability management; accelerate the implementation of the Asset Management multi-boutique platform strategy, also through the development of additional skills; and speed up the pace of digital transformation.

## FEB 21

NFS

The Human Safety Net and Fondazione Italiana Accenture joined forces, as part of a broader project shared by other leading Italian foundations, to accelerate the digitalisation process of the non-profit sector in Italy, thus fostering their growth and structural evolution in the emergency period caused by the spread of Covid-19.

NFS

At its 190th anniversary, Generali announced Fenice 190, a € 3.5 billion investment plan to support the recovery of the European economies impacted by Covid-19, starting in Italy, France and Germany and to then target all of European countries in which the Group operates throughout the five years of the plan. The extraordinary initiatives launched in 2020 to tackle the effects of the pandemic become permanent; they included investments in support of SMEs and the real economy already surpassing the established objective of € 1 billion. To add to this initial amount, Generali is pledging an annual commitment of € 500 million per year, over the next five years, for sustainable growth through international investment funds focusing on infrastructure, innovation and digitalization, SMEs, green housing, health care facilities and education.

Group's financial position, p. 91

## MAR 21

The Board of Directors of Assicurazioni Generali approved the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal and the Corporate Governance and Share Ownership Report at 31 December 2020 and the Report on Remuneration Policy and Payments. It also approved a capital increase of € 5,017,194 to implement the Long-Term Incentive Plan (LTIP) 2018-2020, having ascertained the occurrence of the conditions on which it was based.

## APR 21

The share capital of Assicurazioni Generali increased to € 1,581,069,241 in execution of the LTIP 2018 adopted by the Shareholders' Meeting in 2018.

NFS

The best agent in 2021 from the Group's global network was elected at the Generali's third Global Agent Excellence Contest. The agents were assessed on three key criteria - digitalization, customer contact, and production and retention - all of which are at the heart of the Group's strategic ambition to be Lifetime Partner. There was also recognition for agents that promoted the activities of Generali's The Human Safety Net Foundation, including fundraising to support vulnerable families and the integration of refugees through work.

A Memorandum of Understanding was signed among research entities and Generali to create the Data Science & Artificial Intelligence Institute. The goal is to create a centre of innovation to generate research and new business opportunities based on data science and artificial intelligence. The initiative aims to also pool young talent and foster new collaboration through joint activities.

NFS

The Shareholders' Meeting approved the Parent Company Financial Statements at 31 December 2020, setting forth the distribution of a dividend per share of € 1.47, split into two tranches of € 1.01 and € 0.46, respectively - the first tranche represents the ordinary payout from 2020 earnings while the second tranche is related to the second part of the 2019 retained dividend - and subjecting the payment of the second tranche to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations; amendments to the Articles of Association; the Report on the Remuneration Policy, expressing a non-binding positive resolution on the Report on payments; the Group LTIP 2021-2023, which provides for the assignment of a maximum 12.1 million shares; and the delegation of powers to the Board of Directors, for a period of 5 years from 29 April 2021, to increase the share capital, with free issues and also in instalments for a maximum of 12.1 million of shares to service the Group LTIP 2021-2023 and the remuneration and/or incentive plans based on Generali shares in place.

## MAY 21

The Board of Directors of Assicurazioni Generali approved the Financial Information at 31 March 2021.

Generali opened a representative office in Brussels to study the activities of European Union institutions and strengthen EU public affairs activities. Specifically, the Group aims to best represent its business priorities while playing an increasingly active corporate citizenship role in order to contribute to sustainable recovery and the European Green Deal.

NFS

The 2020 dividend payout on the shares of Assicurazioni Generali, equal to € 1.01, was distributed.

The Board of Directors of Assicurazioni Generali approved the launch of a cash voluntary public tender offer on all of the ordinary shares of Società Cattolica di Assicurazione S.p.A., including the treasury shares, reduced by the shares already owned by Generali. The proposed transaction will consolidate Generali's position in the Italian insurance market, reinforce its position amongst the largest European insurers and accelerate the business mix diversification towards the P&C segment, consistent with the guidelines of the Generali 2021 strategic plan - Leveraging strengths to accelerate growth.

Profitable growth, p. 41

Following receipt of all necessary approvals from the relevant regulatory bodies and competition authorities, Generali completed the acquisition of AXA Insurance S.A. in Greece, that was announced in December 2020. As a result of the completion of the acquisition, Generali Hellas also commenced its 20-year exclusive distribution agreement with Alpha Bank. The deal is in line with Generali's strategy to strengthen its leadership position in Europe as Generali becomes a leading player in both the P&C and Health segments and strengthening its position in Life, while gaining access to an important bancassurance channel in partnership with Alpha Bank.

Profitable growth, p. 41

## JUN 21

At the time when the insurance industry is facing both tremendous challenges and opportunities, given the role it has in the reconstruction and development of the European area in the post-pandemic environment, Sandro Panizza, Group Chief Insurance & Investment Officer of Generali, was appointed Vice-President of Insurance Europe, the European Insurance and Reinsurance Federation, for a three-year term.

NFS

Fitch confirmed Generali's A- Insurance Financial Strength (IFS) rating and the BBB+ Issuer Default Rating (IDR). The outlook remained stable.

Generali signed an agreement in connection with the purchase of the majority of the shares held by AXA and Affin in the joint ventures AXA Affin General Insurance Berhad (49.99% from AXA and 3% from Affin and minorities) and AXA Affin Life Insurance Berhad (49% from AXA and 21% from Affin), respectively. The Group also submitted an application to the local regulator in order to acquire the remaining shares of MPI Generali Insurans Berhad (MPI Generali) held by its Malaysian joint venture partner, Multi-Purpose Capital Holdings Berhad (MPHB Capital). The transactions are subject to the approval of the Malaysian Minister of Finance and the Central Bank of Malaysia.
The total consideration for the combined transactions is of RM 1,290 million (€ 262 million) subject to closing adjustments.
As a result of the transactions, Generali will operate in Malaysia through two companies - one in the P&C segment and the other in the

Life segment. In the P&C segment, Generali plans to merge the businesses of MPI Generali with AXA Affin General Insurance. Once the transactions are completed, Generali will hold 70% in both the Life and P&C entities, which will trade under the Generali name. Affin Bank will hold the remaining 30%.
The acquisitions will position Generali as one of the leading insurers in the Malaysian market, creating the second P&C insurer by market share and entering the country's Life insurance segment.

Profitable growth, p. 41

NFS

Generali placed a new Euro denominated Tier 2 bond due in June 2032, issued in the form of a sustainability bond in accordance with its Sustainability Bond Framework. This new format confirms Generali's leading position on sustainability matters. The net of proceeds will be used to finance/refinance Eligible Sustainability Projects. During the book building process, it attracted an order book of € 2.2 billion from about 180 highly diversified international institutional investors, including a significant representation of funds with Sustainable/SRI mandates. Additionally, there will be a donation of € 50,000 to The Human Safety Net.

Capital management and financial optimization, p. 42

NFS

Generali entered into a collateralized multi-year reinsurance agreement with Lion III Re DAC, an Irish designated activity company, providing cover to a part of the Group losses from windstorms in Europe and earthquakes in Italy over a four-year period. Lion III Re DAC, in turn, issued a single tranche of notes in an amount of € 200 million to fund its obligations under the reinsurance agreement, and the notes were placed with capital markets investors in a Rule 144A offering. The demand from capital market investors allowed the protection to be provided to Generali at a premium of 3.50% per annum on the € 200 million cover under the reinsurance agreement. Lion III Re DAC transaction is the first catastrophe bond embedding green features in accordance with the Generali Green ILS Framework, underlining once more the commitment of the Group in promoting green finance solutions.

Capital management and financial optimization, p. 42

NFS

The Group's new strategy on climate change was shared with the Board of Directors of Assicurazioni Generali. The strategy, which updates and extends the Group's existing plan approved in February 2018, pledges significant action related to investment and underwriting activities, committing to a low climate impact future. The new goals include, among other: € 8.5 - € 9.5 billion of new green and sustainable investments in the period 2021-2025; the definition of a roadmap for the complete exclusion of investments and underwriting activities in the thermal coal sector in OECD countries and in the rest of the world; the gradual decarbonization of the investment portfolio to become carbon neutral by 2050; and the decarbonization of Group operations leading Generali to be climate negative.

A continuous commitment to sustainability, p. 61

## JUL 21

NFS

Eight of the world's leading insurers and reinsurers - AXA (as Chair), Generali, Allianz, Aviva, Munich Re, SCOR, Swiss Re and Zurich Insurance Group - established the Net-Zero Insurance Alliance (NZIA) and made an historic commitment to play their part in accelerating the transition to a global net-zero emission economy. The companies establishing the NZIA, convened by UNEP Finance Initiative's Principles for Sustainable Insurance, committed to reduce to zero the net emissions from their insurance and reinsurance underwriting portfolios by 2050, consistent with a global temperature rise of 1.5°C above pre-industrial levels. Each member will individually set intermediate targets every five years and independently report on their progress publicly and annually to contribute to achieving the goals of the Paris Climate Agreement.

A continuous commitment to sustainability, p. 61

NFS

Generali announced the extension until 2028 of its European partnership with Vitality Group for Generali Vitality, the innovative health and wellness programme designed to encourage and reward healthy behaviour for customers seeking a healthier lifestyle. Since 2014, Generali has held the rights to the programme in continental Europe.

## AUG 21

The Board of Directors of Assicurazioni Generali approved the Consolidated Half-Year Financial Report at 30 June 2021.

## SEP 21

On 10 September 2021, Delfin S.à r.l. and some companies of the Caltagirone group entered into a Shareholders' Agreement with immediate effect and expire date on the conclusion of the proceedings of the next Shareholders' Meeting. The Agreement is relating to the totality of Assicurazioni Generali shares held by the Parties. Under it the Parties agreed to consult one another in order better to weigh their respective autonomous interests with respect to more profitable and effective management of Assicurazioni Generali, geared to the technological modernisation of its core business, the strategic positioning of the company, and its growth in an open, transparent and competitive market environment. The overall number of shares under the Agreement were 10.948% of the share capital of Assicurazioni Generali. Fondazione CRT, representing 1.232% of the share capital, entered the Agreement on 17 September..

Our governance and remuneration policy, p. 70

www.generali.com/investors/share-information-analysts/ownership-structure

Institutional Investor, the specialist magazine and independent research company in the field of international finance, recognised Generali among the Most Honoured Companies in the insurance sector in the All-Europe Executive Team annual ranking. Recognitions also for Group CEO, Philippe Donnet, Group CFO, Cristiano Borean, and Head of Investor & Rating Agency Relations, Giulia Raffo. The ranking reflects the evaluations of over 1,500 professionals and investors from around 600 financial services companies..

The non-executive members of the Board of Assicurazioni Generali took note of the availability of the Group CEO, Philippe Donnet, to remain Chief Executive Officer for a third mandate.

The Board of Directors of Assicurazioni Generali approved, by a majority, the process for the presentation of the slate for the upcoming renewal of the Board of Directors by the outgoing Board, which may be subject to change in the event of potential requests by the supervisory authorities.

Our governance and remuneration policy, p. 70

In Brusells, Generali presented the first edition of SME EnterPRIZE, an initiative dedicated to European small and medium-sized enterprises (SMEs) and launched in 2019 to promote the adoption of sustainable business models and to provide visibility, also via a digital platform, to SMEs that have already done so, to stimulate public debate on the topic.

NFS

A continuous commitment to sustainability, p. 61

## OCT 21

The Board of Directors of Assicurazioni Generali verified - as envisaged by the Shareholders' Meeting of 29 April 2021 - the effective non-existence at 1 October 2021 of supervisory provisions or recommendations impeding the distribution of the second tranche of the 2019 dividend, which was paid starting from 20 October 2021. The shares were traded without the right to a dividend starting from 18 October 2021, with the date of entitlement to receive the dividend on 19 October 2021.

Fitch revised Generali's outlook to positive from stable and confirmed Generali's A- Insurer Financial Strength (IFS) rating and the BBB+ Issuer Default Rating (IDR).

## NOV 21

After having filed in June with Consob the document relating to the voluntary cash tender offer on all the ordinary shares of Società Cattolica di Assicurazione S.p.A. and after having received all the necessary authorizations between September and October, the transaction ended successfully: Assicurazioni Generali holds a stake of 84.475% of the issuer's share capital. The transaction, that is fully in line with the Generali 2021 strategy and is part of the Group's rigorous and disciplined approach to M&A, will allow Generali to accelerate business diversification in favor of the Non-Life segment, confirm its commitment to pursue the profitable growth of the Group and create value for customers in line with Generali's ambition to be a Lifetime Partner.

Profitable growth, p. 41

The Board of Directors of Assicurazioni Generali approved the Financial Information at 30 September 2021.

NFS

Generali confirmed in the Dow Jones Sustainability World Index and in the Dow Jones Sustainability Europe Index strengthening its leadership position in terms of sustainability performance as it ranks among the global top five companies in the insurance sector. The important benchmark recognises the Group's continuous commitment to integrate sustainability into its business activities, consistent with its Lifetime Partner ambition.

## DEC 21

NFS

Generali joined forces with Accenture and Vodafone Business to create a package of cyber insurance services starting from 2022, to help corporate and SMEs clients quickly and effectively recognize, respond to and recover from cybersecurity threats and incidents. The offer of these integrated and prevention services in the P&C business is fully in line with the Generali 2021 strategy and reinforces the position of the Group within the corporate and SMEs segments.

In line with the contents of the consultation document published by Consob, the Board of Directors of Assicurazioni Generali approved some changes in the procedure for the presentation of the list for the renewal of the Board of Directors by the outgoing Board. The Board also approved the change in the composition of the Remuneration and Appointment Committee, in particulat the exit of the director Clemente Rebecchini from the Committee and the simultaneous entry into the Committee of the director Roberto Perotti.

Our governance and remuneration policy, p. 70

Fitch upgraded Generali's Insurer Financial Strength (IFS) rating to A and Generali's Long-Term Issuer Default Rating (IDR) to A-. The outlooks were positive.

The Group's new three-year strategy, Lifetime Partner 24: Driving Growth, was presented during the Investor Day. The plan sets out a clear vision for the Group in 2024 and is built on three strategic pillars: drive sustainable growth, enhance earnings profile, and lead innovation. The plan will deliver strong earnings per share growth, increased cumulative net holding cash flow and a higher dividend distribuited to shareholders.

NFS

Generali will go further in its sustainability commitments, with a continued focus on making a positive social, environmental and stakeholder impact, and will continue to invest in its people to ensure they are engaged with the successful delivery of the new plan while fostering a sustainable work environment.

Lifetime Partner 24: Driving Growth, p. 164

NFS

The Human Safety Net and Con i bambini, a non-profit organization, joined forces to support vulnerable families with children between 0-6 years old and doubled the number of support centres across Italy. The collaboration is part of Scale Up Impact strategy, which aims at amplifying the social impact of The Human Safety Net, encouraging other like-minded organisations to join in, so building up cross-sectoral collaboration between the public, private and social sectors.

A continuous commitment to sustainability, p. 61

Generali exercised the early redemption option in respect of all outstanding perpetual subordinated notes related to ISIN XS0283627908 for the current outstanding principal amount equal to £ 167.15 million. The early redemption was approved by Istituto per la Vigilanza sulle Assicurazioni (IVASS) and took place on 8 February 2022 in accordance with the relevant terms and conditions.

# SIGNIFICANT EVENTS AFTER 31 DECEMBER 2021 AND 2022 CORPORATE EVENT CALENDAR

## JAN 22

On 13 January, the director Francesco Gaetano Caltagirone, Deputy Vice-Chairman, non-independent director and member of the Appointments and Remuneration; Corporate Governance, Social and Environmental Sustainability; Investments; and Strategic Operations Committees, announced his resignation from the Board of Directors of Assicurazioni Generali.

Our governance and remuneration policy, p. 70

On 16 January, the director Romolo Bardin, independent director and member of the Appointments and Remuneration; Investments; Strategic Operations; and Related Party Transactions Committees, announced his resignation from the Board.

Our governance and remuneration policy, p. 70

NFS

Generali was awarded by Assosef (European Association for Sustainability and Financial Services) during the 15th edition of Green Globe Banking 2030 - Grand Prize for Sustainable Growth - Financial Services for SDGs, an annual event recognising the contribution of banks, insurers and financial institutions to achieve the goals of the United Nations' 2030 Agenda for sustainable development. The Assosef Scientific Committee awarded Generali for its "integrated approach to financial and non-financial information" and because it "has identified the material megatrends on which to focus the Group's strategic initiatives with the aim of engaging all business units and corporate functions, with particular reference to climate change, ageing population, pandemics, and extreme events." In addition, they highlighted "the commitment of Generali in promoting the objectives of enhancing the relationship with retail customers, on the one hand, with a significant increase in premiums from environmental products, and on the other, through the development of digital tools".

On 25 January, the director Sabrina Pucci, independent director and member of the Remuneration and Appointments and Risk and Control Committees, announced her resignation from the Board.

Our governance and remuneration policy, p. 70

In line with the Lifetime Partner 24: Driving Growth strategy aimed to strengthen the Group's presence in fast-growing markets, Generali signed agreements to become the majority shareholder in both its Life and P&C joint ventures in India. Both transactions are subject to the approval of relevant regulators.
In the P&C business, Generali agreed to acquire from Future Enterprises Limited 25% of the shares of Future Generali India Insurance (FGII) for a consideration of around € 145 million. After closing the transaction, Generali will hold a stake of around 74% in FGII.
In the Life business, the Group signed an agreement to acquire the entire stake (around 16%) held by Industrial Investment Trust Limited (IITL) in Future Generali India Life (FGIL) for a consideration of around € 26 million. In addition, Generali will subscribe to a preferential allotment of shares in FGIL (around € 21 million). After the closing of the transaction and completion of the preferential allotment, Generali will hold a stake of around 68% in FGIL, which may increase further to 71% by the end of 2022, following further preferential allotment of shares.

Crescita profittevole, p. 41

On 27 January, the companies of the Caltagirone group exercised their right of withdrawl from the Shareholders' Agreement, that was initially stipulated with Delfin S.à r.l. and that Fondazione CRT later entered, with immediate effect and for the total shares held and previously under the Agreement. Therefore, the Agreement binds Delfin S.à r.l. and Fondazione CRT, helding together an overall number of shares equal to 8.331% of the share capital of Assicurazioni Generali.

Our governance and remuneration policy, p. 70

www.generali.com/investors/share-information-analysts/ownership-structure

## FEB 22

Generali signed an agreement for the acquisition of La Médicale, an insurance company for healthcare professionals, following the exclusive negotiation with Crédit Agricole Assurances, announced in November 2021, and the consultation of the dedicated workers' councils. The transaction also provides for the sale to Generali France of Predica S.A.'s death coverage portfolio, marketed and managed by La Médicale. The transaction is fully in line with the Lifetime Partner 24: Driving Growth strategy and confirms the Group's commitment to deliver profitable growth whilst creating value for customers, consistent with Generali's Lifetime Partner ambition. Generali's health and protection lines and the overall P&C business in France will be strengthen from both a strategic and commercial perspective. The total amount of the transaction is € 435 million, subject to adjustments at closing. The transaction is expected to close within 2022 and remains subject to the authorisation of the relevant antitrust and regulatory authorities.

Profitable growth, p. 41

Assicurazioni Generali decided to submit a request to IVASS, the Italian insurance regulator, to establish whether the overall stake acquired by the Caltagirone Group, Fondazione CRT and Delfin S.a r.l. (equal to 16.309% of the share capital as of the last official communication) is subject to prior authorisation, in accordance with the legislation for the insurance sector regarding coordinated purchases of qualified shareholdings that exceed 10% of shares. It also decided to submit a request to Consob, the Italian markets regulator, as to whether these purchases are subject to obligations such as the disclosure of future intentions in accordance with current legislation for shareholders and consortia holding in excess of 10% of the share capital, and if the rules regarding the disclosure of relevant information to the market have been respected.

The Board of Directors of Assicurazioni Generali approved changes to the membership of the Board Committees, also following the resignation of Paolo Di Benedetto from the Related-Party Transactions Committee.

The Board of Directors of Assicurazioni Generali took note of the decision of the Chairman Gabriele Galateri di Genola to withdraw his name from consideration for the upcoming Board renewal.

The Board of Directors of Assicurazioni Generali approved the Guidance for the shareholders on the dimensions and composition of the Board of Directors for the three-year period 2022-2024.

www.generali.com/governance/annual-general-meeting/AGM-2022 for further details

The Board of Directors of Assicurazioni Generali announced the co-optation of Alessia Falsarone, Andrea Sironi and Luisa Torchia as members of the Board and verified the suitability of the new members with the professional, reputational and independence requirements set forth for listed insurance companies by the applicable provision of law and by the Corporate Governance Code. At 28 February, the new members held no shares in Assicurazioni Generali.
Andrea Sironi will be put forward as the Board's candidate for Chairman in the list for the upcoming renewal of the Board of Directors.

## MAR 22

Since the start of the war in Ukraine, Generali has been closely monitoring the situation and implications for operations and financial markets. As a result, it confirmed it will close its Moscow representative office; it has decided to resign from positions held on the Board of the Russian insurer Ingosstrakh, in which it holds a minority investment stake of 38.5% and on whose operations it therefore has no influence; Europ Assistance, which operates in the country, will wind down its business.
Generali's minor exposure to the Russian market in terms of investments and insurance business is also under constant evaluation and fully compliant with all applicable sanctions.
The Group also decided to donate € 3 million to support refugee programmes, including a donation to UNHCR, which is currently at the forefront of the humanitarian response in Ukraine. An employee donation campaign is also underway, with donations matched 1:1 by Generali, which will be given to Unicef in support of the work that it will carry out to help impacted families.

**14 March 2022.** Board of Directors: approval of the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal and the Corporate Governance and Share Ownership Report at 31 December 2021 and the Report on Remuneration Policy and Payments
**15 March 2022.** Release of the results at 31 December 2021

## APR 22

**29 April 2022.** Shareholders' Meeting: approval of the Parent Company Financial Statements at 31 December 2021 and the Remuneration Policy as well as the appointment of the new Board of Directors

## MAY 22

**18 May 2022.** Board of Directors: apapproval of the Financial Information at 31 March 2022
**19 May 2022.** Release of the results at 31 March 2022
**25 May 2022.** Dividend payout on the share of Assicurazioni Generali

## AUG 22

**1 August 2022.** Board of Directors: approval of the Consolidated Half-Yearly Financial Report at 30 June 2022
**2 August 2022.** Release of the results at 30 June 2022

## NOV 22

**9 November 2022.** Board of Directors: approval of the Financial Information at 30 September 2022
**10 November 2022.** Release of the results at 30 September 2022

NFS

# THE VALUE CREATION PROCESS

We operate in a global context characterized by financial and geopolitical instability, digital revolution, cybersecurity issues, climate change, demographic aging and new welfare systems as well as the pandemic. We are committed to leveraging our capitals, classified according to *The International <IR> Framework's* principles. By leveraging our solid and resilient business model, we create value in the short, medium and long term for all our stakeholders, from our customers to shareholders, employees, agents, distributors, partners and the community, in order to guarantee a safer and sustainable future.

**FINANCIAL CAPITAL**
**HUMAN CAPITAL**
**SOCIAL AND RELATIONSHIP CAPITAL**
**INTELLECTUAL CAPITAL**
**MANUFACTURED CAPITAL**
**NATURAL CAPITAL**

Glossary available at the end of this document

## OUR PURPOSE

Enable people to shape a safer future by caring for their lives and dreams

### VALUES

- Deliver on the promise
- Value our people
- Live the community
- Be open

### OUR BEHAVIOURS

- Ownership
- Simplification
- Innovation
- Human touch

www.generali.com/who-we-are/our-culture

### BRAND

GENERALI


## THE GENERALI 2021 STRATEGY, p. 38

Being a Lifetime Partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network

Leading the European insurance market for individuals, professionals and SMEs, while building a focused, global asset management platform and pursuing opportunities in high potential markets

## OUR GOVERNANCE, p. 70

Within a challenging economic and financial environment, we believe that our governance - which complies with the best international practices as well as the principles and recommendations of the Corporate Governance Code - is adequate for effectively pursuing our strategy and the sustainable success of the Company.

NFS

## EXTERNAL CONTEXT

Challenges and opportunities of the market context, p. 24

- GEOPOLITICAL AND FINANCIAL INSTABILITY
- PANDEMICS AND EXTREME EVENTS
- DIGITAL REVOLUTION AND CYBERSECURITY
- CLIMATE CHANGE
- AGING AND NEW WELFARE

## OUR BUSINESS MODEL

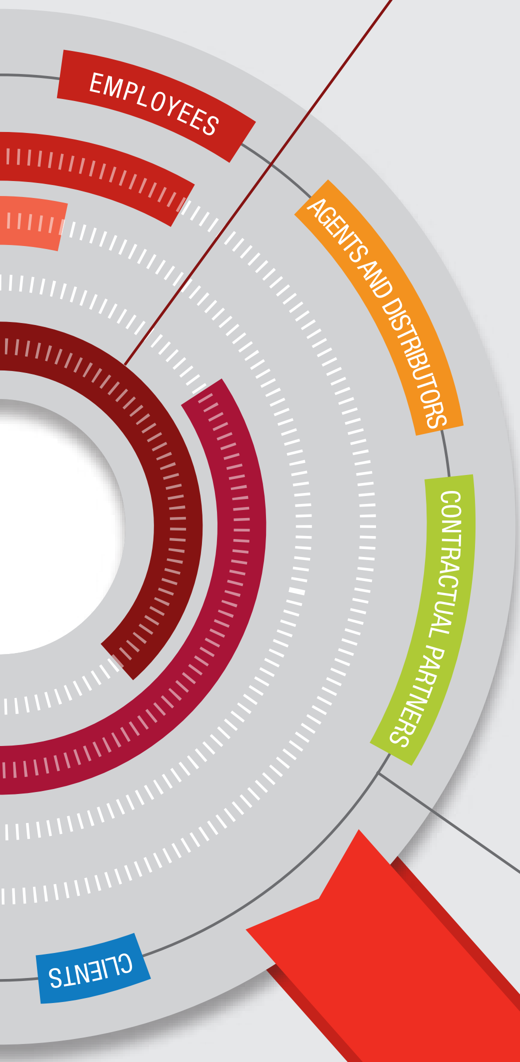
We effectively face the challenges of the market context, by leveraging our core strengths: a clear strategy, a focus on technical excellence, a strong distribution network, the Group's solid capital position and a **diversified business model**, that proved resilient even in a complex context like the pandemic one.

We develop simple, integrated, customized and competitive Life and Property&Casualty **insurance solutions** for our customers: the offer ranges from savings, individual and family protection policies, unit-linked policies, as well as motor third-party liability (MTPL), home, accident and health policies, to sophisticated coverage for commercial and industrial risks and tailored plans for multinational companies. We expand our offer to **asset management solutions** addressed to institutional (such as pension funds and foundations) and retail third-party customers. We rely on **innovation** as a key driver for future growth to allow for tailored solutions and quicker product development. We are also committed to **high value-added solutions from a social and environmental perspective**. Rigorous criteria for the risk selection are applied in the underwriting process.

We distribute our products and we offer our services based on a **multi-channel strategy**, while also relying on **new technologies**: not only through a global network of agents and financial advisors, but also through brokers, bancassurance and direct channels that allow customers to obtain information on alternative products, compare options for the desired product, acquire the preferred product and rely on excellent after-sales service and experience. Proprietary networks are a key and valuable asset for our business model. Their role is to regularly dialogue with and assist customers at their best, striving for customer experience excellence and promoting the Generali brand.

We receive premiums from our customers to enter into insurance contracts. They are responsibly invested in high quality **assets**, with a particular attention to the impact that such assets may have on the environment and society.

We pay **claims and benefits** to our policyholders or their beneficiaries after death, accidents or the occurrence of the insured event. The payment is guaranteed also through appropriate asset-liability management policies.




Information on STAKEHOLDERS, other than what reported in the relating chapters, is available in:

Notes to the Management Report, p. 180

www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement

**FINANCIAL CAPITAL** p. 79
**HUMAN CAPITAL** p. 51
**SOCIAL AND RELATIONSHIP CAPITAL** p. 46, 60, 66
**INTELLECTUAL CAPITAL** p. 46, 70
**MANUFACTURED CAPITAL** p. 43, 91
**NATURAL CAPITAL** p. 61, 66

# CHALLENGES AND OPPORTUNITIES OF THE MARKET CONTEXT

NFS

**In an operating context characterized by countless challenges, including the persistence of the pandemic, we continued to monitor several mega trends that present significant risks and opportunities for the Group and for our stakeholders.**

**The integration within the Generali 2021 strategy of the challenges, the systematic assessment of risks[14] and the consequent definition of their monitoring allowed us to support our ability to create value over time, confirming the resilience of our strategic plan.**

Risk Report, p. 139 in the Annual Integrated Report and Consolidated Financial Statements 2021 for more detailed information on the risk management model and on the capital requirements

## Geopolitical and financial instability

2021 continued to be characterised by the Covid-19 pandemic, alternating between the positive impact resulting from the distribution of vaccinations, enabling the reduction in new cases and hospitalizations, and renewed uncertainties following the spread of new variants.
The rebound of production activities led to global economic recovery, which reached its peak in the second quarter; it suffered a set-back in the second half of 2021 due to a new surge in cases and the impact on supply chains, which was much longer lasting than policy-makers expected. In 2021, GDP grew by 4.6% in the Eurozone and 5.5% in the United States. The increase in commodity prices drove inflation up, negatively impacting consumers' buying propensity.
Expectations following the news on the effectiveness of the measures implemented to counter the pandemic influenced financial market volatility, which in any event continued to record much lower levels than those observed in 2020. In the latter part of 2021, several monetary policy decisions, such as the FED's announcement on the start of tapering and on the new strategy for average inflation targeting, generated operator uncertainty and expectations of higher volatility than in the past. Furthermore, the peak of inflation lasted longer than predicted by the monetary policy authorities, leading to more uncertainties as to the decisions of the central banks.

### Our management

The Group's asset allocation strategy is still mostly guided by consistency between liability management and targets on return and solvency. The situation of uncertainty due to the persistent health emergency, the constraints of the regulatory system and the continued low interest rates make it essential to manage assets in a rigorous and careful manner that is consistent with liabilities. More specifically, the long-term matching of liabilities to policyholders is performed above all through government bonds with a high credit rating. Geographical diversification and selective focus on private investments (private equity and private debt) and on real assets (real estate and/or infrastructure investments, both direct and indirect) continue to be important factors in current investment activities which aim to contain portfolio risks and sustain current return; the multi-boutique platform developed by the Group aims to enhance investment capacity in these market sectors.

NFS

We have also further integrated ESG dimensions in the process of strategic investment allocation, specifically focusing on climatic change, backing companies that have a lower impact in terms of fossil emissions and that are focused on sustainable development, both environmental and social

Group's financial position, p. 91

#### RISKS

We are exposed to market risks arising from the fluctuations in value investments and to credit risks linked to the risk of counterparties' non-fulfilment as well as to expansion of the credit spread. We are handling these risks by following principles of sound and prudent management, in line with the Prudent Person Principle and with the Group Investment Governance Policy and risk guidelines. We measure financial and credit risks using the Group's Partial Internal Model, which offers us a better representation of our risk profile.

14. The solid framework for the assessment and management of operational risks allowed the Group to obtain approval in 2020 from the main European regulators for the extension of the use of the Partial Interim Model to calculate capital requirements for Solvency II purposes also for this risk category.

# Pandemics and extreme events[15]

The rapid spread of Covid-19 has become one of the greatest global challenges in decades. Spreading in China at the end of 2019, the virus quickly transformed into a pandemic in the first few months of 2020, with a global count of 318 million cases and over 5.5 million deaths at the beginning of 2022. The mass distribution of vaccines resulted in 79% of the population being fully vaccinated in Italy, 75% in France and 73% in Germany at the beginning of 2022. The vaccination campaign continues, although the spread of more contagious variants has slowed the recovery down.

As regards the insurance sector, the economic recovery, which was particularly strong around mid-2021, had a positive impact on the Life segment, which had suffered most from the pandemic crisis. The uncertainty linked to the duration of the pandemic and its economic consequences (especially in terms of labour market prospects) increased the risk aversion of households, making their consumption more cautious and increasing their propensity for precautionary saving: the peak in European household savings in 2020 was followed by a second peak in 2021, lower than the prior one, but significant in any event compared to the average of previous years. The recovery of the financial markets boosted unit-linked business. The savings and pension line, in particular, showed a recovery in new business compared to 2020. With respect to protection policies, a growing interest was observed in insurance solutions for personal and household protection, both at individual level and as regards company welfare.
In the Property & Casualty segment, the non-motor line posted excellent performance, particularly that relating to the health line, while the motor third-party liability line continued to suffer due to high competition on prices. With the return to normality and freedom to circulate, the claims frequency rose, although the levels reached were still lower than pre-pandemic ones.

The continuation of the pandemic into 2021, together with expectations following the news on the effectiveness of the measures implemented to counter it impacted financial market volatility.

Geopolitical and financial instability, p. 24

The Asset Management (AM) market emerged stronger, despite the pandemic, with assets that continued to rise in both the US and the European markets. The continued pressure on the commissions and operating costs needed to guarantee business continuity and the fulfilment of regulatory requirements indicate that the world AM market is entering a new phase, which will require new ways of doing business. In the coming years, the competitive advantage will be increasingly dependent on the use of Advanced Analytics in all business processes, with the objective of predicting trends and better understanding business development. In terms of growth, the new asset classes, with specific reference to the private and alternative markets, will become of fundamental importance and will mean that strategic lines will have to be redefined and the business model and processes will have to be adapted.

## ▶ Our management

Despite the persistence of the pandemic in 2021, we confirmed the Group's strategy and contibued to implement several initiatives aiming at ensuring the achievement of the targets set, both financial and non-finacial.

The Generali 2021 strategy, p. 38

The Group demonstrated its resilience, although the key markets of the Life business in Europe were significantly affected by the pandemic over 2021. New business slowed down as for traditional products, in line with the strategic objective to rebalance our Life portfolio. Unit-linked products continued the significant growth at the end of 2020, exceeding the pre-pandemic premium levels of the previous year already in the first months of 2021, and then continuing to grow in the following monthst, with a contribution from Italy, France and Germany. The resilience demonstrated in 2020 from underlying investment solutions to unit-linked products increased distributors' confidence in these solutions; this, along with product and underwriting strategies, accelerated their adoption. Protection products reported good performance in terms of new business, driven by the growing need for insurance protection. In this regard, since the beginning of the pandemic we promptly set several initiatives in motion to support our customers, both financially and by launching new value-added services, ranging from the care of physical and mental well-being to remote medicine through, among others, Europ Assistance.

15. Extreme events are illustrated in the Climate change mega trend. This section is drawn up also in accordance with *European common enforcement priorities for 2021 annual financial reports* by ESMA.

The Group confirmed premium growth in all the businees lines of the Property & Casualty segment, with different trends in the main markets where it operates. In continuity with 2020, it increased the range of products with new coverage and services, adapting contractual terms and conditions and improving, with extensive use of digital technology, the operating processes for underwriting policies and settling claims.
With reference to the loss ratio, we observed a recovery in the frequency of claims in the motor line, however lower than pre-Covid19 levels, following the reopening of economic activities and the consequent mobiilty. The average premium in the motor business recovered, but remained under pressure due to competitive pressures.
Higher volumes were reported in the non-motor line of business compared to the motor line; the economic contraction in some countries did not lead to a collapse in insurance activities. The travel line recovered, although it has not yet reached 2019 levels. The loss ratio remained substantially unchanged in terms of number, with the exception of the NatCat claims which were distinguished not only by frequency but above all by the severity of the events. Conversely, business interruption coverage led to claims that were not economically significant in 2021, thanks also to the revision of terms and conditions in the policy texts for new subscriptions.

In all business segments, the organisational response of Generali to boost its digitalisation process was a decisive factor since the beginning of the pandemic.
As well as managing sales and renewal processes remotely, we introduced new ways and occasions for interaction with our customers (for example, virtual events and loyalty campaigns) and provided support to our agents to be more visible on digital channels.
The omni-channel approach continues and will continue to underlie our future digital development. More specifically, digitalisation should be leveraged to boost and extend the abilities of the sales force of our physical network. In this regard, our objective is to continue to develop the following areas:

- to improve Customer Relationship Management (CRM) tools and promote the remote consulting model to understand the needs of our customers in a more structured manner, and to suggest the best possible solutions;
- to provide support to agents in managing changes in our network, in a gradual process, towards the increasing awareness of the benefits of digital transformation;
- to spread and extend the use of digital tools, which enable any indications of interest by prospects in our products and services to be collected and redirected to the physical network (for example, an agent re-contacts a prospect who has asked for a policy quotation on our website);
- to boost the presence and the visibility of our agents on social media and the web, for example by publishing contents that are relevant to their customers;
- to streamline and simplify processes, accelerating their automation thanks to the redesign and adoption of new Smart Automation (SA) technologies;
- to customize offers and services based on customer needs, stage of their lives, interests and context.

Given the persistence of low interest rates, in 2021 investment in the Group's insurance portfolio was based on sustaining the return on portfolios, while keeping a solid solvency position and adequate matching with liabilities. In the Life business, a balanced approach was maintained between corporate bonds - given the increase in yields compared to 2020 and the positive expectations on the economy and corporate fundamentals - and government bonds, mainly used to hedge long-term liabilities. In the P&C portfolios, considering the different characteristics of the liabilities, preference was given to the corporate sector and shorter maturities. Given the improvement in general confidence and the strong economic recovery, the exposure to listed equities was gradually increased to benefit from the positive market trend.
The interest in private and real assets was confirmed, continuing the portfolio diversification process through investments and agreements in private debt, private equity and real estate funds.
The increase in equity and real asset exposure is also aimed at positioning the portfolio in a prospect of a moderate rise in interest rates and inflation.

The Asset and Wealth Management segment benefited from the positive performance of the financial markets following optimistic forecasts of post-pandemic recovery already as early as the second half of 2020, which resulted in a rise in assets under management as well as a strong recovery of commissions.
The extension of the product range, a more solid track record also for the products managed by boutiques, and the significant recovery of the financial markets boosted the rise in recurring commissions, together with the one-off contribution of the real asset business. In 2021, the disciplined approach to the management of operating costs continued.

In addition to the positive performance of the market, Wealth Management also benefited from the success of the commercial policies, which enabled it to surpass the assets under management targets established in the 2019-2021 three-year strategic plan. The growth in size, also driven by the structural demand for qualified financial advice, boosted the increase in recurring income. The increase in revenues was accompanied by the disciplined management of costs, which enhanced the operating leverage of the business model, and therefore also led to higher profit margins.

The Group decided to launch Fenice 190 to support the recovery of the European economies impacted by Covid-19, starting in Italy, France and Germany. It is a five-year € 3.5 billion investment plan focusing on infrastructure, innovation and digitalization, SMEs, green housing, health care facilities and education.

Group's financial position, p. 91

## RISKS

The pandemic may have direct and indirect effects on underwriting risks.
The direct effects on the Life and Health underwriting risks regard the potential increase in claims paid on policies that provide death or health coverage; the indirect effects regard the potential need of customers for liquidity, generated by the economic crisis, which may imply higher surrender payments. In both cases, the impact observed on the Group to date has been fairly insignificant. To continue to effectively manage death or health risks, we adopt adequate underwriting processes that assess the health conditions and the demographics of the policyholder in advance. In addition to underwriting processes, we monitor changes in claims and, in this regard, we assess the lapse risk and mortality risk, including the catastrophe risk resulting from a pandemic event, using the Group's Partial Internal Model.
The possible impact of the pandemic on P&C underwriting risks is represented by a possible increase in the reserving risk which, however, we monitor in terms of changes in claims and risk assessment through the Group's Partial Internal Risk Model.

The pandemic is an event included in the Group's operational risk management framework, which can seriously compromise the continuity of company business and, as such, is continuously assessed, mitigated and monitored. The pandemic event in progress has increased exposure to several risks that affect the people, processes and IT systems of the Group and, clearly, the external environment.
To manage the emergency caused by the Covid-19 pandemic, a common approach was adopted Group-wide, based on the measures adopted in Italy as a benchmark, as it was the first area in Europe to be affected.
The combined adoption of all these mitigating measures is the real key to their effectiveness, guaranteed through the monitoring developments and coordinated action. This means that the risk profile related to operational risk is impacted by the pandemic to a limited extent.

As regards our people, to manage the emergency, at Group and local level, dedicated task forces were set in place to monitor developments in the situation and to guarantee coordinated action on the measures to be implemented:

- remote working was envisaged where possible, depending on the type of work, and was extended to most of administrative employees during the emergency phase;
- a system to categorise the level of risk for all countries was established, on the basis of which international business trips were blocked or limited;
- Group events were suspended, or, where possible, held in virtual/hybrid mode using different technological solutions;
- rules of access to company offices were established, as well as measures to limit the risk of the virus spreading;
- in some countries, a toll-free number managed by Europ Assistance - *Help Line Covid-19* - was activated to provide information and, where necessary, medical and psychological assistance to Group employees and their families;
- in some countries, employees were offered the option of receiving a flu vaccination to facilitate diagnosing infections from Covid-19 and to potentially reduce the consequences.

Guaranteeing our people an effective work experience, also remotely, through the support of digital and flexible tools was key during the pandemic crisis in order to preserve the safety of people and their engagement as well as business continuity. A hybrid work model will be fundamental also for the future of work in Generali, the so-called New Normal.

The management of pandemic risk impacts the normal performance of both internal processes and those managed through external suppliers.
To manage the crisis provoked by Covid-19, ad hoc measures were set in place to guarantee the continuity of operating processes. More specifically, IT infrastructures were adapted to be able to withstand the extensive use of remote working. Therefore, investments were made to:

- provide employees with laptop computers, if not already assigned, to enable them to work remotely;
- increase connection speed;
- strengthen the tools to manage remote connections safely;
- increase processing capacity to make IT systems more efficient as a whole.

Innovation and digital transformation, p. 46

The extensive use of remote working has also led to a greater threat of cybercrime. For this reason, changes in the types of attack have been constantly monitored, and the tools in place to identify the attacks and to manage the most appropriate and timely responses have been promptly updated. In addition, campaigns to increase the awareness of our employees to potential cyber threats related to suspicious and malicious communications were conducted. Potential new vulnerabilities regarding the solutions used to facilitate remote work have been constantly monitored; in particular, the procedures for updating company PCs have been enhanced to ensure the installation of the latest versions of updates of both operating systems and Office Automation tools, reducing their vulnerability.
In terms of technological evolution, also driven by the pandemic event, the Group, in line with the market, is moving towards an increasingly structured use of Cloud services, with benefits in reducing internal data traffic and greater flexibility in the use of infrastructure and application services.

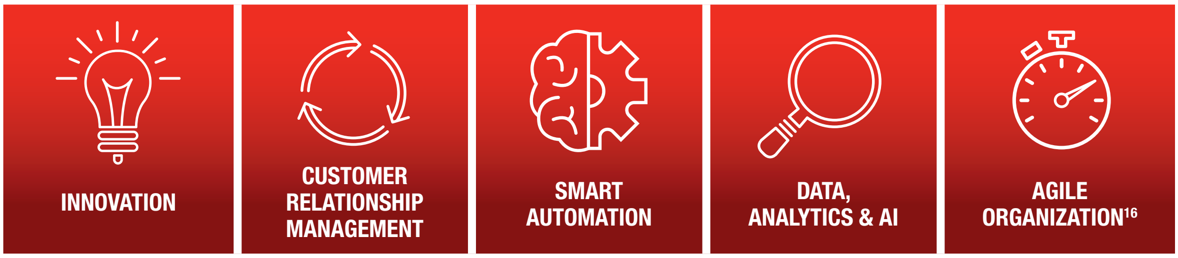
In the event of a further deterioration of the crisis, liquidity could become a topic of concern for the insurance sector.
To date, the impact observed on the Group's liquidity position has been immaterial, also due to the precautionary management measures taken and to the implementation of the financial optimisation strategy. .

# Digital revolution and cyber security

We are facing a profound change guided by the interaction, cumulative effects and rapid evolution of various technologies: Internet of Things, cloud services, cognitive computing, advanced analytics, Smart Automation (SA), Artificial Intelligence, 5G and the development of mobile networks are elements that contribute to creating a renewed environment in which to operate in order to optimise efficiency, operations and proximity with customers, agents and employees. We are particularly witnessing the spread of public and context data, the progressive digitalisation of interaction with customers and the growing appetite for personalised products, also thanks to computing power and storage spaces available at low prices. These elements allow insurance companies to transform their way of doing business and interacting into the so-called world of digital ecosystems, where the borderlines between businesses at one time different and distinct are becoming fainter and fainter in order to offer customers a mix of innovative services and traditional products.
Technological evolution also involves exponential growth in cyber threats, such as attacks aimed at stealing information or blocking operational processes. Adequate management of this risk is therefore fundamental in order to limit potential effects of economic and operational nature but also to preserve, in particular, the confidence of customers in the processing of their data, which are frequently sensitive. The issue is also increasingly relevant for regulators which have in recent years introduced specific safety measures as well as reporting processes in the case of security incidents (for example, General Personal Data Protection Regulation).

# Our management

Our digital ambition translates into our lust to provide our customers, agents and employees with a superior experience, transforming Generali into an agile, innovative, digital organization that leverages strategic use of data. We want digital to accelerate the change in paradigm we have identified: for example, moving from a traditional world of insurance coverage, policy renewal upon expiry and reimbursement of any claim, to an innovative world where we offer tailor-made solutions, which integrate the insurance component, which remains central, to services with a high technological content of prevention and customer support.
In order to feed and accelerate our path to become true Life Partners and digitize the operating model, we have defined the Generali Digital Strategy which relies on five key enabling factors.




Innovation and digital transformation, p. 46

The digital path is enriched by a particular attention to convergence, a fundamental strategy for a Group with a global presence like ours. Convergence towards Group standards, common taxonomy, centers of excellence and selected solutions that we adopt in specific areas identified as priorities of the digital world. The goal we have set ourselves is to accelerate the so-called time to value, i.e. speed and flexibility in implementation, while respecting our Group organizational model.

With a view to continuous improvement and exploring new opportunities, we are continuing to scout innovative technological platforms that allow to enable digital ecosystems, both within the Group and with selected partners.
Two centers have been created for the development of innovative services, in the field of Connected Insurance and the Internet of Things, related to urban mobility, smart home, health and the connected world of work: one center is for the development of innovative services and a second for research and development, prototyping, collaboration with companies, research institutes, universities and start-ups.

We are committed to guaranteeing that the Group is constantly equipped with appropriate security systems, thus becoming increasingly more reliable for our stakeholders.
To be able to effectively manage the increasing complexity of security-related risks, we have adopted a One-Security approach, based on a strong integration between Information & Cyber and Physical & Corporate Security.The adoption of such holistic approach for security leads to the integration of processes and tools for the identification, assessment and management of security risks and to an increasing resilience against adverse events. More specifically, we pledge to:

- protect the Group's ecosystem and strengthen its security standards;
- define internal security regulations and monitor their implementation;
- define a solid management process for IT security-related risks;
- ensure the implementation of security measures for the management of threats;
- raise awareness and understanding around the issue among all Group employees..

Our IT security strategy, named Cyber Security Transformation Program 2, 2020-2022, aims to further increase our security posture through the adoption of innovative and advanced solutions and the progressive standardisation and centralisation of the Group security services. We engage more than 40 countries and business units through 27 projects. We are strengthening the Group resilience thanks to the enhancement of our ability to prevent, identify and respond to potential cyber attacks, and increasing assessments to ensure adequate security levels to our business initiatives based onnew technologies, like cloud and Internet of Things technologies.
We adopt tools and implement actions through which we guarantee constant protection from threats, such as:

16. *Agile Organization* is intended not only as methodology of project implementation, but in its broadest sense of defining a complete digital path - a 360° experience - for our employees, an aspect increasingly relevant in these days.

- the Security Operation Center (SOC) to monitor all events recorded by our security solutions 24 hours a day, detect potential incidents and step in with containment and restoration actions. SOC's performance are monitored in a structured manner through specific indicators, that are not reported due to security reasons. We have defined a Business Continuity and Disaster Recovery plan together with an Incident Response procedure to adequately guarantee the preservation or the timely recovery of data, services and critical business activities in case of a significant incident or crisis;
- our intelligence service that monitors the threats landscape evolution and trends, thus enabling us to proactively prevent or be ready to react to potential threats;
- internal and external vulnerability assessments in order to identify potential vulnerabilities in our systems. We also test the response capacities of our SOC through cyber attack simulations as well as customer solutions, including those based on Internet of Things technology;
- processes and tools focusing on the whole supply chain management that enable us to identify, assess and manage the third-party security risk, with a strong commitment to secure the transition to and the use of cloud services;
- proper procedures to guarantee the protection of company buildings, internal workspaces and employees during business travels as well as to manage all the aspects related to the corporate security;
- an intervention assessment and prioritisation framework in accordance with the operational risk management model. It is supported by an IT tool available to the countries where we operate to execute periodic risk assessments and to continuously take a census of and manage cyber risks. A new methodology for calculating cyber risks has been defined and measurements have been started in the different countries;
- a structured regulatory framework,that is constantly updated with respect to regulatory developments, market standards and cyber threats;
- an IT security awareness program for all our employees which consists of various initiatives such as dedicated training courses, videos and ad hoc communications. Internal campaigns simulating phishing have also involved the Group and virtual challenges like cyber quiz designed to increase the engagement of employees and promote good conduct practices in the area of IT security;
- a Group insurance policy to reduce residual exposure to cyber risk. Its effectiveness is considered in the Group's Internal Model for calculating the capital for operational risks;
- relevant certification released to Generali Operations Service Platform (GOSP), a company that provides IT services and infrastructures to the main Group countries.

GOSP is certified according to standard ISO/IEC 27001:2013 - Information Security Management System. This certificate is valid for: information security management for the delivery of IT infrastructural services for the Group companies; delivery of hardware, IT services, IT engineering, project management, organization, security services; as well as management of information security incidents according to the ISO/IEC 27035-1:2016 and ISO/IEC 27035-2:2016 guidelines..

GOSP is certified by an external auditor according to standard ISAE 3402 Type 2 - Third Party Assurance Report. This standard, widely used and internationally recognized for service providers, aims at certifying that the internal control system is suitably designed and operates effectively.

www.generali.com/our-responsibilities/responsible-business/cyber-security for further information on security and the Security Group Policy

## RISKS

Risks related to cyber security and malfunctions of IT systems are operational risks we measure following the regulatory standards and with qualitative and quantitative models that allow us to grasp our main exposures and to define the adequacy of the existing controls.

# Climate change[17]

Climate change is a material mega trend, with potential more limited effects over the short term, however potentially catastrophic over the long term. Associated with this mega trend is a high degree of uncertainty in accurately determining a time frame and magnitude of the impacts in the different geographies.
Climate change risks can be divided in:

- physical risks, arising from the worsening of catastrophic events that result from climate change, such as storms, floods, heat waves;
- transition risks, arising from the economic developments generated by the transition to a greener economy, with lower or virtually zero levels of greenhouse gas emissions.

Climate change also generates opportunities for companies that are able to develop financial products and solutions that sustain and support the transition to a climate resilient economy and that increase its resilience through adaptation.

As for the insurance industry, the worsening of climate-related weather phenomena - as part of physical risks - may impact the P&C segment in terms of pricing and occurrence of catastrophic events, impacting- conditions being equal - the number and cost of the claims and their management expenses, as well as reinsurance costs.
The Life segment might also be impacted: the intensification of the heat waves, the increased frequency of floods and the expansion of the habitats suitable for hosting carriers of tropical diseases indeed might worsen the expected mortality and morbidity rates.
The physical risks caused by climate change, which worsen the living conditions of the population and increase damages not covered by insurance, might also lead to a deterioration of socio-political stability and the macroeconomic and geopolitical conditions, with cascade effects on the financial system and on the overall economy.

The transition to a greener economy (transition risks) is driven by changes in national or international public policies, in technologies and in consumer preferences that might affect different sectors, especially those with a higher energy intensity, up to leading to the phenomenon of the so-called stranded assets, that is the complete loss of value of financial assets relating to the so-called carbon intensive sectors.
A good portion of the impact of these risks depends on the speed to come into line with stricter environmental standards and on the public support that will be guaranteed for reconversion. The transition risks are therefore influenced by factors marked by a high degree of uncertainty, such as political, social and market dynamics and technological changes. Even though the speed of transition and its risks are hard to determine today, they will probably have wide-ranging consequences, especially in several sectors such as energy.
Financing or insuring companies operating in sectors characterized by high greenhouse gas emissions and do not have adequate decarbonisation strategies might also expose to reputational risks.

Climate mitigation and adaptation strategies offer investment opportunities as well as opportunities for the development of the insurance market. As weather phenomena and extreme natural events evolve and intensify, a related increase in the demand for protection through specific insurance solutions and risk management is plausible.
The new regulations and the public plans launched in Europe aimed at creating incentives for transition to a green economy, together with the changes in consumer preferences, are supporting the demand for insurance products tied to the sector of renewable energy, energy efficiency and sustainable mobility. They are increasing the retail demand for green insurance products linked to sustainable lifestyles and strengthening the demand for investment products linked to green finance.
The decarbonisation of the economy and, more specifically, the large-scale spread of systems producing energy from renewable sources require substantial investments that are only partly covered with public funds, in this way increasing investment opportunities for private parties.

## ▶ Our management

We have defined processes and tools to mitigate climate risks and to seize the opportunities arising from the green transaction. These include monitoring the adequacy of the actuarial models to assess and rate risks, recourse to risk transfer mechanisms, periodical analysis of the investments, product and service innovation processes, dialogue with stakeholders and development of partnerships to share knowledge and identify effective solutions. Particularly noteworthy is our participation in the Net-Zero Asset Owner Alliance, the Net-Zero Insurance Alliance, the UNEP-PSI TCFD[18] work group, the PRI (Principles for Responsible Investments) Climate Action 100+ network, the PRI and LSE (The London School of Economics and Political Science) Investing in a Just Transition project, and the Investors Leadership Network.

17. The *Climate change* mega trend also includes extreme events.
18. The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) aiming at formulating a set of recommendations on reporting climate change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors.

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## RISKS

We manage short-term physical risks by adopting a risk monitoring and careful selection aimed at optimizing the insurance strategy with the use of actuarial models that are periodically updated in order to estimate potential damage, including natural catastrophe damage, influenced by climate change.
We turn to reinsurance contracts and alternative risk transfer instruments, such as the issue of insurance securities protecting against natural catastrophe risks, i.e. cat bonds, like Lion III Re.

Capital management and financial optimisation, p. 42

In order to reduce exposure to physical risks of our corporate customers in the Property & Casualty segment, we provide consulting services to introduce technical-organisational improvements capable of increasing the protection of the insured assets even from extreme natural events, and we define claim prevention programs and periodically monitor them.
We have set up special procedures to speed up damage appraisal and claims settlement in the case of natural catastrophes and extreme events so as to strengthen the resilience of the territories struck and to facilitate the post-emergency assistance and return to normality phase.

As for the transition risk management, we are reducing the already limited exposure of the investment portfolio to issuers of the coal sector in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2040. A gradual exclusion approach is applied to the tar sand sector, too. We also set the target of making our investment portfolio climate neutral by 2050, in line with the Paris Agreement's goal of limiting global warming to 1.5°C compared to pre-industrial levels.
The exposure of our client portfolio to fossil fuel sector is low: we exclude underwriting risks associated with coal, gas and oil exploration and extraction - conventional and unconventional - and since 2018 we no longer offer insurance coverage for the construction of new coal-fired power plants, for existing coal-fired power plants of new customers and for the construction of new coal mines. Also for underwriting, we set the goal of gradually reducing our current limited exposure to the thermal coal sector in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2038.
In those countries where coal accounts for over 45% of the domestic electricity mix[19], to limit the negative social impacts deriving from our decision to quit this sector, we are carrying out engagement activities with the companies with whom we have trade relations to implement the principle of just transition that combines the need to protect the climate with minimisation of social consequences for local employment and energy procurement. The engagement activity is focused on monitoring GHG emission reduction, worker protection and retraining, and community support plans by analysing their costs and investments allocated for these purposes.
To demonstrate consistency with the commitments required to our customers, issuers and business partners, we are reducing greenhouse gas emissions from our sites and business trips by optimizing spaces, purchasing green energy and promoting the use of more sustainable means of transport.

A continuous commitment to sustainability, p. 61
Our rules for running business with integrity, p. 66
Group's financial position, p. 91

In order to seize the investment and development opportunities arising from mitigation and adaptation to climate change, we offer: insurance solutions to protect customers from natural catastrophe damage, including damage influenced by climate change; coverages for industrial power generation plants from renewables; and insurance solutions to support customers in adopting sustainable lifestyles. We are also expanding the offer of thematic investment products linked to green finance for the retail segment.
We are increasing our direct investments in green and sustainable assets. In 2021 we issued our first Sustainability Bond with the aim of financing or refinancing Eligible Sustainability Projects. They are identified according to the eligibility criteria defined by the Sustainability Bond Framework which includes, among the various investment categories, also those relating to green building, renewable energy, energy efficiency and clean transportation.

Capital management and financial optimization, p. 42
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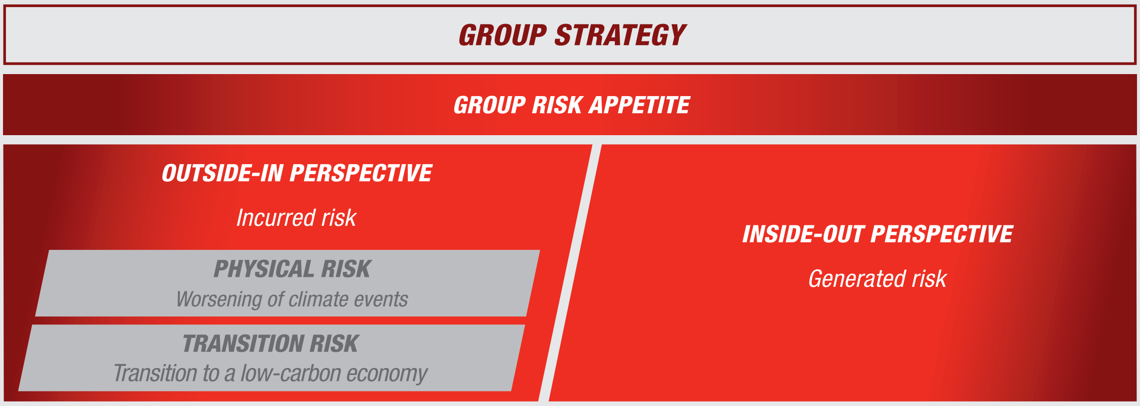
19. Data provided by the International Energy Agency.

## Climate change risk management framework

In line with the recent European regulatory developments, regarding the definition of the risk management framework related to climate change (so-called climate risk), as Generali Group, we distinguish between two perspectives:

- *Outside-In* (or incurred risk) related to the impacts of climate change on the Group, in particular on the value of the investments and on the profitability of services and products provided;
- *Inside-Out* (or generated risk) related to the impacts that the Group generates through its operating activities and, indirectly, through investments and services and products provided.

In 2019, the Group Risk Management function launched the multiyear Climate Change Risk Project, with the aim of defining a climate risk management framework that considers both perspectives jointly: incurred risk and generated risk[20].




The project is encompassed within:

- the process of emerging and sustainability risks' identification, already defined in the Risk Management Group Policy;
- the Strategy on Climate Change, in particular, referring to the Net-Zero Asset Owner Alliance and the Net-Zero Insurance Alliance initiatives, through the introduction of a model to monitor the achievement of the targets.

With reference to the project governance, the complex nature of the risk and the need to establish an important integration within the business required the direct involvement of several functions: Group Sustainability & Social Responsibility, Group Integrated Reporting and Group Corporate Affairs, as well as Group P&C, Claims & Reinsurance and Group Investments.

The framework, under development, as well as the findings of the assessments were presented to the working group, to the Group's insurance companies – to which the operating model will be cascaded with the simultaneous sharing of local best practices – during dedicated Group Risk Councils, to the Senior Management, to the Board of Directors and to the Risk and Control Committee.

The framework is structured in four phases, as defined in the Risk Management Group Policy, namely identification, measurement, management and reporting.

In 2021, we consolidated the risk identification and measurement phases, and we launched the definition of the risk management model, with the simultaneous preparation of the documentation related to the *Own Risk and Solvency Assessment* (ORSA) process.

### Identification

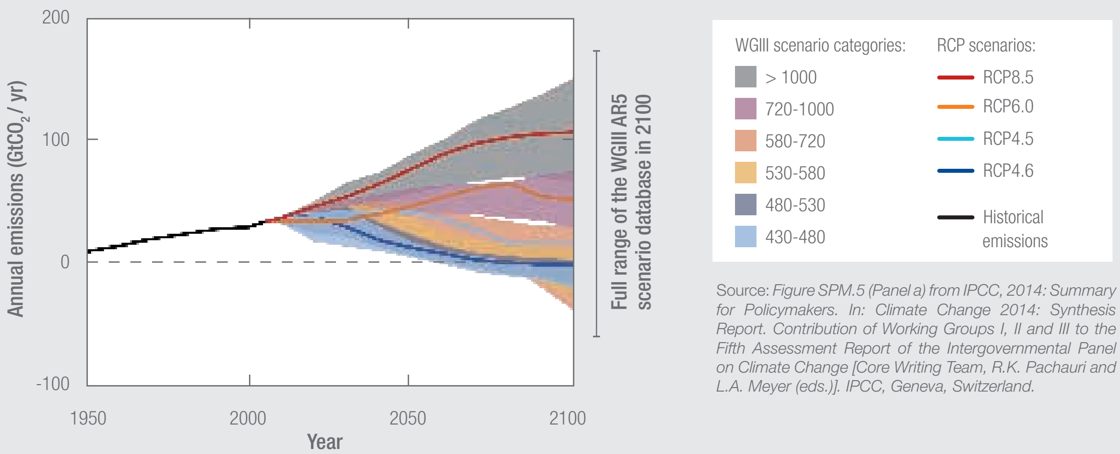
In the risk identification phase, two activities were carried out:

- climate scenarios' selection;
- materiality analysis on risk exposures.

Climate scenarios, currently used, describe a change over a certain time horizon of the global temperature, deriving from the assumptions on the amount of $CO_2$ present in the atmosphere and its effect on the geophysical variables that regulate Earth's climate. Scenarios with a lower increase in the global temperature are typically used to assess transition risk, which is mainly concentrated in the short-medium term, while higher temperature scenarios are typically used for physical risk, whose effects are expected to span over longer time horizons, with a more pronounced acceleration in the second half of the century.

20. In the first phase of the framework's definition, transition risk and physical risk were included. Liability risk, which stems from lawsuits for environmental damages and/or following improper or missing corporate disclosure on environmental standards, will be considered within ongoing future developments.

**Annual anthropogenic $CO_2$ emissions**




Source: *Figure SPM.5 (Panel a) from IPCC, 2014: Summary for Policymakers. In: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland.*

We selected three scenarios mainly based on the Representative Concentration Pathways (RCPs) developed by the Intergovernmental Panel on Climate Change (IPCC) and on the World Energy Outlook Scenarios developed by the International Energy Agency (IEA). Each scenario is identified by the global warming level assumed in 2100 compared to pre-industrial levels.

| SCENARIO[21] | DESCRIPTION | TRANSITION RISK | PHYSICAL RISK |
|---|---|---|---|
| 1.5 °C | Strong and rapid emissions' reduction and temperature increase consistent with Paris agreement and, from 2021, with the target of net zero emissions by 2050. | Transition risk is described by a combination of socio-economic variables, including the development of regulations, of new technologies and of consumer preferences. | |
| 3-4 °C | More fragmented and less rapid global decarbonization process. | | Physical risk is described by a combination of physical variables, including increased frequency of extreme climate events such as floods, heat waves, storms, wildfires, droughts and of chronic climate events such as sea level rise. |
| >4 °C | Emission growth, without global decarbonization actions. | | |

To capture the most significant expected impacts, for transition risk we focused on short and medium-term time horizons, while for physical risk we also considered longer time horizons. In particular, time horizons taken into account for all scenarios were 2025, 2030, 2050.

Regarding the scenarios' selection, we are monitoring the evolution of the regulatory environment and of market best practices, in particular the development of the recommendations by the Network for Greening the Financial System (NGFS)[22], the development of IPCC's scenarios, and, in general, the regulatory stress tests introduced within individual European countries.

In relation to the *Outside-In perspective (or incurred risk)*, carrying forward the activities already undertaken, in 2021 our analysis focused on the:
- investment portfolio, including equity and corporate bonds, government bonds and real estate;
- Non-life underwriting portfolio.

To identify the most material exposures, we analysed for investment in equities and corporate bonds all economic sectors and we focused mainly on understanding those most vulnerable to climate change (so-called climate relevant sectors identified based on recognized market frameworks, including TCFD guidelines). In particular, the very limited exposure to the sectors most impacted by climate change, such as the fossil, metallurgical and transport sectors was confirmed.

21. The main publications considered as source for the scenarios include: Assessment Report 5 (IPCC) - RCP 6.0, RCP 8.5 -www.ipcc.ch/report/ar5/syr/synthesis-report/, Net Zero by 2050 - *A Roadmap for the Global Energy Sector (IEA)* - www.iea.org/reports/net-zero-by-2050, *World Energy Outlook* 2020 (IEA) - www.iea.org/topics/world-energy-outlook, *Energy Technology Perspectives 2020 (IEA)* - www.iea.org/topics/energy-technology-perspectives.
22. The Network for Greening the Financial System consists in a group of Central Banks and supervisors committed to sharing best practice, to contributing to the development of climate-related risk management in the financial sector - and the environment - and to mobilize finance to support the transition to a sustainable economy.

Government bonds were classified based on the reference country; most of these bonds were attributable to European countries.
Even the real estate portfolio, analysed on the basis of buildings' energy characteristics, is mostly attributable to the most efficient energy classes and to European countries.
Analogously to the analyses carried out for investment portfolio, for Non-life underwriting portfolio we also considered the different geographies and for the purpose of the analysis we focused on the most relevant lines of business for the Group, namely Fire and other damage to property insurance and Motor.

In relation to the *Inside-Out perspective (or generated risk)*, our analysis focused on the investment portfolio, including equity, corporate bond and real estate, in line with the targets already announced as part of the Net-Zero Asset Owner Alliance initiative.

## Measurement

In relation to the *Outside-In perspective (or incurred risk)*, we measure physical and transition risk using models that allow to determine the impacts of climate scenarios on the exposures identified based on the climate stress tests.
Impacts are represented by the Clim@Risk metric, that is defined for:
- the investment portfolio, at individual counterparty level and considering a combination of sector and geography, and for real estate at energy class level. For government bonds we considered the reference country;
- the underwriting portfolio, considering a combination of line of business, sector and geography.

The proposed metric measures:
- a change in Net Asset Value for the investment portfolio;
- a change in the Group's operating result for the Non-life underwriting portfolio.

The results obtained provide forward-looking indications of climate change effects on Group's portfolios. They show mostly limited impacts over short-time horizons and more significant but still limited impacts over long-time horizons, mostly deriving from physical risk in higher temperature scenarios. In analysing transition risk, we also observed that impacts substantially depend on the ability of companies to adapt to the process of cutting emissions, for example, through the use of green energy and the improvement in energy efficiency.

In analysing the investment portfolio, in the 1.5°C scenario we observed positive impacts due to transition risk mainly stemming from the equitiy and corporate bond portfolio, as companies in which the Group invests are assumed to grow and remain competitive by adapting their business model to the transition. Opportunities are driven by the utility sector, given the increased demand and profits from renewable sources, while the impacts from the fossil sector remain negative. On the contrary, in case of lack of adaptation measures of the business model, the impacts are negative since companies do not grow and lose competitiveness, especially in the utility sector which suffers from the lower production of non-renewable energy, while other sectors such as chemicals and industrial suffer from higher costs due to the increase in carbon price. In absence of energy adjustment and energy efficiency measures, even the real estate portfolio value decreases, whilst showing a slight increase in case buildings are upgraded to new energy efficiency standards. The impact on government bonds, which stems largely from the effects of the transition on government revenues, i.e. taxes, and infrastructure costs, remains more limited with respect to the other two portfolios.
In the 3-4°C scenario without considering business model adaptative capacity, the impacts related to transition risk are smaller than in the 1.5°C scenario (without adaptation). On the contrary, we observed strong negative impacts for physical risk due to the increased frequency and severity of natural climate events, particularly floods, storms, and tropical cyclones. Again, the impacts are mainly attributable to the equity and corporate bond portfolio and to the real estate portfolio, while only to a lower extent to government bonds.
The >4°C scenario showed even more pronounced negative impacts for physical risk in the second half of the century caused by sea level rise, drought, and forest fires in addition to the above-mentioned events.

In analysing the Non-Life underwriting portfolio, we observed impacts caused by transition risk in the scenarios 1.5°C and 3-4°C on the Motor line of business, which shows a gradual replacement of ICE (Internal Combustion Engine) vehicles with hybrid and electric ones and at the same time a general growth in the Fire insurance and other damage to property insurance line of business driven by increased market demand. However, the most significant impacts were observed for physical risk in the 3-4°C scenario as a result of higher claims' costs induced by floods and storms and, in scenarios with higher level of global warming, such as in the >4°C scenario, and longer time horizons, also induced by wildfires, droughts, sea level rise, which are not currently relevant in terms of claims.

The use of different scenarios has proved effective in gaining a broader understanding of the Group's resilience to climate change risk, given the complexity of the phenomenon addressed and the long-time horizons over which it manifests itself.

In relation to the *Inside-Out perspective (or generated risk)* and to the decarbonization target for the investment portfolio carbon intensity of 25% by 2024, announced in the context of NZ AOA, we are internally defining targets to be monitored on a regular basis, in order to identify and track more precisely any deviations from the announced targets. In particular, these targets will be based on carbon Intensity metric components: the active portfolio management lever and the levers not directly under Generali's control (namely the individual counterparty emissions and the trend of their market value, expressed in terms of EVIC – *Enterprise Value Including Cash*).

Group's financial position, p. 91

### Management and reporting

Climate risk, considering both incurred risk and generated risk, is integrated in decision-making processes through the definition of a specific appetite, including tolerances, limits, and escalation processes in case of breaches.
With reference to limits and tolerances, the issuance of a dedicated internal guideline is planned during 2022, to complement the existing set of controls related to the application of the ESG principles in the investment and underwriting processes.
This integration has the two-fold objective of:

- maintaining Group's risk profile within the thresholds defined based on the *Clim@Risk*, at portfolio level and for individual combinations of sectors and geographies identified as most vulnerable;
- ensuring the achievement of emissions' reduction targets by establishing a tolerance limit on decarbonization targets.

Finally, the reporting has the primary objective of raising awareness on the impacts of climate change and is carried out on two layers:

- as part of the ORSA process, in order to update the Senior Management and the Board of Directors on the assessments performed and on the development of the risk management model;
- within the *Group Emerging Risks Booklet* dedicated to sustainability and emerging risks, available to the entire corporate population, which considers surveys conducted at Group level.

## Ageing and new welfare

Modern communities continue to be influenced by distinct demographic and social phenomena with a strong impact on their socio-economic balances.
In the more mature European economies, we are witnessing a continual process of population aging, driven by an increase in life expectancy, net of the still uncertain pandemic effects, and a decrease in birth rates. The international migration phenomena only partially counter-balance this trend, which is in any case otherwise influenced by socio-political initiatives adopted locally.
In the most European countries, the younger age groups are affected by a reduced and often discontinuous capacity to generate average income; this is strongly influenced by a flexible but precarious labour market that does not ensure reasonable certainty for financing the public welfare system. The pandemic will lead to some impacts - although still not well defined - on the communities' demographic structure: mostly the elderly were affected by Covid-19, but at the same time increased the weakness of singles and young families, who are part of that unstable labor market most heavily affected. Therefore, it is expected the confirmation of unbalanced communities, where the increase in social security and healthcare needs does not match the appropriate funding and coverage of public systems by the active population.
The healthcare need naturally evolves towards increasingly sophisticated, hence costlier, supplies and services, which have to face new, and even extreme and emergency, needs, as the pandemic has highlighted. At the same time, an enhanced awareness of the bond between health, lifestyles and the environmental context is developing thanks to both public social initiatives and greater proactiveness and promotion from private market.
Erratic local political choices are weighing on the resilience of welfare systems, whose fragility has been further exacerbated in the pandemic context. A greater perception of uncertainty impacts the coverage of the immediate healthcare and public welfare access requirement, so it is altering system balances that can only take shape over a long-term horizon.
In the context described above, the limited financial resources produced by the younger categories of the population, or from private savings in general, have to be directed and valued more carefully.

## Our management

We actively engage in creating more stable communities while monitoring and tackling the effects of a changing society. This is why we develop and offer flexible, modular pension and welfare solutions for the coverage of healthcare costs and other potential current and future needs for individuals, families and communities. We are committed to become a Lifetime Partner to our customers, strengthening the dialogue with individuals during their entire period of interaction with our companies through new, streamlined services accessible 24/7. The pandemic scenario has highlighted even more how the availability of appropriate services and easily accessible information can be a key element of differentiation. We are increasingly paying attention to the digital transformation, both as a communication channel and as a lever to enhance the efficiency in services to our customers and our distribution network. Through its digital approach, Generali stood close to its customers and its network even in the lockdown phases.

Pandemics and extreme events, p. 25

We provide customers with complete and easily accessible information on products and services, while helping them to understand the primary factors that may affect their income capacity and quality of life, and aiding them in accurately assessing their capacity to save as well as identifying their current and future needs. We believe that insurance coverage is the most appropriate tool to forecast and meet potential needs for people of all ages with the required advance notice; we therefore formulate, and present offers even in the case of market contexts with little knowledge and low individual propensity for insurance solutions.

### RISKS

Life and Health products, including pension and welfare products, imply the Group's acceptance of biometric underwriting risks, typically mortality, longevity and health. We therefore need to manage them through underwriting processes that are based on an updated assessment of the socio-demographic conditions of the population whose purpose is to understand their relative trends. We also have solid pricing and product approval processes that offer a preliminary analysis of the cases regarding the biometric factors, in line with Local Product Oversight Governance Policies. Such processes are part of a structured governance defined in the Group Policy on Life underwriting. Lastly, we measure the mortality, longevity and health risks using the Group's Partial Internal Model.

### The actuarial framework on sustainability risks

Within the activities of the Group's actuarial functions, we have started including some considerations on ESG factors, with a particular focus on the megatrends identified in the materiality analysis process.

Consolidated Non-Financial Statement, p. 167

In 2021, we launched a specific project at Group level, divided into phases, aimed at defining a common framework to coordinate and guide the analyses on ESG factors conducted by local actuarial functions.
The first phase involved the identification and study of the main risk factors within the material megatrends belonging to the central cluster (*Climate change, Ageing and new welfare, and Pandemics and extreme events*): a qualitative assessment of their possible impact on underwriting, with reference to both Life and P&C business, allowed to select the sustainability risk factors being of greatest interest for subsequent in-depth analysis.
The second phase concerned the definition and development of qualitative and quantitative analyses, conducted in particular at a local level, with the aim of investigating the exposure of portfolios to the selected risk factors and assessing the level of maturity of underwriting processes to derive some initial considerations on the impact of ESG factors. The most exposed portfolios will be then further analysed, in order to assess the strategies adopted by Group legal entities to manage risks and opportunities related to ESG factors.

The project is also coherent with the changed regulatory context: as provided by the Delegated Regulation EU 2021/1256 on the integration of sustainability risks in the governance of insurance and reinsurance undertakings, from 2 August 2022, the actuarial function will have to include sustainability risks among those examined as part of the analyses performed for expressing its opinion on the underwriting policy.

# THE GENERALI 2021 STRATEGY

**Being a Life-time Partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network .**

**Leading the European insurance market for individuals, professionals and SMEs, while building a focused, global asset management platform and pursuing opportunities in high potential markets.**

## PROFITABLE GROWTH

p. 41

*STRENGTHEN LEADERSHIP IN EUROPE:*
reinforce #1 market position[23]

*FOCUS ON HIGH POTENTIAL INSURANCE MARKETS:*
**15%-25%** earnings CAGR 2018-2021 depending on country/segment

*DEVELOP GLOBAL ASSET MANAGEMENT PLATFORM:*
**15%-20%** earnings CAGR 2018-2021

## CAPITAL MANAGEMENT AND FINANCIAL OPTIMIZATION

p. 42

*INCREASE CAPITAL GENERATION:*
**> € 10.5 billion** cumulative capital generation 2019-2021

*ENHANCE CASH REMITTANCE*
**+35%** cumulative cash remitted to holding 2019-2021 compared to period 2016-2018

*REDUCE DEBT LEVEL AND COST:*
**€ 1.5-2.0 billion** debt reduction by 2021;
**€ 70-140 million** reduction in annual gross interest expense by 2021 vs 2017

## INNOVATION AND DIGITAL TRANSFORMATION

p. 46

*BECOME LIFETIME PARTNER TO CUSTOMERS*

*ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION*

*TRANSFORM AND DIGITALIZE OPERATING MODEL*

***about € 1 billion** total investment in internal strategic initiatives 2019-2021*

## 3 KEY ENABLERS WHICH DRIVE THE EXECUTION OF THE STRATEGY

## 01 OUR PEOPLE

p. 51

23. Based on IAS-IFRS gross written premiums in Europe at year-end 2017.

# GENERALI 2021 FINANCIAL TARGETS

## GROWING EARNINGS PER SHARE

**6%-8%**
EPS CAGR RANGE[24] 2018-2021

**7.6%**
ACHIEVED

## GROWING DIVIDEND[25]

**€ 4.5 - € 5 bln**
CUMULATIVE DIVIDENDS 2019-2021

**€ 4.52 bln**
ACHIEVED

## HIGHER RETURN FOR SHAREHOLDERS

**> 11.5%**
AVERAGE RETURN ON EQUITY[26] 2019-2021

**12.4%** ACHIEVED — RoE 2019

**7.7%** Impacted By Covid-19 and ONE-OFF — RoE 2020

**12.1%** ACHIEVED — RoE 2021

Our performance, p. 79

## 02 A STRONG BRAND

p. 60

## 03 A CONTINUOS COMMITMENT TO SUSTAINABILITY

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24. 3 year CAGR; adjusted for impact of gains and losses related to acquisitions and disposals.
25. Due to the global spread of the pandemic in 2020, the Group's net result was affected by one-offs and impairments on investments, mainly in the first half of 2020, that led to a 2020 payout ratio of 120.2%. Consequently, the financial target on dividend growth mainly considered cumulative dividends, as the target on a payout ratio between 55% and 65% was to be considered as a guidance within the objective of steadily growing dividends.
26. Based on IFRS Equity excluding OCI and on total net result. The average RoE in 2019-2021 was equal to 10.7%.

In light of a context still characterized by the persistence of the pandemic, we confirmed our strategy and commitment to be a Lifetime Partner to our customers also in the year when the Generali 2021 strategic plan ended. That was thanks to three key factors:

- resilience of our financial and operating performance sustained by a clear strategy, a focus on technical excellence and a high-quality, diversified business model;
- increasing digitalization of our business model with a digital transformation of our sales networks and an effective adaptation of our organization to the new way of working;
- far-sightedness of our core convictions underpinning the plan, which are today more relevant than ever and allowed us to capitalize on emerging opportunities in 2021.

In 2021 we pursued the implementation of our strategic initiatives with the aim of ensuring the achievement of the financial and non-financial targets of the three-year strategic plan. The approach adopted ensured engagement of both the corporate functions and the Group's geographies throughout all the plan period. The strategic initiatives actively involved hundreds of colleagues worldwide, and their goal was to accompany the Group's business units on their paths to meeting the goals of the plan, by promoting an agile and entrepreneurial work method.
As to monitor the execution of the strategy and share its progress, we continued to use the Group FastBoard tool, that summarises the performance of the key indicators functional for carrying out the Generali 2021 strategy.

**Communities of Practice**

The Communities of Practice represent one of the building blocks of our strategy. They promote a collaborative approach among colleagues, by removing any functional and geographical barriers; they share knowledge and work together also for the identification and scale-up of best practices in the Group. Thanks to their new way of working, based on collaboration and co-creation, they accelerate the implementation of innovative ideas in an inclusive environment, in full alignment with strategic initiatives.

**Communities of Experts**

Through the power of collaboration and sharing of innovative ideas and experiences among subject matter experts, the Communities of Experts are transforming our way of working and learning from one another, helping Generali in its ambition to become a Lifetime Partner to our customers all over the world..

# PROFITABLE GROWTH

*STRENGTHEN LEADERSHIP IN EUROPE* | *FOCUS ON HIGH POTENTIAL INSURANCE MARKETS* | *DEVELOP GLOBAL ASSET MANAGEMENT PLATFORM*

The core convictions underpinning the three-year plan were also reinforced in light of current trends. They offered us the opportunity to strengthen our leadership position in Europe and our presencein high potential markets through the disciplined execution of the strategy, to seize growth opportunities by leveraging business diversification in the core Life and P&C segments, and to continue to develop the Asset Management, while accelerating digital transformation.
We are well positioned to seize opportunities for profitable growth, with an overall insurance and financial offer that increasingly includes sustainable solutions. In the P&C segment, by leveraging excellent technical margins, with the lowest and the least volatile combined ratio among peers. In the Life segment, by increasing capital-light, unit-linked and health products as well as pension business in a context where the demand for such solutions and, in general, the awareness of the need for insurance protection increase. In the Asset Management segment, through a continuous improvement in distribution and products.

We defined rigorous and disciplined criteria for M&A transactions and identified three key strategic areas where acquisitions and partnerships could boost our existing offer. We were consistent with our strategic priorities and we successfully enhanced our leadership position in Europe and in selected high potential markets, effectively integrating acquired companies and creating incremental value through partnerships.

| STRATEGIC PRIORITIES | ACQUISITIONS AND PARTNERSHIPS |
|---|---|
| REINFORCE LEADERSHIP IN EUROPE AND HIGH POTENTIAL MARKETS | **ADRIATIC SLOVENICA E CONCORDIA**<br>to reinforce our presence in Central-eastern Europe<br>**SEGURADORAS UNIDAS**<br>to enhance our strategic positioning in Portugal<br>**CATTOLICA**<br>to strengthen our leadership position in Italy and Europe and to accelerate business diversification in favor of the Non-Life segment<br>**AXA INSURANCE S.A.**<br>to strengthen our leadership position in Greece. Extended its distribution agreement in place with ALPHA BANK, a partnership that is in line with the ambition to enhance the bancassurance channel in order to boost P&C sales in Greece<br>**AXA AFFIN GENERAL INSURANCE BERHAD E AXA AFFIN LIFE INSURANCE BERHAD***<br>to enhance the strategic leadership in the P&C segment in Malaysia and to enter the Life insurance segment aiming at becoming among the main insurers of the country<br>**FUTURE GENERALI INDIA INSURANCE E FUTURE GENERALI INDIA LIFE****<br>to enhance our presence in India, becoming the first player among international insurers to step-up to a majority stake in both our Indian insurance joint ventures since the new foreign ownership cap came into effect<br>**LA MÉDICALE*****<br>to strengthen health and protection lines and the overall P&C business in France |
| ENHANCE ASSET MANAGEMENT CAPABILITIES | **LUMYNA**<br>leader company in the development of alternative UCITS (Undertaking for the Collective Investment of Transferable Securities) strategies<br>**SYCOMORE**<br>partnership to enrich the offering with innovative investment solutions, and to strengthen the focus and capabilities on sustainability and responsible investments for customers<br>**KD SKLADI**<br>a Slovenian mutual fund manager<br>**UNION POLAND**<br>a Polish asset management company |
| INCREASE SERVICE-BASED REVENUES | **ADVANCECARE**<br>a Portuguese service platform operating primarily in the healthcare sector, a leader in the management of medical service outsourcing |

* The transactions are subject to the approval of the Malaysian Minister of Finance and the Central Bank of Malaysia, expected in 2022.
** Agreements to become the majority shareholder in our joint ventures in India are subject to the approval of relevant regulators.
*** The agreement was signed in February 2022, following the exclusive negotiation with Crédit Agricole Assurances, announced in November 2021, and the consultation of the dedicated workers' councils. The transaction is expected to close within 2022 and remains subject to the authorisation of the relevant antitrust and regulatory authorities.

# CAPITAL MANAGEMENT AND FINANCIAL OPTIMIZATION

*INCREASE CAPITAL GENERATION*

*ENHANCE CASH REMITTANCE*

*REDUCE DEBT LEVEL AND COST*

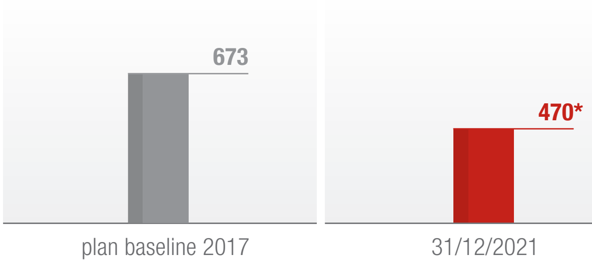
The implementation of our capital management framework is fundamental to achieve our cash and capital targets. The framework provides risk-adjusted and return on equity metrics used as threshold of capital and M&A strategic choices. Our capital planning and monitoring process allowes us to measure cash remittances from the business units, also through a standardised assessment of the free excess capital that leverages our Internal Model and considers local limits and risk tolerance. Effective actions and governance structure allow to optimize cash and capital remittances among the holding and business units.
The Group has a solid capital position at both Group and major business units' level, even under stress scenarios. Our solid solvency is supported by capital management actions and a consistent capital generation, driven by a resilient Life new business and an excellent P&C current year best estimate result measured according to Solvency II criteria.

We are consistent and effective in our cash centralization strategy by extending the participation to newly acquired entities and by enabling new levers to complete the centralized treasury model. This has translated into a greater discipline in cash management across the Group, as reflected in a higher and more stable cash position at Parent Company level.

Thanks to the initiatives undertaken through an active financial debt management approach, we reduced gross interest expense by € 203 million in the period 2017-2021, thus overachieving the target set in the Generali 2021 strategic plan for an amount between € 70 and € 140 million compared to 2017[27].
We reduced the financial debt by € 1.9 billion in the period 2018-2021. This result met the higher end of the financial debt reduction target that was set in the Generali 2021 strategic plan and ranged between € 1.5 and € 2.0 billion compared to the level at the end of 2018[27].

Group's financial position, p. 99

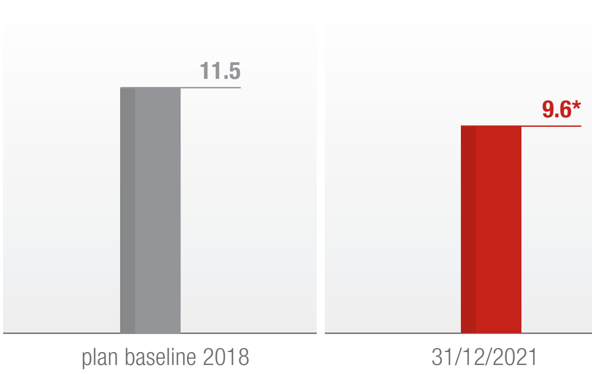
**INTERESTE EXPENSE REDUCTION - Gross of tax (€ mln)**




**TARGET (€ 70 - € 140 mln by 2021) OVERACHIEVED**

* This amount excluded the gross interest expense on the € 500 million new Tier 2 issue in June 2021 to partially refinance 2022 maturities, and the gross interest expense on Adriatic Slovenica and companies of the Cattolica group subordinated debt. Considering also these gross interest expense, the amount was € 478 million.

**FINANCIAL DEBT REDUCTION (€ bln)**




**TARGET (€ 1.5 - € 2.0 bln by 2021) ACHIEVED****

* The Adriatic Slovenica subordinated debt was not included consistently with the Investor Day 2018 target definition. The subordinated debt of the companies of the Cattolica group and that of the € 500 million new Tier 2 issue in June 2021 to partially refinance 2022 maturities were excluded, too. Considering also these subordinated debts, the amount was € 10.7 billion.
** The € 1.9 billion reduction was made up of € 1.75 billion of nominal amount of bonds reimbursed and additional around € 150 million debt reduction related to FX hedges on GBP debt reimbursed.

27. The year is considered as the baseline for this indicator.

We took a proactive approach aimed at rebalancing the debt maturity profile while optimizing our Solvency II position, in terms of capital quality. Our proactive financial debt management strategy was implemented through 4 key steps.

**JANUARY 2019**

We announced the redemption of € 750 million subordinated debt. We replaced it with an issue of only € 500 million subordinated debt, thus reducing our external financial debt by € 250 million.

**SEPTEMBER 2019**

We launched the first liability management transaction, followed by a second one in July 2020, in order to smoothen the 2022 maturity peak resulting in a more balanced debt profile. The first transaction led to € 250 million deleveraging while the second one was neutral in terms of outstanding debt, but it contributed to further reduce the refinancing risk.

**JANUARY 2020**

There was the redemption of € 1.25 billion senior debt with internal resources.

**JUNE 2021**

We issued a new ten-year Tier 2 subordinated debt to partially refinance 2022 maturities.

The maturity profile was significantly reshaped due to these transactions, thus avoiding peaks in specific years and with a longer average duration.

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Through the issuance of two Green Bonds and a Sustainability Bond, we confirmed our focus and innovation on sustainability, that is part of our business model, as well as our commitment towards the achievement of environmental and sustainability targets.
The first green bond issuance by the Group, that also represented the first issuance by a European insurance company, was a Tier 2 green bond of € 750 million maturing in 2030; it attracted investors with order in excess of 3.6 times the offer. The second issuance, a Tier 2 green bond of € 600 million maturing in 2031, was highly appreciated by investors, too: it attracted an orderbook of more than 7 times the offer.
In June 2021, we issued our first sustainability Tier 2 bond of € 500 million maturing in 2032, which attracted an orderbook of € 2.2 billion during the placement phase.
All the aforementioned bonds were allocated for a significant amount to investors dedicated to the green and sustainable bond market or to highly diversified institutional investors willing to implement green and sustainable investment plans.

We illustrated the allocation of proceeds from the first and second issuance and presented an overview on the related impacts in the Group's Green Bond Reports, published in November 2020 and September 2021, respectively. The content of both documents is in line with the Green Bond Framework and the Sustainability Bond Framework, respectively. The Sustainability Bond Framework extends the criteria for allocating proceeds to social categories.
The allocation of proceeds from the third issuance will be described in the Sustainability Bond Report, which will be published in 2022, and will follow what is defined in the Sustainability Bond Framework.

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## Sustainability Bond Framework

In June 2021, Generali published its Sustainability Bond Framework, which represents an extension of the Green Bond Framework and therefore defines a new outline for the issuance of future Green Bonds, Social Bonds and Sustainability Bonds.

**01 USE OF PROCEEDS AND FUNDS**

- Green buildings
- Renewable energy
- Energy efficiency
- Clean transportation
- Sustainable water management
- Recycling, re-use and waste management
- Access to essential services/ social infrastructure
- Affordable housing
- SME financing, socioeconomic advancement and employment generation
- Response to health and natural disaster crises

**02 PROJECT EVALUATION AND SELECTION**

- Analysis of the green eligibility
- Confirmation of eligibility and allocation decision by a new dedicated Committee, named Sustainability Bond Committee

**03 MANAGING OF PROCEEDS AND FUNDS**

- Allocation according to the equivalence principle
- Maximum 2-year look back period
- Full allocation within 1-year on a best effort basis

**04 REPORTING**

- Allocation report, including amounts per category and, if any, unallocated amounts
- Impact report on a best effort basis subject to data availability
- Annually until full allocation

**FRAMEWORK**

» Extension of financing activities.

» Fully consistent with our Group sustainability strategy.

» Second Party Opinion issued by Sustainalytics[28].

In line with the structure of the Green Bond Framework, the Sustainability Bond Framework was designed following 3 key principles:
- simplicity: written clearly and unambiguously, it aims to be understood by both market professionals and the common reader of financial reports;
- transparency: based as much as possible on independent evaluation criteria, it reduces the margin of subjective judgement of the Group regarding the selection and inclusion of the pool of eligible assets;
- consistency: in line with the Group's investment and sustainability strategy, including green and social categories and selection criteria.

www.generali.com/investors/debt-ratings/green-bond-framework to learn more about the Green Bond Reports and the Sustainability Bond Framework

In capital management, we integrated sustainability principles in the implementation of alternative solutions for risk transfer, thus further underlining our commitment in promoting green finance solutions.
In June 2021, we entered into a multi-year reinsurance agreement fully collateralized by highly rated assets with Lion III Re DAC, an Irish special purpose company not consolidated by Generali, providing cover to a part of the Group potential catastrophic losses from windstorms in Europe and earthquakes in Italy over a four year period.
Lion III Re DAC, in turn, issued a single tranche of notes in an amount of € 200 million to fund its obligations under the reinsurance agreement, and the notes were placed with capital markets investors in a Rule 144A offering.
The demand from capital market investors allowed the protection to be provided us at a premium of 3.50% per annum on the € 200 million cover under the reinsurance agreement, which Lion III Re DAC will in turn pay to investors as a component of the interest paid on the notes. All or a portion of the interest amount and the principal payable in respect of the notes will be reduced in case of losses sustained by the Group due to windstorms in Europe or earthquakes in Italy, exceeding a predefined threshold for each peril.

28. Sustainalytics, an ESG firm, assessed the compliance of our Sustainability Bond Framework with Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2021, issued by the International Capital Market Association (ICMA).


Lion III Re DAC transaction is the first catastrophe bond embedding innovative green features in accordance with our Green Insurance Linked Securities (ILS) Framework:

- Generali's freed-up capital resulting from this transaction will be allocated to green projects;
- the collateral will be invested into highly rated green notes issued by the European Bank for Reconstruction and Development (EBRD);
- in 2022, investors will be provided with a dedicated reporting of the allocation of freed-up capital in eligible projects as well as with a EBRD reporting on its green projects portfolio. In addition, the primary service providers engaged have already shown commitment to a sustainability framework in their business activities.

## Green Insurance Linked Securities

The Green Insurance Linked Securities (ILS) Framework, Generali published in February 2020, aims at defining a scheme for structuring alternative mechanisms for the transfer of insurance risk to institutional investors. The value of these instruments depends mainly on the probability that the insured events will occur, and the related return is uncorrelated with the financial market. Green ILS are characterised by the investment of collateral in assets with a positive environmental impact, and by the allocation of the transferred solvency capital to sustainable initiatives - like investments in green assets and support to the underwriting of green policies - according to predefined selection and exclusion criteria.

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/green-financial-management

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# INNOVATION AND DIGITAL TRANSFORMATION

*BECOME LIFETIME PARTNER TO CUSTOMERS* | *ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION* | *TRANSFORM AND DIGITALIZE OPERATING MODEL*

Our ambition is to become a truly innovation-led, digitally-enabled, data-driven and agile organization to our people, our agents and our customers. Our goals are:

- to become Lifetime Partner to our customers;
- to support the digital transformation of the distribution network;
- to transform our operating model with a view of greater digitalization.

The Generali Digital Strategy is the engine that powers and accelerates our journey towards becoming a true Lifetime Partner. It relies on five Digital Enablers, that trace the route to achieve our ambition and lie at the core of our efforts to transform and digitalise our operating model throughout our digital journey.

| | |
|---|---|
| INNOVATION | INSPIRE AND EQUIP TO EXPLOIT NEW BUSINESS OPPORTUNITIES AND TECHNOLOGY |
| CUSTOMER RELATIONSHIP MANAGEMENT | TRANSFORM CUSTOMER JOURNEYS, EXPAND CUSTOMER KNOWLEDGE, AND IMPROVE TOUCHPOINTS, TRANSPARENCY AND INTERACTIONS |
| SMART AUTOMATION | ACCELERATE PROCESS AUTOMATION THANKS TO RE-ENGINEERING AND THE ADOPTION OF NEW TECHNOLOGIES |
| DATA, ANALYTICS & AI | GUIDE BUSINESS DECISION-MAKING AND ENHANCE COMPETITIVE ADVANTAGE THROUGH DATA, ANALYTICS AND ARTIFICIAL INTELLIGENCE |
| AGILE ORGANIZATION[29] | BECOME A LEAN, FLEXIBLE AND FOCUSED ORGANISATION ON MOVING FASTER |

We continued in 2021 along the path started in the last years, developing further projects aimed at increasing the level of innovation and digitalization of the Group.

The Center of Excellence (CoE) on Smart Automation, an entity focused on boosting our digital strategy and providing centralised services, leverages the cutting-edge experience of several companies, a specific Community of Practice and a global team comprised by experts from various functional areas, who work together to define the priorities, identify the most relevant processes and highlight local success stories, sharing experiences and promoting strategic initiatives in different geographical areas.

The Center of Excellence (CoE) on Customer Relationship Management (CRM) provides support to all business units globally in 5 fundamental areas: implementing global or multi-divisional CRM projects, enhancing CRM skills in various areas, intensifying business alignment and that of IT organisations, reducing risk and increasing the quality of the release lifecycle and guiding the implementation of processes by sharing know-how, resources and tools.

The Innovation Fund is a fund created to provide economic and methodological support to the most innovative ideas. In 2021, the fund was structured as follows:

- Early-Stage Engine to experiment promising ideas;
- Acceleration Engine to finance highly innovative projects across all business units.

In its new configuration, the Innovation Fund financed over 100 new projects, some of which are contributing to a significant improvement in the level of innovation of the activities of numerous Group units, in all business lines.

29. *Agile Organization* is intended not only as methodology of project implementation, but in its broadest sense of defining a complete digital path - a 360° experience - for our employees, an aspect increasingly relevant in these days.

To achieve our strategic digital targets, also the analysis, enhancement and governance of data are increasingly rooted in the DNA of the Group's processes. At the end of 2019 we launched a program to accelerate the adoption of Advanced Analysis and Artificial Intelligence (AA&AI) techniques throughout the whole Group. This led to the development of over 200 initiatives, followed by a growing number of dedicated resources, which affect all the aspects of the insurance value chain with the aim to produce economic benefits both in terms of value generation and cost reduction: from effective and efficient management of claims also thanks to artificial intelligence applied to image analysis, to customised solutions, from fraud prevention to processes automation, with a view to enhance the experience of our customers, distributors and employees.

The formulations and analyses necessary to enrich customer relations are carried out - while guaranteeing anonymity - both by the single business units on their own and with the Group's support through specific tools and skill sets.
The processes are constantly optimized thanks to a growing adoption of Smart Automation, which reduce the time required for operations and maximize the impact on the business with a convergent approach, collaboration and innovation, and lead to significant improvements in the company's operations and also the user's experience.
Our commitment is now aimed at extending the success stories achieved in the digital and technological field by some of our companies to the entire Group, thus achieving economies of scale: teams of experts and dedicated centers of excellence guide this process and also rely on the strength of internal sharing consisting of the numerous Communities of Practice and Experts, which catalyze the interests of sector and business experts, making the sharing and orchestration of investments effective.

We want to be an Agile Organization - lean, flexible and empowered to move faster. Our new way of working aims at identifying and adopting methodologies and tools to accelerate the achievement of challenging Group targets. This is why we are accelerating convergence towards Agile standards and methodology as well as towards the technological tools required by the DevOps approach (a combination of software development and IT operations). Employees represent a key stakeholder of our Digital Strategy, therefore the digitalisation of their journey shows we care and reflects our commitment towards simplifying their daily activities, modernizing company processes and increasing their engagement.

In line with the 2019-2021 strategic plan, in order to accelerate our business transformation, in 2021 we invested about € 400 million in strategic initiatives, mainly addressed to operating transformation.

**INVESTMENTS IN INTERNAL STRATEGIC INITIATIVES (2019-2021)**

€ 1,224 mln

**TARGET (€ 1 bln by 2021) OVERACHIEVED**

As for the European insurance business, the initial target of € 200 million in expense reduction, that was achieved already at year-end 2020 thanks to disciplined execution of savings and transformation initiatives, was increased to € 300 million. Throught new ways of working and external services optimization, we got additional savings, enabling us to reach the target at year-end 2021.

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# Become Lifetime Partner to customers

Our journey to achieve Generali 2021 continues. Every day, we work to bring our Group closer to our ambition of becoming a Lifetime Partner to our customers, thus fulfilling our purpose, i.e. to enable people to shape a safer future by caring for their lives and dreams.
We have a clear vision of what Generali will be and how to reach it, by changing our way of doing business through a cultural and operational transformation with eight Hallmarks and ourselves as a reference.

**OUR CUSTOMERS[30]**

**67 mln** +1.6%

### HUMAN & CARING EXPERIENCE

Our mission is to offer our customers a Human and Caring experience every time they interact with us. In 2021 we continued with the implementation of key initiatives such as the Welcome Call, the immediate resolution of requests, update notifications and Empathy training. Furthermore, to create more proximity with our customers, we have defined and implemented a holistic contact strategy, leveraging all channels. The contact actions were particularly important and appreciated by customers during the Covid-19 emergency.

### B1 LANGUAGE

The commitment is to write all our documents in clear, transparent and understandable language (B1 level, understood by 95% of the population). We have trained and certified people from all functions involved in drafting documents in all countries and we have a documentation rewrite plan addressed to customers. To date, more than half of the documents have been written in B1 language.

### DIFFERENTIATING VALUE PROPOSITIONS

Our goal is to offer customized solutions that help customers every day of their life thanks to solutions enriched by a combination of value-added services such as prevention, protection, assistance.
In 2021, we mapped all existing services in the Group. We conducted a research across 13 markets identifying which services are most important to customers. We have also implemented an innovative program in 10 markets to develop new services based on customer needs. We have embarked on a path of transformation by developing global guidelines to develop customer-oriented solutions, ensuring collaboration between the various functions starting from customer needs.

### SEAMLESS OMNICHANNEL EXPERIENCE

The focus of the activity was concentrated in 2021 on enriching the digital experience, starting from customers' feedback. In this way, new functionalities have been identified and, partially already developed. These functionalities provide customers with more information, making them more autonomous and aware, therefore increasing their satisfaction. Work has also begun to extend digital services to the so-called conversational channels (WhatsApp, Messenger, etc.) in order to create an increasingly integrated and coherent ecosystem that allows the user to choose in total freedom and according to his preferences the channel thorugh which to interact with us.

30. The number of customers refers to all insurance entities, banks and pension funds (line-by-line consolidated entities, few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings, and relevant direct B2C - Business to Consumer - business of Europ Assistance in some countries.

## Enable digital transformation of distribution

**OUR AGENTS[31]**

173 thousand **+4.5%**

### Hallmarks to transform our agents in Lifetime Partners

**DIGITAL VISIBILITY**

87%[32] of consumers start their search online when they seek product or service information. That is why our first hallmark aspires to ensure all our agents have the necessary tools and know-how to support a strong and professional online presence, including social media.
Today our markets have an array of tech-enablers at their disposal ranging from a content sharing platform, to video creation platform, to a presence management solution. Our agents can easily share relevant health and lifestyle content with their customers and our customers can continue to converse with our agents using social.
A core ingredient to our success has been our Digital Sales Champions, who accelerated the Digital Visibility Hallmark in each market by providing tailored social media training and enabling our agents to continue to be Lifetime Partners to our clients.

**MANAGEMENT OF GENERATED LEADS**

In 2021, our global guidelines to push the digitalisation of the customer experience and facilitate the sale of Generali products were consolidated and implemented in 7 pilot markets, leading to both an increase in the effectiveness and efficiency of marketing campaigns.
To further accelerate this transformation, a global monitoring dashboard with key performance indicators was created and it is now active across all markets.
The commercial focus on digital channels remained high both through the activation of advertising campaigns aimed at collecting contacts from potential customers and the sending of automatic e-mails to facilitate appointments with agents.

**NEEDS'-BASED ADVISORY**

Our 173 thousand agents are the human faces of our company, they serve, advise and tailor solutions to our customers with passion and dedication.
81%[33] of customers are seeking professional advise on insurance, risks & finance and they want it to be personalized to their specific needs also covering prevention, protection and assistance.
The goal of our distributors is to become Lifetime Partners to our customers leveraging on a needs'-analysis process together with a 360° view of customer data to advise customers and find the best solutions for changing needs and lifestyles. Products and services will be modular and will allow for a high level of personalization. Our agents and sales managers will benefit from behavioral training, digital tools, advisory incentives and agent contact strategy to nurture long-term meaningful relationships.

**PAPERLESS**

We want to be a sustainable Group. We want to be efficient. We want to increase productivity. Part of this means providing an increasingly remote digital experience in order to reduce the use of paper documents as well as eliminate operational complexity and waste (e.g. printing, filing, missing data and travels).
99% of our agents already have the necessary tools (e.g. e-signature, e-payment, video & co-browsing) and know-how to sell remote digital policies.

31. The number of customers refers to all insurance entities, banks and pension funds (line-by-line consolidated entities, few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings, and relevant direct B2C - Business to Consumer - business of Europ Assistance in some countries.
32. Source: Salesforce and Publicis.Sapient research.
33. Source: Epiphany, RNPS research.

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# Transform and digitalize operating model

## The digital transformation of the operational model is systemic.

In Generali, it passes through the revision and radical reappraisal of processes, informatic systems, procedures and roles of the entire Group structure.
We are redesigning the processes using the design thinking methodology, including both experts of the sector and those directly involved and leveraging the new automation technologies. We are developing Artificial Intelligence technology-based tools; we are introducing new tools to manage customer relations in mobility or, whenever possible, digitally, and we are creating innovative products based on data generated by Internet of Things sensors.
We also believe that it is necessary to adapt and expand knowledge and skills of our people. The GPeople 2021 strategy is planning a specific training programme for reskilling and upskilling involving most of our employees through online learning tools and high-level training courses enabling to acquire and develop unique digital skills in the industrial landscape, so that they can perform activities with more effective tools while relying on information and records generated by advanced analysis and intelligent process automation systems.

Our people, p. 51

Digital transformation also has a significant external impact, first and foremost on the offer to our customers and in the experience of our agents.
We undertake to create and consolidate digital access points able to guarantee the use of information and services coupled with a rich, simple and quick experience using many digital channels.
We are also continuing down our technology observation and testing journey to support the digitalisation of the operating model and ecosystem in which we operate. New platforms, automation tools, automatic image analysis tools and biometric technologies are allowing processes, even those that are highly complex, involving the Group's customers, partners and companies to be transformed.

# THREE ENABLERS DRIVING THE GENERALI STRATEGY

## 01 OUR PEOPLE

**People in the Group work every day to deliver the ambition to become a Lifetime Partner to our customers.**

| OUR PEOPLE | | WOMEN | | MEN | |
|---|---|---|---|---|---|
| 74,621 | +2.7% | 51.4% | +0.4 p.p. | 48.6% | -0.4 p.p. |

The increase in the numeber of our people was mainly due to the acquisition of the companies of the Cattolica group.

In 2018 we developed the Generali People Strategy, GPeople 2021, that is focused on five priorities:

| | |
|---|---|
| 01 | Foster a customer-centric, inclusive and open **culture** |
| 02 | Build and evolve key **skills** for the digital age |
| 03 | Grow global and diverse **leaders** and talents |
| 04 | Reward **excellence** and sustainable value creation |
| 05 | Become a simple, agile and efficient **organization** |

Each priority is supported by Group and local initiatives, which are monitored based on defined targets.
Such priorities and initiatives have played a key role in preparing the Group to face the Covid-19 outbreak and the following, challenging scenario for our people and communities in 2020 and 2021. Even remotely, GPeople2021 initiatives were delivered and other initiatives, like *MAP2TheNew*, were added to those already planned with the aim of further supporting our people in the new way of working.

The Group has a framework for the assessment and management of operational risks inspired by international best practices and consistent with the requirements of the Solvency II directive. As part of the assessment conducted by the Group companies every year, the risks that could impact areas concerning our people were identified and precisely analysed, and the initiatives implemented with a view to mitigating such risks were evaluated. The areas of analysis regarded the following specific categories:

- employment relationships, with a particular focus on matters relating to key people and business ethics;
- safety at work;
- discrimination, diversity and inclusion;
- new skills and competences for the execution of the Group strategy.

The assessment was confirmed as satisfactory, also in light of the initiatives implemented within the GPeople 2021 and the centrality of our people within the Group strategy.

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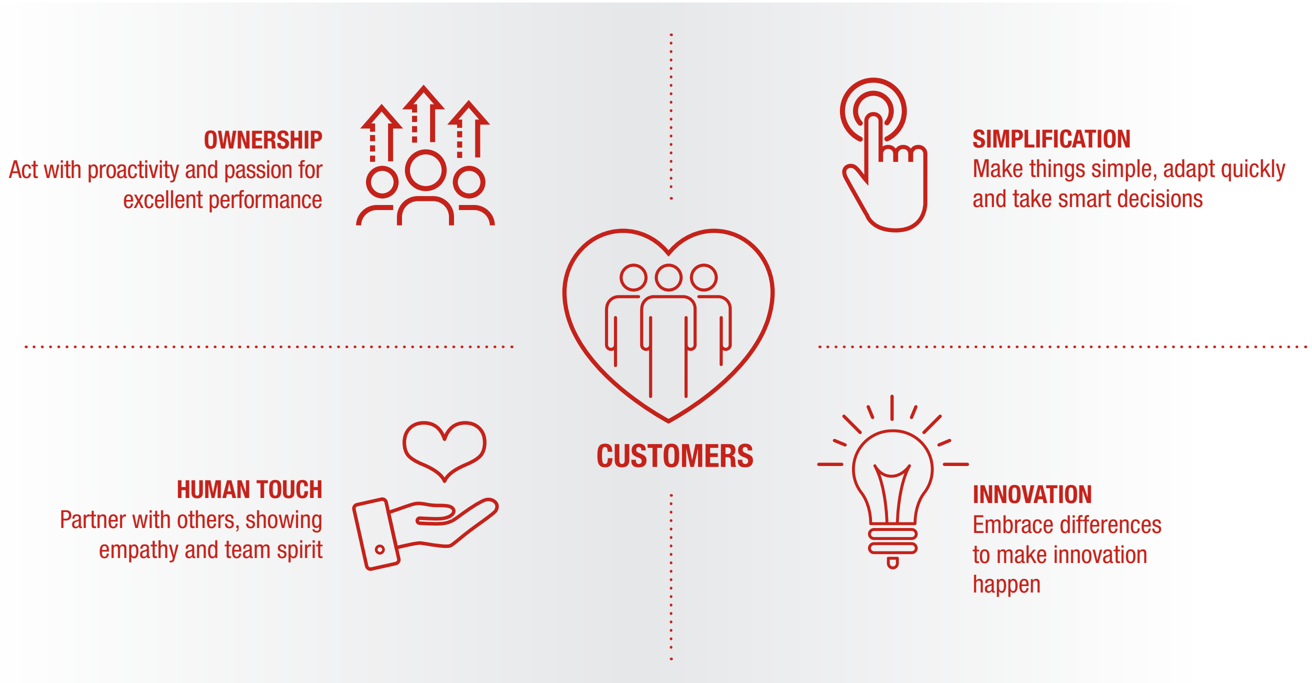
# 01. Foster a customer-centric, inclusive and open culture

## LIFETIME PARTNER - BEHAVIOURS

As to promote a culture of innovation and become a Lifetime Partner to our customers, the adoption of four behaviours in everything that we do is still key.




In 2021, we continued to deliver *Behaviours Digital Experience*, an e-learning course aiming at understanding and adopting such behaviours. More than 44,400 employees completed the course. We continued to deliver also the Behaviours in action experience, training more than 44,000 employees. The initiative was converted in virtual, named LTP *Behaviour Webinars*, to cope with the restrictions imposed by the global pandemic, allowing our people to still experience the four behaviours.

## MANAGERIAL ACCELERATION PROGRAM (MAP) AND MAP2THENEW

In 2017, we launched the *Managerial Acceleration Program (MAP)*, dedicated to all people managers of the Group. It is based on the eight principles of the Generali Empowerment Manifesto (GEM) and it aims to encourage a people empowerment-based managerial culture. Updated in 2019 to be in line with Generali 2021, it remains the reference point for new hired and new people managers.

In 2021, the pandemic led to an evolution of our way of working, including a different managerial approach that would help to outline a new hybrid working model and ensure that we can get the best out of the physical as well as the virtual environment. With this ambition in mind, *MAP2theNew* was launched, the new managerial training program based on the Generali culture's pillars, i.e. Lifetime Partner Behaviours and Generali Empowerment Manifesto principles. It aims to offer competences to more than 8.000 Group managers to lead their team in a hybrid work environment. The course follows MAP and is spread through all the countries where we operate.

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## GENERALI GLOBAL ENGAGEMENT SURVEY

As to measure and promote the engagement of our people, in October 2021 we carried out the fourth edition of the *Generali Global Engagement Survey*, a managerial tool for continuous improvement.

**RESPONSE RATE[34]**

89% — **0 p.p. vs 2019**

**+62,000** EMPLOYEES | **+180** ORGANIZATIONAL ENTITIES | **+36,400** OPEN COMMENTS RECEIVED

**ENGAGEMENT RATE[34]**

83% — **+1 p.p. vs 2019** / **+1 p.p. vs market benchmark**

**TARGET (> market benchmark) OVERACHIEVED**

MORE THAN 8 OUT OF 10 FEEL ENGAGED

The engagement score is based on the average percentage of favourable responses collected, based on the following questions:

| | |
|---|---|
| I strongly believe in the goals and objectives of my Company | 81% FAVOURABLE RESPONSES |
| I am proud to work for the Generali Group | 87% FAVOURABLE RESPONSES |
| I am willing to work beyond what is required to help my Company succeed | 86% FAVOURABLE RESPONSES |
| I fully support the Values for which the Generali Group stands | 88% FAVOURABLE RESPONSES |
| I would recommend the Generali Group as a place to work | 85% FAVOURABLE RESPONSES |
| My Company inspires me to do my best work | 73% FAVOURABLE RESPONSES |

We want to accelerate towards excellence, leveraging our strengths and acting quickly upon our main opportunities for improvement. Three global priorities were identified on the basis of the results achieved:

**1.** equip our people and managers to lead the way for smart habits and well-being for the Next Normal;
**2.** ensure a diverse, equitable and inclusive workplace;
**3.** accelerate process simplification and speed of execution.

## DIVERSITY & INCLUSION STRATEGY

The Group has further enhanced the promotion of an inclusive environment and organisation culture, which values all diversities. Inclusion is a key factor to create value for employees and customers, particularly in times of social and economic challenges. Our strategy, based on four priorities - gender, generations, culture and inclusion - can rely on global and local plans. Thanks to the Group Diversity and Inclusion Index (D&I Index), in 2021 we continued to monitor progress compared to the Group ambitions that were set.

**D&I INDEX[35]**

115% — **+9 p.p.**

**TARGET (100% by 2021) OVERACHIEVED**

The improvement in the D&I Index to 115% was thanks to good results confirmed from some key Group projects that are focused on increasing the percentage of female managers and young talents as well as the involvement of employees in upskilling and reskilling programmes. The increase in the number of organizational entities that introduced smart working policies and action plans on disabilities was extremely positive, too.

34. The indicator also includes other than consolidated line-by-line companies. The market benchmark refers to the European HQ Financial Services Norm by Willis Towers Watson.
35. The index refers to companies, that can be also other than consolidated line-by-line, where the priorities forming the index itself are measured. It excludes companies of the Cattolica group.

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## GENDER

Aiming at further improving the presence of women in senior leadership positions and in succession plans, we completed the Lioness Acceleration Program, an 18-month journey for female senior managers that was made up of mentoring and coaching activities and insights on leadership issues, by a panel of international experts.
As to enhancing the presence of women in managerial positions, *Elevate Circles* were launched, which consist in small-group coaching programs lasting six months aimed at consolidating the executive presence of our female managers.
These programmes at Group level were complemented by about 100 actions launched at local level, such as women mentoring and STEM women recruitment programmes.
In October 2021, Generali signed the *The Women's Forum CEO Champions Commitments*, confirming our commitment in favor of gender equality.

## CULTURE

In order to foster and sustain the Group's transformation, by attracting and including people with different backgrounds and innovative skills, we strengthened our upskilling and reskilling programmes enabling people to enhance business, digital and behavioral skills to continue to grow in the digital age. There are many opportunities to activate international and cross-functional projects also in virtual mode, which has become even more in use especially during the pandemic and allows us to further foster the global mindset needed to embrace diversities.

## GENERATIONS

In order to ensure the balance among the different generations in our Group, we focused on identifying and retaining young talents and on engaging senior employees. *Future Owners* is a program launched in 2020 with the aim of identifying and retaining professionals with maximum 6/7 years of experience. In 2021 the programme focused on their development through training, mentoring, networking and international and cross-functional projects, thus ensuring new perspectives, openness and growth. With regard to senior employees, a number of programmes were launched at local level including, for instance, orientation interviews and talent senior programmes.

## INCLUSION

With a view to promoting a mindset and behaviors that value differences, in 2021 we added a second module within the *Conscious inclusion rapid learning series*, a program available to all employees on We LEARN aimed at increasing awareness of unconscious bias that affect decision-making processes.
As for disabilities, we continued to set local action plans to concretely promote the inclusion of people with disabilities. *DiverseAbilities*, the first information campaign on disabilities, was also launched, with the aim of raising awareness among all employees about creating a work environment that values people for their strengths, offering all colleagues with disabilities the opportunity to best express their potential.
Significant progress was made in the inclusion of the LGBTQI+ world. In addition to the important outreach work carried out by WeProud, the first LGBTQI+ Employee Resource Group established in 2020, which has almost 900 members, three training modules on this issue were made available on We LEARN.

www.generali.com/work-with-us/Get-to-know-us/diversity-and-inclusion
for further information on diversity and inclusion

In order to promote a culture based on gender balance and pay equity, in 2020 specific analyses were also carried out at local level applying a Group common methodology. In 2021, analyses focused on pay equity in terms of gender pay gap for comparable roles (equal pay gap) and on gender balance in terms of gender pay gap across the entire organization, regardless of roles (gender pay gap).

**EQUAL PAY GAP**[36]

-1.8% | +1.0 p.p.

**GENDER PAY GAP**[37]

-14.9% | -1.0 p.p.

**ACCESSIBILITY GAP TO VARIABLE REMUNERATION BETWEEN FEMALES AND MALES**[38]

-4.3% | +0.8 p.p.

The results aggregated at Group level showed that females' median base salary for comparable roles was -1.8% than the males' one (equal pay gap), whereas, in terms of gender pay gap, the evidence for the entire organization was set at -14.9%. In terms of total compensation, the accessibility gap to variable remuneration between females and males was -4.3%.
Based on the results of the analyses, all the countries and business units will continue developing specific mitigation actions at local level, with the aim to structurally reduce the gender pay gap and support our ambition to achieve an equal pay gap towards zero in the next strategic cycle 2022-2024. The mitigation actions include initiative aimed to positively impact on gender balance and pay equity, both at local level and linked to the Group's strategy on diversity and inclusion. Among the others, the following initiatives can be mentioned: the review of hiring processes; female career's acceleration programmes; mentoring and sponsorship programmes; outreach on diversity and unconscious bias.
With the aim to support countries and business units in this journey, a yearly monitoring recurrent process has been introduced in order to assess improvements across the entire organization and impact of the mitigation actions.

Report on remuneration policy and payments for further details

## 02. Build and evolve key skills for the transformation

The trends of the sector, new technologies and the ambition to become a Lifetime Partner to our customers require the development of new skills. We are equipping our people with the skills to continue to grow and make the difference in the new digital age as well as to support strategic business priorities, adapting to the new context with agility and resilience, thus defining a customized training path, created on the basis of specific individual needs.
In order to define the Group's training strategies and to identify in advance how the roles and skills of the future will evolve, a methodology for detecting training needs, a data infrastructure and an operating model were developed and spread across the Group. On the one hand, they help identify the roles and skills most widely exposed to change (leveraging main trends, market evidence and business priorities) and, on the other one, they help establish and implement the initiatives to bridge the personnel training gap, consistently with the strategy.
The extensive Group's reskilling programme called We LEARN, that was launched in November 2019, equips all employees with the new business, digital and behavioral skills that are needed to keep growing in the digital age, succeed in the future market context and support the Group's strategic priorities.

**RESKILLED EMPLOYEES**[39]

68% | + 16 p.p.

**TARGET (50% by 2021) OVERACHIEVED**

36. It is the percentage difference between females' and males' median base salary for comparable roles (belonging to the same job family and organizational level). The indicator refers to about 80% of the total of our people, excluding employees belonging to the companies of the Cattolica group.
37. It is the percentage difference between females' and males' median base salary across the entire organization, regardless of the roles. The indicator refers to about 80% of the total of our people, excluding employees belonging to the companies of the Cattolica group.
38. It is the difference in percentage between the accessibility rate to variable remuneration of females and males. The indicator refers to about 80% of the total of our people, excluding employees belonging to the companies of the Cattolica group.
39. The indicator also includes employees in some companies other than consolidated line-by-line; it excludes employees belonging to the companies of the Cattolica group.

The programme includes three training components, the content of which is under continuous evolution:

### Foundation courses

Basic training pills for all employees to create awareness on key strategic topics (as part of the new strategic plan, strategic training campaigns will be launched on content relevant to our near future, such as the one on Sustainability, which will disseminate the basic concepts and the most advanced tools to face global environmental challenges, and their economic and social impacts);

### New Skills for Evolving Roles

Digital and classroom courses combined with remote coaching and self-learning, that are aimed at spreading new skills relevant to employees in their current role to face the new market challenges (e.g. Customer Service, Data Analytics and hybrid working modes). Employees can also leverage skill assessments - voluntary and non-performance assessments - that are available for specific skills;

### New Role Schools

Highly specialized mini-masters, developed in partnership with prestigious external suppliers, that are dedicated to specific Group roles identified over time on the basis of business needs. They aim at creating new professions internally to support strategic objectives in the various business areas where the impact of innovation and digital transformation is growing (e.g. Data Scientist, Actuary of the Future, Smart Automation Expert, etc.).

These training initiatives are born from a strong collaboration between the Group Academy and the Group business units. They also leverage a network of more than 500 internal experts involved to provide content, develop learning objects (e.g. videos and interviews) and lead classes, in addition to collaboration with important external suppliers. More than 90 We LEARN Champions, ambassadors spread across 50 countries and business units, support participation and engagement in the training through activation initiatives and Group learning sessions.

To ensure a common learning experience, the We LEARN platform - successfully realised in more than 40 countries - is based on best of breed cloud technology solutions and aims to deliver Group designed contents to employees enabling full coverage of different training types and emerging technologies (e.g. playlists, communities and external and customized digital training offers). The platform offers automatic content assignment features to simplify learning managers' daily activities and advanced reporting tools to easily monitor real time targets achievements. We LEARN is key to meet the Group's reskilling ambition, but it is also a strategic asset opened to address country-specific training needs.
In addition to the platform, the We LEARN Mobile App was launched, a flexible, customizable and easy-to-use application that allows employees to deliver contents at any time and in any place. The App is available in multiple languages and allows to download courses and complete them offline and to interrupt the training and then resume it from the exact point of interruption on any platform (desktop and mobile).

In the current context, training on digital and transformation skills is even more strategic and a priority for the Group; for this reason, the training effort through We LEARN was accelerated and the scope of employees involved in each course increased.

Considered the overall training available to Group's employees, 100% of them (+0.6 p.p.), excluding those belonging to the companies of the Cattolica group, were involved in at least one training programme.

**AVERAGE TRAINING HOURS PER CAPITA**

34.2 +0.2%

**TRAINING INVESTMENT**

€ 56.9 mln -3.2%

Focus on digital innovation and transformations underway in the current context have led to a deep renewal of the Group's training activities. Training has been focused on digital transformation skills and re-organized, in particular through virtual classes and digital modules, more flexible and leaner than in presence courses. These changes have led to an increase in the number of trained employees.

In 2021, our employees were able to make use of remote training tools even more extensively than in 2020, leveraging the We LEARN platform, virtual classrooms and digital courses already available, developed during 2020.

We are aware of the added value of in presence courses (greater interactions with trainers, socialization among participants, creative moments etc.), our goal is to adopt a hybrid learning approach, which combines digital teaching materials and opportunities for virtual and in presence interaction, which apply the traditional methods typical of in presence courses, to then be able to gradually re-activate - when the pandemic context permits - the delivery of in presence courses, guaranteeing the total safety of the participants.

## 03. Grow global and diverse leaders and talents

To execute our strategy, we strongly need effective leaders and promising talents, and this is why we are continuously investing in their development. Being a Lifetime Partner leader requires new skills, a strong global mindset, excellent performance and the possibility to nurture and grow the individual potential.

We work with the whole pool of Group talents and senior leaders to support them in driving people and organizations to success with the following initiatives:

**GLG WEBINAR SERIES** - *Lead.Care.Empower - GLGs in the Next Normal*, Group Leadership Training focused on leadership skills needed to drive teams and organization in the new, hybrid scenario and to support the delivery of strategic objectives. The programme has been delivered fully virtually and designed in partnership with London Business School, to ensure consistency with the previous editions. 200 leaders have participated, divided in 4 cohorts, following three training modules complemented by individual and group activities, for 12 hours;

**GLOBAL MENTORING PROGRAM**, $4^{th}$ edition, fully virtual, of the Global Mentoring Program, that has matched 80 GLG with 80 Group Talent Managers. The program is designed as a yearly journey to develop leadership skills of managers, for 14 hours;

**CONNECT&ENGAGE** - Global Virtual Event, first even exclusively dedicated to the community of Group Talent Senior Managers. 3 hours together with 250 colleagues with the participation of Group leaders and external speakers with the aim of aligning the senior managers on key strategic topics and drive the cultural transformation required by the Next Normal;

**WEBINAR SERIES** - *Lead to the Next*, first development program designed for the Group Talent Managers. 18 hours of virtual classroom with renowned speakers, innovative group activities facilitated by international coaches, to deepen managerial challenges and support 200 Group Talent Manager in the transition toward a hybrid work model and to the Next Normal;

**FUTURE OWNERS VIRTUAL LEADERSHIP PROGRAM**, first development initiative for 265 Future Owners, designed in partnership with INSEAD Business School. 3 modules guided by INSEAD faculty on key topics to support the growth of the leaders of the future, 5 virtual classrooms and an online support through the We LEARN platform, for 16 hours in total;

**WeGROW**, global initiative launched in April 2021 and designed for Group Talents (more than 750 enrolled in 2021). The aim is to accelerate their growth as future Generali leaders, through diverse professional experiences, empowering them to take ownership of their career development. In order to promote international and cross-functional experiences, Group Talents have access to a platform where they can transparently view and apply to open positions and projects at global level;

**SUSTAIN AND GROW**, initiative targeted to Future Owners in collaboration with The Human Safety Net. Young talents had the opportunity to participate in 5 sustainability projects, developing key competences outside of their comfort zones, while contributing to support some of the local communities where Generali operates. For 6 months, Future Owners worked in international teams, supported by Groups senior leaders and CEOs.

NFS

## 04. Reward excellence and sustainable value creation

Our ambition is to foster a meritocratic environment, where the performance of our people is recognised and rewarded. This is possible through our Group Reward Strategy, which encourages alignment with the strategic objectives and the participation of all our people in the value creation process. Therefore, in 2019 we developed and launched We SHARE, the first share plan of its kind for Group employees, with the goal of involving the highest number of people around the world to become Generali shareholders, achieving the participation of 21,430 colleagues, with a participation rate of 35.3%.
Moreover, we launched the We SHARE app, an innovative digital platform dedicated to the colleagues who joined the plan. The app has been designed to keep participants informed throughout the three years of the plan, to provide a dedicated financial education program, updates about Generali world, Generali 2021 strategic initiatives as well as the outcome of the We SHARE donations to The Human Safety Net Foundation (more than €420,000 thanks to donations connected to the plan by participants and Generali) that made possible a financial education project for parents of vulnerable families in collaboration with UNICEF.

## 05. Become a simple, agile and efficient organization

Within this context, 100% of the Group's organizational entities adopted smart working through dedicated policies. This approach made it possible to test the new way of working, which is increasingly strategic for the future, with broader intensity and yet confirming Generali's ambition to continue investing and committing to smart working.

### ORGANIZATIONAL ENTITIES WITH A SMART WORKING POLICY IN PLACE[40]

| | |
|---|---|
| 100% | +17 p.p. |

TARGET (100% by 2021) ACHIEVED

We relied on this way of working also to safeguard the health and safety of our people during the emergency context linked to the Covid-19 pandemic. 2021 Generali Global Engagement Survey has confirmed positive answers with reference to remote working (45% of respondents think that the team performance has increased while working remotely and 46% believes it stayed stable) and hybrid working model (9 out of 10 respondents feel ready to work in a hybrid work setting).

Due to the unprecedented emergency situation which did not allow meetings in presence, during 2020 we experimented alternative ways of interaction with the European workers representatives also thanks to the digital communication channels provided by the company which ensured the continuity of the social dialogue even remotely.

Confirming the centrality of people in our strategy, we held 9 meetings in virtual mode with the European Works Council (EWC), the representative body for Group EU employees, at the permanent forum dedicated to social dialogue. Due to the unprecedented emergency situation which did not allow meetings in presence, also during 2021 we continued relying on alternative ways of interaction with the European workers representatives, also thanks to the digital communication channels provided by the company which ensured the continuity of the social dialogue even remotely.
A Joint Declaration was also defined with the EWC to face the emergency caused by the pandemic situation. This Declaration sets out a number of common principles that can inspire the local parties to take actions to protect employees and to cushion the consequences of a crisis such as that caused by Covid-19.

www.generali.com/our-responsibilities/Generali-people-strategy/European_Works_Council for further information

In line with the new strategic plan and in coherence with the new business priorities, in 2021 we have developed a new Generali People Strategy, that will define people priorities and key initiatives in the timeframe 2022-2024.
The new Generali People Strategy has been defined through a co-creation process, involving also virtually hundreds of colleagues around the world, across all Business Units and at different organizational levels.
With the ultimate objective to support the new strategy through the implementation of the Next Normal in Generali, the following priorities have been defined:

- Enhance a Lifetime Partner, sustainable and meritocratic culture;
- Build a more diverse work environment ensuring equal opportunities & inclusion;
- Invest in business & digital skills to drive growth and boost our people impact;
- Enable an effective organization embracing a sustainable hybrid work model rooted in digital..

These priorities will be delivered through dedicated global and local initiatives, together with clear and constantly monitored KPIs, in line with our strategic plan *Lifetime Partner 24*.

40. They are organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy. The indicator also includes other than consolidated line-by-line companies. In 2021, it scoped-out MPI Generali Insurans Berhad (MPI Generali), a Malaysian company. Local management focused on the completion of the acquisition of the remaining share of MPI Generali da Multi-Purpose Capital Holdings Berhad (MPHB Capital), a joint venture partner in Malaysia. The transaction is still subject to approval of the Malaysian Minister of Finance and the Central Bank of Malaysia.

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# 02 A STRONG BRAND

**Building a strong brand is one of the fundamental pillars in the Generali 2021 strategy.**

We have continued to strengthen it over time with the aim of becoming the first choice in the Relationship Net Promoter Score (NPS) among our European international peers by 2021.

## CHANGE IN RELATIONSHIP NPS[41]

| +14.2 | vs 1Q2019 |
|---|---|

TARGET ACHIEVED (by 2021)

We increased our Relationship NPS, by focusing on the following actions:
- reach out to mono-product customers;
- enriching our products with wide range (450+) of services;
- simplifying our documents, rewriting more than 6,000 documents;
- offering digital tools to customers, driving adoption & usage;
- injecting our *human touch* throughout the customer experience;
- enabling our agents to sell remotely;
- Global Brand campaign in 19 countries projecting a confident, likable Generali brand and positively impacting the brand preference, that increased from 8% in 1Q2019 to 10% in 4Q2021.

Innovation and digital transformation, p. 46

For the first time in Generali's 190-year history, we have projected ourselves as a unified and unique global brand. A brand that takes pride in what it stands for: empathy, care and innovation. All brought to life in a campaign with the *Reditude* - with the heart, soul and pulse - to break the norms of the industry.
Thanks to dynamic creative and an innovative marketing mix, the campaign was a resounding success.
In 2021, digital accounted for 45% of total media investments, making Generali the most digitally focused insurer in each of our 19 markets where the campaign ran.
A strategy that led to impressive results. We generated 37.2 million clicks, encouraging more people than ever to visit our website and find out all about us. And we created 2.6 million leads, of which 9.3% were converted into new customers: that's the best conversion rate in our industry. Finally, preference grew globally to 10% in 4Q2021, meaning that more than 1 in 10 people would choose Generali as their preferred insurance provider for the next purchase.

The most important business benefit for us is that we have significantly increased the promoters and reduced the detractors. Promoters bring value and growth to the Group, therefore also for the future our goal is to keep the same dynamic, positive growth trend.

41. The target audience span 21 markets where we operate under the Generali brand in Europe, Asia and Argentina.

# 03 A CONTINUOUS COMMITMENT TO SUSTAINABILITY

**Our commitment to sustainability is the third fundamental pillar of Generali 2021, and refers to the creation of long-term value for our stakeholders: not only shareholders, investors and customers, but also employees, suppliers, the environment, local communities and society in general.**

The identified goals are tied to our core business activities and to our commitment to communities. By the end of 2021 we undertake to:

- increase premiums from environmental and social products by 7-9%;
- allocate € 4.5 billion to new green and sustainable investments.

We continue to execute our Strategy on Climate Change, updated to June 2021, committing ourselves to promote the development of the more sustainable economy, through:

**Decarbonisation of the investment portfolio**

**Decarbonisation of the insurance portfolio**

**reduction of greenhouse gas emissions associated with direct operations**

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate for further information on the measures, described in the technical note, that define the methods to manage the strategy in the Group's fundamental activities

| OBJECTIVES AND METRICS TO MITIGATE RISKS | 2021 RESULTS |
|---|---|
| Gradual decarbonization of the investment portfolio to reach climate neutrality by 2050 :<br>• 25% reduction in carbon footprint of listed equities and corporate bonds portfolios against 2019 as baseline by 2024, also through the engagement of 20 carbon-intensive investees in our portfolio;<br>• Alignment of at least 30% real estate portfolio with the global warming trajectory of 1.5°C.<br><br>Gradual reduction in the exposure of the investment portfolio to the thermal coal sector, in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2040. | The carbon footprint of our direct general account investments in listed equities and corporate bonds, in terms of carbon intensity (EVIC), decreased by 11.7% compared to 2020 (-29.6% in 2019-2021 period). This result supports our commitment - that is in line with the commitment of the Net-Zero Asset Owner Alliance - to the achievement of the long-term goal on the decarbonization of the investment portfolio to reach carbon neutrality by 2050.<br><br>Group's financial positiion, p. 91<br><br>We are constantly reducing our residual investments in the coal sector.. |
| Promotion of a just transition of the insurance portfolio to reach climate neutrality by 2050. | In July 2021, the Group took part in the Net-Zero Insurance Alliance, as a founding member together with seven other world-leading (re)insurance companies. The Alliance includes among its objectives the commitment to transition insurance and reinsurance portfolios to net-zero greenhouse gas emissions by 2050. |
| Exclusion of underwriting risks associated with coal, gas and oil exploration and extraction - conventional and unconventional - as well as those associated with the construction of new coal-fired power plants, the coverage for existing coal-fired power plants of new customers and for the construction of new coal mines.<br><br>Gradual reduction in the exposure to the thermal coal sector, in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2038. | **INSURANCE EXPOSURE TO FOSSIL FUEL SECTOR[42]**<br>**< 0,1% of P&C premiums**<br><br>Our exposure to fossil fuel sector continued to decrease. There were no new customers and no coverage for the construction of new coal mines or coal-fired power plants. |
| Engagement for a just transition of the four companies of the coal sector operating in heavily coal-dependent countries, where the Generali Group has a primary presence as an investor and/or insurer.<br>When engagement activities started in 2018, there were eight companies involved. Since then, missing or inadequate credible transition plans have led Generali to break up with some of these companies, in line with the Group Strategy on Climate Change. Engagement activities are therefore focusing only on counterparts with whom a constructive and constant dialogue is underway, projected to implement concrete decarbonization plans. | In 2021, we further reduced our exposure to the coal sector. As for underwriting, the exposure is therefore to three customers. Total exposure is confirmed to four companies, if the investment portfolio exposure is considered.<br>Within the activities carried out in the last year, we observed credible transition plans implemented and announced publicly or during meetings with us. In some cases, the acceleration of these plans is a direct consequence of Generali's commitment to stakeholder engagement. |

42. The indicator refers to direct premiums from property and engineering (including marine) coverage for coal activities related to companies of the coal sector and/or from the underwriting of risks related to oil and gas exploration/extraction if not marginal compared to the customer's main activity.

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## OBJECTIVES AND METRICS TO REDUCE THE IMPACT OF OUR DIRECT OPERATIONS

## 2021 RESULTS

Continuous monitoring of the main GHG emissions from the Group employees' operations.

**TOTAL GHG EMISSIONS[43] (Scope 1, Scope 2 and Scope 3)**

59,260 $tCO_2e$ — **-32.9% vs base year 2019**

In line with the best practice from the Science Based Target Initiative, we are committed to the reduction in the GHG emissions related to offices, data centres and company car fleet by at least 25% against 2019[44] as baseline by 2025.

**TOTAL GHG EMISSIONS[43] (Scope 1 and Scope 2) included in the reduction targets**

33,964 $tCO_2e$ — **-21.0% vs base year 2019**

Sharp reduction as a result of the so-called Next Normal that led to space optimization, energy efficiency interventions, a further increase in renewable energy purchased, a reduction in business trips thanks to the implementation of new digital tools.

Purchase of 100% renewable energy, wherever possible.

**RENEWABLE ENERGY PURCHASED[45]**

91.5% — **+2.1 p.p. vs base year 2019**

## OBJECTIVES AND METRICS TO SEIZE OPPORTUNITIES

## 2021 RESULTS

€ 4.5 bln in new green and sustainable investments (2018-2021).

**TARGET (€ 4.5 mld) OVERACHIEVED**

in 2020, a year in advance, with an amount of € 5,973 million

Group's financial position, p. 91

€ 8.5 - € 9.5 billion in new green and sustainable investments (2021-2025)[46].

**NEW GREEN AND SUSTAINABLE INVESTMENTS (2021-2025)**

€ 2,537 mln

Increase in premiums from environmental products.

**PREMIUMS FROM ENVIRONMENTAL PRODUCTS**

€ 1,750 mln — **+12.4%**

Group's performance, p. 82

Sustainable finance.

Placement of the first Sustainability Bond, to finance/refinance Eligible Sustainability Projects, mainly in the green sector.

Issuance of the first catastrophe bond embedding innovative green features.

Capital management and financial optimization p. 42

43. GHG emissions are calculated according to GHG Protocol - Corporate Accounting and Reporting Standard (market-based method). They are from operating activities by the employees working in offices managed by the Group in Italy, Germany, France, Czech Republic, Austria, Spain, Switzerland, Argentina, Poland, Hungary, Serbia and Slovakia, and equal to 52.7% of the total of our people, excluding employees belonging to the companies of the Cattolica group. The scope includes five new countries compared to 2020. The calculation includes $CO_2$, $CH_4$ and $N_2O$ for combustion processes and all climate-altering gases reported in the IPCC AR4 for other emissions (long-lived greenhouse gases - LLGHGs). Total emissions are calculated according to the location-based method; their trend is available at generali.com.
44. The objective refers to the emissions of Scope 1 and Scope 2 calculated according to the market-based method.
45. The scope for renewable energy purchased is equal to that for GHG emissions.
46. New investments refer to the difference between new purchases, sales and maturities of securities in the portfolio.

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In 2021, we carried on the strategic initiatives launched as part of Generali 2021, which fully integrated sustainability into our value creation process.

## Responsible consumer

Generali is drawing up a distinctive offer dedicated to responsible consumers who want to have a positive impact on the environment and society. The offer consists of environmental and social products and sustainable investment solutions.
In 2021 we identified the macro areas in which the *ecosystem of the responsible consumer* is outlined, that is the aspects on which it is necessary to focus the integration of sustainability aspects, in order to ensure an offer fully in line with the expectations of customers: from product creation to sale, with particular attention to the relationship with agents and distributors, in line with our ambition to be a Life and Digital Transformation Partner.
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**FOCUSING ON CUSTOMER NEEDS**

In 2021, we paid particular attention to the survey on consumer preferences as regards sustainability, and in March the Product Oversight and Governance Group Policy was updated. The latter regulates the analysis of customer ESG preferences during the Target Market stage of insurance products, as well as evaluating whether said preferences have been adequately considered during the Product Testing stage.

**INVESTMENT PRODUCTS AND SOLUTIONS**

The range of social and environmental insurance products and insurance investment products, which seek to create value through a positive impact on the environment and society, continued to grow in 2021.
An example of this is *Valore Sostenibile*, the investment solution launched by Alleanza Assicurazioni that allows investment in funds selected according to ESG criteria, in line with the Sustainable Development Goals of the United Nations. The sustainable investment solutions launched in 2019 by Banca Generali and Generali Italia, also related to the Sustainable Development Goals, continue to attract a great deal of interest.

**PACKAGING AND CUSTOMER EXPERIENCE** — GO TO MARKET — **AGENTS AND DISTRIBUTORS**

The integration of sustainability aspects is extremely important in the Go-to-Market stage of the product. Indeed, this has numerous implications in terms of customer experience and interaction with agents and distributors. One example is represented by the distinctive paradigm of the *differentiating value proposition*, the purpose of which is to offer personalised solutions, enhanced by added-value services, starting from the customers' needs, as well as consumer preferences in terms of sustainability issues. In this regard, the process of digital transformation, which enables increased interaction with agents and distributors, improves the customer experience by ensuring that all of the customer's needs are taken into consideration.
Also, the commitment to draw up all documents for the customer in clear and transparent language (B1 level), as well as the reduction of paper documents, fully meets the objective to integrate sustainability in the Go-to-Market stage.

Innovation and digital transformation, p. 46
Group's performance, p. 82
Group's financial position, p. 91

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## SME EnterPRIZE

Launched in 2019, the aim of the project is to support European Small and Medium Enterprises (SMEs) in their transition to a sustainable business model in three main areas: environment, welfare schemes and a positive impact on the community in which the enterprise operates.

The first step towards achieving this objective was that of raising visibility at international level of the most successful stories of sustainability integration in the business models of European SMEs, identified in the seven countries involved in the project[47], by setting up a dedicated event. The event was held at the end of September in Brussels, attended by representatives of the European Commission and Parliament, thus stimulating discussion on SMEs and sustainability.

This project represents Generali's true intent to promote the debate not only on the key role of sustainability in supporting the real economy, but also the need to involve SMEs in the process of sustainable transition in Europe. SMEs actually represent 99%[48] of European businesses: encouraging their sustainable transformation means helping Europe to create a greener, more inclusive and more resilient economy, also in light of the new importance that the project had assumed over the course of 2020, following the huge impact caused by the Covid-19 emergency.

The event in Brussels contributed to promoting key elements of SME EnterPRIZE in 2021:

### Sustainability Heroes

These are seven European SMEs belonging to different economic sectors[49], who have most successfully integrated sustainability into their business models, in the three categories envisaged by the project. They were selected by an international Scientific Committee[50] starting from a set of SMEs identified locally in the seven European countries involved. The presentation of these enterprises at the event in Brussels encouraged the spread of good business practices, as well as being a source of inspiration for other European entrepreneurs involved in the sustainable transition.

### White Paper

Generali sponsored research conducted by SDA Bocconi (Milan) into the main barriers hindering the sustainable transition of SMEs and the relative tools that public and private sector and institutions can set in place to overcome them. The results were presented at the event.

### Participation of institutions

Involvement of members of the European Parliament and Commission and representatives of the academic world and the private sector in the project, helping to promote the need to join forces to support the sustainable transition of European SMEs is an important milestone for us. The success of this edition confirms our intention to continue in this direction in the next strategic cycle.

www.sme-enterprize.com for further information

www.sme-enterprize.com/white-paper to consult the document

## The Human Safety Net

It is Generali's global flagship initiative for the community, catalysing the majority of the Group's social activities since 2017. It is deeply connected to our *purpose* extending it, beyond our customers, towards the most vulnerable communities.

The Human Safety Net is a fundamental component of Generali's commitment to sustainability and to the achievement of the Sustainable Development Goals.

As to reach more people and achieve a greater impact, The Human Safety Net mobilizes the network of employees and agents, activating their skills, financial and technical resources towards common objectives.

The Human Safety Net programmes support families with young children (0-6 years old) and contribute to the integration of refugees through entrepreneurship or employment. They share the mission of unlocking the human potential of people living in vulnerable circumstances, so that they can transform the lives of their families and communities. The Human Safety Net brings together the strengths of non-profit organizations and the private sector, in Europe, Asia and South America. In compliance with internal guidelines, every country and legal entity of the Group can activate one or more of these programmes by carefully selecting a partner and performing a complete due diligence. All activities and impacts achieved are monitored through a shared measurement framework that tracks collective results and triggers learnings from one another, based on the Business for Societal Impact (B4SI) international standards.

47. Austria, France, Germany, Italy, Czech Republic, Spain and Hungary.
48. European Commission Executive Agency for Small and Medium-sized Enterprises (EASME) Annual Report on European SMEs 2018/2019 Research & Development and Innovation by SMEs November 2019 on Eurostat's Structural Business Statistics (SBS) data.
49. Agriculture (3); Services (1); Business Intelligence (1); Textiles (1); Tourism (1).
50. Comprised by 10 members, representatives of European institutions, NGOs, the Academic world and international Press.

| Country | For Families | For Refugee Start-Ups |
| --- | --- | --- |
| ARGENTINA | ■ | |
| AUSTRIA | ■ | |
| BULGARIA | ■ | |
| CROATIA | ■ | |
| FRANCE | ■ | ■ |
| GERMANY | ■ | ■ |
| HONG KONG | ■ | |
| HUNGARY | ■ | |
| INDIA | ■ | |
| INDONESIA | ■ | |
| ITALY | ■ | ■ |
| MALAYSIA | ■ | |
| PHILIPPINES | ■ | |
| POLAND | ■ | |
| ROMANIA | ■ | |
| SERBIA | ■ | |
| SLOVAKIA | ■ | |
| SLOVENIA | ■ | |
| SPAIN | ■ | |
| SWITZERLAND | ■ | ■ |
| THE CZECH REPUBLIC | ■ | |
| TURKEY | ■ | |
| VIETNAM | ■ | |

**ACTIVE COUNTRIES[51]**
23 +4.5%

**ACTIVE PARTNERS**
61 +8.9%

**For Families**
We support parents in the first six years of their children's life to lay the strongest possible foundations for their future.

**For Refugee Start-Ups**
We help refugees flourish as entrepreneurs to integrate them into their host countries.

In 2020, The Human Safety Net launched Scale Up Impact, a multi-year plan that includes a financial and a non-financial component and aims at supporting leading NGOs and social enterprises in the transition to scale nation-wide, by replicating some of its most successful models and working together with the public, private, and social sector. In 2021, financial and non-financial contributions were awarded under the Scale Up Impact plan in Vietnam (For Families - partner UNICEF), Germany (For Refugee Start-Ups - partner Consorzio Tailwind), Austria (For Families - partner Big Brothers Big Sisters) and Croatia (For Families - partner Centar za podršku roditeljstvu "Rastimo Zajedno").

Keeping true to its value of being an open network, The Human Safety Net joined forces with partners like Impresa Sociale Con i Bambini, International Organisation for Migrations (IOM), Cisco, Hogan Lovells and Fondazione Italiana Accenture, to help amplify the impact of our programmes, through financial contributions and pro-bono consulting.

The future home of The Human Safety Net will be in Procuratie Vecchie, in St. Mark's Square, in Venice in a hub that will offer a space allowing innovators, international institutions and the public to collaborate and propose new solutions for social change. The restoration project was completed at the end of 2021, and the opening to the public, after 500 years, is scheduled in spring 2022.

Over the next three years, we aim to further extend the impact and the reach of The Human Safety Net in the communities, as well as increasing the alignment to Generali's core business. We will accelerate the engagement of Generali's employees and agents - starting from the 500 THSN Ambassadors globally activated, involve our customers and keep on joining forces with other organisations that share our approach and vision, with Venice's Procuratie Vecchie acting as a global hub.

www.thehumansafetynet.org/newsroom/all to discover more information on the stories

www.thehumansafetynet.org for further information on the initiative

Our main markets: positioning and performance, p. 103

51. The indicator also includes countries in which we operate through companies other than consolidated line-by-line.

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# OUR RULES FOR RUNNING BUSINESS WITH INTEGRITY

**We run our business in compliance with the law, internal regulations and codes, and professional ethics. We are continuously monitoring the developments of the national and international regulatory system, also by talking with legislators and the institutions, in order to assess both new business opportunities and our exposure to the risk of non-compliance and to take prompt measures to adequately manage it. We have a governance, management and reporting system that guarantees compliance with the principles of sustainability and their actual integration in everyday decisions.**

Our sustainability model is based on the Charter of Sustainability Commitments, approved by the Board of Directors of Assicurazioni Generali, which is broken down into three pillars:

1. do business in a sustainable manner, focusing on excellence in the corporate processes;
2. experience the community by playing an active role where the Group operates and going beyond everyday activities;
3. adopt governance and rules that are appropriate for running business with integrity. A Sustainability Committee was established at top management level, together with work groups integrated with the Head Office business functions and the Group's business units.

We have also a collection of Group public policies, guidelines and strategies which support our operations in a sustainable and responsible manner, such as:

### CODE OF CONDUCT

It defines the basic behavioural principles which all the personnel of the Group are required to comply with. These principles are outlined in a specific internal regulation that refer, for example, to the promotion of diversity and inclusion as well as the management of conflicts of interest, personal data protection and corruption prevention.

### ETHICAL CODE FOR SUPPLIERS

It highlights the general principles for the correct and profitable management of relations with contractual partners.

### POLICY FOR THE MANAGEMENT OF ENGAGEMENT WITH ALL INVESTORS

It regulates engagement other than through the General Meeting between the Board of Directors and investor representatives on issues within the Board's purview, and defines the rules for engagement by identifying interlocutors, discussion topics, timing and channels.

### SECURITY GROUP POLICY

It defines the processes and activities suitable for the purpose of guaranteeing the protection of corporate assets.

### GROUP SUSTAINABLE POLICY

It outlines the system for identifying, assessing and managing the risks connected with environmental, social and corporate governance (ESG) factors. It particularly defines the rules for:

- identifying, assessing and managing ESG factors that might present risks and opportunities for achieving corporate objectives, including those related to the management of climate and environmental issues;
- identifying, assessing and managing the positive and negative impacts that the decisions and corporate activities might have on the outside environment and on the legitimate interests of the stakeholders.

### ACTIVE OWNERSHIP GROUP GUIDELINE - ASSET OWNER

It defines the principles, main activities and responsibilities that guide the Group's role as active owner.

### RESPONSIBLE INVESTMENT GROUP GUIDELINE

It codifies the responsible investment activities at Group level.

### RESPONSIBLE UNDERWRITING GROUP GUIDELINE

It outlines principles and rules aimed at assessing environmental, social and governance features of customers and prospects in the P&C underwriting process.

### GENERALI GROUP STRATEGY ON CLIMATE CHANGE

It defines the rules by which we intend to foster a just transition towards a low-GHG economy through our investments, underwriting activities and our direct operations.

### GROUP TAX STRATEGY

It is an essential part of the tax risk control system, and defines sound and prudent taxation management methods for all of the Group's companies.

www.generali.com/our-responsibilities/responsible-business

www.generali.com/governance/engagement

## Tax Transparency

In the first semester 2020, we defined the Group's Tax Strategy. It ensures the correct application of tax regulations, guided by the principles of honesty, integrity and transparency in the relationship with tax authorities, and combines value creation for all stakeholders with long-term protection of our reputation. In order to promptly fulfil our tax obligations in maximum transparency with regard to tax authorities, we commit ourselves to acting in full compliance with the applicable tax regulations in the countries where we operate and to interpreting them in such a way as to responsibly manage tax risk, ensuring consistency between the place of value production and the place of taxation.

We promote the culture and values of the correct application of tax regulations and organise training sessions for all our employees.

We are also committed to publishing, in line with international best practices, the Group Tax Transparency Report 2021 during 2022. The document will include our tax strategy, the principles of Tax Risk Management and Tax Governance as well as the Tax Reporting. The Report will highlight the contribution in terms of taxes paid in the main tax jurisdictions where the Group operates, showing both the taxes directly borne by the companies, and the taxes collected - as a withholding agent - by the companies themselves while running their core business.

Together, these Group policies and guidelines - in particular, the Code of Conduct, the Responsible Investment Group Guideline, the Responsible Underwriting Group Guideline and the Ethical Code for suppliers - contribute also to ensuring respect for human rights in all their forms throughout the entire value chain. For example, the Group Responsible Investment Guideline filter allows us each year to identify and exclude from our investments those companies that produce unconventional weapons or that, regardless of the sector to which they belong, have committed serious human rights violations. Similarly, the Responsible Underwriting Group Guideline establishes monitoring mechanisms to avoid P&C insurance coverage to companies that commit serious human rights violations, with a specific monitoring of sensitive sectors.

In order to reinforce, where necessary, the controls already in place on this topic, in-depth[52] analysis was carried out in line with the most important international principles and tools, including the United Nations Universal Declaration of Human Rights, the core international standards of the International Labour Organisation and the UN Guiding Principles on Business and Human Rights. The analysis was focused on assessing the potential risk of violating the human rights of our employees, customers and suppliers (known as direct risk), considering that indirect risks are already monitored by the human rights criteria included in the Group guidelines on investment and underwriting activities. To this end, a list of the main human rights that could potentially be impacted by the Group's operations in the various businesses, such as equal opportunities and non-discrimination (including equal pay), transfer of workers (for example, migrant workers), freedom of association and collective bargaining, was identified. For each of the identified human rights, the analysis then assessed the tools already implemented to mitigate risks, assessing their level of control, considering it in line with their positioning and practices common to the sector.

The Group will keep up its ongoing monitoring action to guarantee a more and more virtuous and responsible behaviour in all of its businesses.

www.generali.com/our-responsibilities/responsible-business/respecting-human-rights for further information

Our guidelines for responsible investments and underwriting establish monitoring mechanisms on customer and investment portfolios to avoid also financing and offering P&C insurance coverage to companies involved in severe damages towards natural habitats and biodiversity. The exclusions concern companies obtaining fossil fuels from tar sands, given their high environmental impact; regardless of the sector they belong to, exclusions also apply to all those entities involved in severe damages to ecosystems, for example being involved in illegal deforestation activities or in serious cases of contamination.

52. The analysis took into consideration different categories of vulnerable people, such as employees, women, children and migrant workers.

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We have a structured Group's internal regulatory system, regulated by the Generali Internal Regulation System (GIRS) Policy that aims to promote a solid, efficient governance and coherent implementation of the Group's internal regulations at local level.
The Group regulations cover the governance system, the internal control system, the risk management system that is particularly linked to monitoring solvency (Solvency II), and the other primary areas of risk.

## Group Policy

They introduce principles designed to implement the Group's fundamental objectives and/or provisions linked to the Group governance system. They are issued to comply with specific regulatory requirements or to govern issues under the Board of Directors' competence.

## Group Guideline

They govern issues under the competence of the Group CEO or the heads of Key Functions of the Group.

## Group Technical Measure

They set out cross-function operating provisions, including those designed to regulate Group Policies and Group Guidelines in greater detail. They are issued by the managers of the Group units in compliance with the reporting lines and system of delegation of powers.

Corporate Governance and Share Ownership Report 2021, p. 35

The main non-compliance risks are continuously identified and monitored through the adoption of specific policies, the definition of monitoring activities, as well as the identification and implementation of proper risk mitigation measures aimed at minimizing potential economic and reputational damages deriving from the violation of regulatory provisions.
Special attention is paid to legislation on transparency and fairness towards customers.
In 2021, the continuous monitoring of both national and supranational legislation led to the identification of the following trends: the entry into force of new accounting standards IFRS9 and IFRS17, the far-reaching proposal to revise Solvency II legislation, monitoring ICT security and governance, the proposal for European regulation on the use of artificial intelligence and the progressive definition of ESG requirements as regards the business processes of financial operators.
The Group has established and monitors the process of implementing the latest European legislative provisions, particularly as regards the requirements introduced by Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector (known as Disclosure Regulation) and Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (known as EU Taxonomy Regulation).

Group's financial position, p. 96

Group's performance, p. 83

We are committed to the highest standards of compliance aimed at preventing the use of our products and services for money laundering and terrorist financing purposes.
Each Group company exposed to these risks is required to adopt the policies and guidelines defined by the Parent Company and to implement the necessary controls, in keeping with a risk-based approach. It is extremely important to assess customers and transactions at a high risk of money laundering, as well as promptly reporting any suspicious transactions to the local Regulator.
In addition to the legislative framework which is continuously updated, the Regulators have intensified inspections as regards money laundering, with a view to ensuring that regulatory requirements are met by individual companies. Numerous Group companies have been audited over the past few years.

## Compliance Week

In the context of the Covid-19 pandemic, we identified and implemented specific measures to mitigate the most important emerging risks, specifically monitoring customer protection and the prevention of financial crimes, also through training and awareness sessions. With the same intention of increasing the awareness of money laundering risks, in July 2021, we held a Compliance Week, focused on financial crimes and on the impacts they can have on individuals and on the community. More specifically, on this occasion, we examined the role of Financial Institutions in the fight against money laundering and terrorist financing, the categories of money laundering that emerged during the pandemic, and the adoption of new technologies to support the implementation of compliance controls.
Both international experts from the sector and the Group's top management took part in the initiative, which was accessible to all Group employees through a multimedia platform called The C.I.R.C.L.E.. Top management reiterated the efforts being made to prevent money laundering and the responsibility of all personnel, including the business as first line of defence, to implement the Group's regulations and controls. Great participation was recorded in the various webinars, translated simultaneously into 14 languages.

We are also acutely aware of complying with the measures adopted by countries or organisations with a view to restricting business with specific sanctioned countries, sectors and/or individuals.
Our business operations are particularly exposed to the risk of sanctions given the geographical distribution of the companies and of the products and services offered (for example, marine insurance policies). With a view to mitigating the risk of sanctions, we have drawn up a global framework on international sanctions, after defining the minimum common rules that all Group companies have to obey. We have also substantially increased controls relating to customers and/or transactions exposed to a high risk of sanctions, following the higher restrictions imposed by the Regulators in terms of international sanctions.

We condemn and combat all forms of corruption. Each employee has an obligation to guarantee high standards of ethics and honesty in their work. In this regard, the Group has banned the receipt from or offer of cash to public officials or commercial partners for improper purposes, and has established control measures (for example, limitations regarding gifts and contributions to trade unions and to charity organisations) to be incorporated and implemented in each individual company.
Our employees, suppliers and customers can use, also anonymously, several communication channels, including the Group Compliance Helpline, always reachable with direct access from the Group Portal and the website. These channels, active 24/7, ensure an objective and independent management of reports of behaviour or actions which might violate law, the Code of Conduct, its internal rules or other corporate rules, in accordance with the process on managing reported concerns and the whistleblowing policy which we have been applying for years. We also adopted a rigorous policy against retaliations.

www.generali.com/our-responsibilities/responsible-business/code-of-conduct for further information on the Code of Conduct, communication channels and the process on managing reported concerns

www.youtube.com/watch?v=ZeFiFJLmf7E

### MANAGED REPORTS ON THE CODE OF CONDUCT

99 | -1.0%

We are committing to rendering our HR training system increasingly effective. We continue to work in activities for creating awareness and training on the different themes of the Code of Conduct.
The e-learning courses on the Code of Conduct also continued in 2021: one to introduce the topic and addressed to new colleagues; the other, a refresher course for those that had already attended the introductory one. In 2021, a second refresher course on the Code of Conduct was developed, which will be released from 2022.

### EMPLOYEES WHO COMPLETED THE TRAINING COURSE ON THE CODE OF CONDUCT[53]

58,997 | +10.2%

53.The trained employees represent 81.0% of the total, excluding employees belonging to the companies of the Cattolica group.

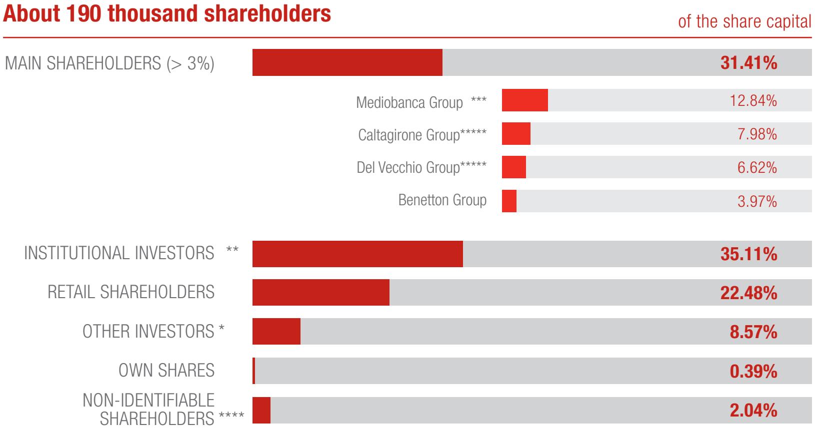
# OUR GOVERNANCE AND REMUNERATION POLICY

## Our governance

**Within a challenging economic and financial environment, we are convinced that our governance - which complies with the best international practices - effectively supports our strategy. In line with the principles and recommendations of the new Corporate Governance Code, it then assists the sustainable success of the Company, which consists of creating value for all shareholders in the long term, taking into account the interests of other stakeholders relevant to the Company.**

Corporate Governance and Share Ownership Report 2021 for further information on governance

### About 190 thousand shareholders




* The category takes account of legal entities including foundations, trust companies, religious institutions.

** The category includes asset managers, sovereign funds, pension funds, Life insurers.

*** It should be noted that on 23 September 2021 Mediobanca also announced that it has the right to vote on an additional 4.43% of the share capital by virtue of a stock lending transaction that will last about 8 months and in any case at least until the Shareholders' Meeting. The total of the voting rights therefore amounts to 17.27% of the share capital.

**** Data not yet disclosed by mainly foreign intermediaries.

***** On 13 January 2022, the director Francesco Gaetano Caltagirone announced to, directly or through companies related to him, hold a stake of the share capital of Assicurazioni Generali equal to 8.04%. On 27 January 2022, as the companies of the Caltagirone group exercised their right of withdrawal from the Shareholders' Agreement - with immediate effect and for the totality of the shares held and previously under the Agreement - Delfin S.à r.l. and Fondazione CRT announced to totally hold a stake of the share capital of Assicurazioni Generali equal to 8.331%.

The data are updated to 1 March 2022 in line with the Shareholder's Register, mainly on the bases of the dividend payout dated 20 October 2021, with the integration of information pursuant to art. 120 of TUF and other available information.

Share performance, p. 136 for further information on the share

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As of today, there is no employee shareholding system according to the provisions of the *Testo Unico delle disposizioni in materia di Intermediazione Finanziaria - TUF*. Nonetheless, it should be noted that We SHARE is in progress; it is the share plan for all Group employees, except for the members of Group Management Committee (GMC) and Global Leadership Group (GLG). Approved by the Shareholders' Meeting held in May 2019 and functional to support the achievement of strategic objectives, in the perspective of a culture of ownership and empowerment, and the participation of employees in the sustainable value creation of the Group, the plan offers employees the opportunity to purchase Generali shares at favourable conditions and - in the case of share price appreciation - to receive free shares in proportion to the number of shares purchased and to dividends distributed. The end of the plan and the assignement of free shares are expected in Autumn 2022.

www.generali.com/governance/remuneration/share-plan-for-the-generali-group-employees for further information on the share plan for the Group employees

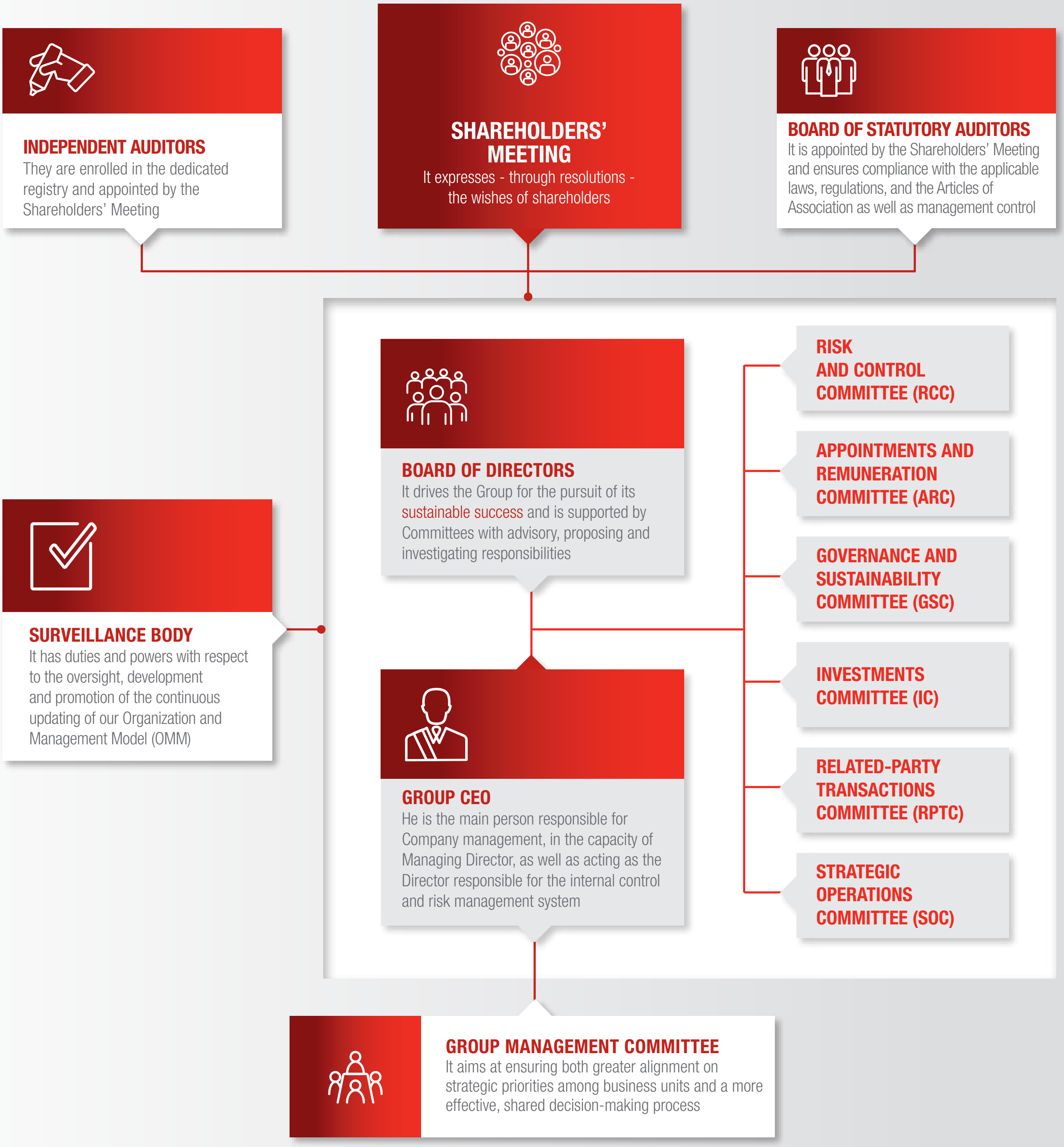
Our people, p. 51

We also facilitate participation in shareholders' meetings for beneficiaries of long-term incentive (LTI) plans - based on Generali shares - by providing them with a designated representative.

We maintain ongoing relations with all stakeholders relevant to the Company, including institutional investors, proxy advisors, financial analysts and retail shareholders. Our intense activities of relation consist of various types of interactions with individual stakeholders or groups, as part of roadshows and sector conferences, as well as ad hoc occasions for the discussion of specific topics, ranging from business, financial and performance matters to corporate governance, remuneration and sustainability topics relevant to the various financial community representatives. Some of the main recurring occasions for interaction with the Company's top management are the Shareholders' Meeting, events on the strategic plan (Investor Days) and the main presentation of the financial results.
We successfully continued our dialogue with relevant stakeholders on virtual platforms - used since 2020 following the Covid-19 pandemic - while maintaining high quality standards.

Notes to the Management Report, p. 180 for further information on stakeholder relations

The Board of Directors has structured its own organization also through the establishment of specific Board Committees, in a manner consistent with the need to define strategic planning in line with the purpose, values and culture of the Group and, at the same time, to monitor its pursuit with a view to sustainable value creation in the medium to long term. Our integrated governance also leverages the varied and in-depth professional skills present in the Board and ensures effective oversight of management's activities.




Ensuring the sustainable success of the Company means ensuring the monitoring of our capital at governance level. Committees with advisory, proposing and investigating responsibilities monitor capitals and inform the Board decisions on them: RCC on financial and intellectual capitals; ARC on human, financial, social and relationship, intellectual and natural capitals; GSC on natural, human, intellectual, social and relationship, and financial capitals; IC on financial and social and relationship capitals; RPTC on financial, social and relationship, and intellectual capitals; SOC on the financial capital.

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## Adoption of the 2021 Corporate Governance Code

The Corporate Governance Code, effective from 1 January 2021, introduces substantial innovations following four main drivers:

- sustainability: the Code fosters listed companies to adopt strategies more and more oriented towards a sustainable business: the objective that guides the actions of the board of directors is to pursue a sustainable company success, that consists of creating long-term value for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the company.
- engagement: the Code recommends to listed companies to manage the dialogue with the market through the adoption of engagement policies, complementary to those of institutional investors and asset managers.
- proportionality: the application of the Code is based on principles of flexibility and proportionality in order to favour small and medium companies and those with concentrated ownership to become listed.
- simplification: the Code presents a streamlined structure, based on principles which define the objectives of good governance and on comply or explain recommendations.

The revision of the Code was the occasion to strengthen existing recommendations, promote the effective enactment of best practices that were hoped in the previous editions, and align the Italian self-regulatory framework with international best practices (e.g. the possibility to qualify the chair of the board of directors as independent, the recognition of the role of the board secretary and the importance to consider international experience in the definition of remuneration policies). Of special note is the recommendation to issuers to adopt a policy for managing dialogue with the all shareholders, taking into account the engagement policies adopted by institutional investors and asset managers. Assicurazioni Generali is among the first issuers in Italy to get this document adopted since November 2020, including engagement with potential investors and proxy advisors. The policy is effective and used for the engagement between the Board of Directors and investors since 1 January 2021.

www.generali.com/governance/engagement for further information on engagement

## Governance monitoring climate change management

The Group governance is structured in such a way as to favour effective management of the risks and opportunities tied to climate change, which is considered one of the ESG factors most material for the Group, for our value chain and for the stakeholders.

### Board of Directors' role

The Board of Directors ensures that the Group organisation and management system is complete, functional and effective in monitoring climate change-related impacts. In 2018, it therefore adopted the Group Strategy on Climate Change, which was updated in March 2020 and June 2021, outlining a plan for investment, underwriting and stakeholder engagement activities to mitigate climate risks and facilitate the just transition to a low-carbon economy. The Board of Directors is informed through the Governance and Sustainability Committee about the implementation of this strategy and the results achieved. In 2021, these elements were analysed during five meetings of the Committee.

### Management's role

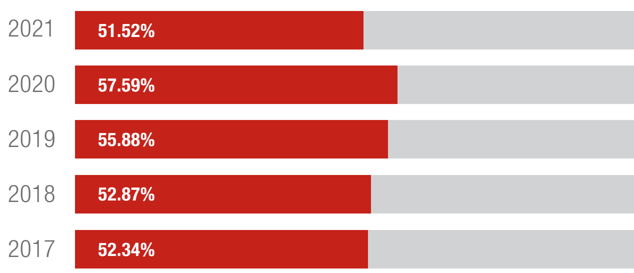
Climate change may have pervasive impacts across the entire organization. For this reason, the decisions on how to integrate the assessment and effective management of climate change impacts into the different business processes are guided by the Sustainability Committee at top management level, which can rely on adequate powers and a cross-functional vision across multiple Groups' functions and geographies. This Committee, sponsored by the Group CEO, consists of the heads of both the GHO functions and business units. The decisions set forth by the Committee are implemented by the competent management, each for its area of responsibility. A component of the variable remuneration of the Group CEO and top management depends on the results achieved in the implementation of the Strategy on Climate Change.
This cross-functional approach is also reflected in the Climate Strategy Task Force, which pools together the functions of Group Chief Investment Officer, Group P&C Retail, Group P&C Corporate & Commercial, Group Life & Health, Group Integrated Reporting and Group Risk Management, coordinated by Group Sustainability & Social Responsibility. The goal of this work group is to guarantee the management of the risks and opportunities tied to climate change in compliance with the strategy defined by the Board and to ensure the reporting on these aspects both to internal competent bodies and to external stakeholders, in line with the TCFD recommendations. Within this Task Force is active a coal companies engagement committee, which analyses the just transition plans of the engaged coal companies, monitors their implementation and encourages further progress.

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate for further information on the Strategy on climate change

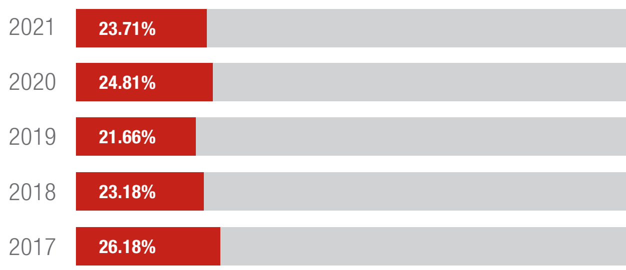
# Focus on the Shareholders' Meeting

On the occasion of the 2021 Shareholders' Meeting, in order to minimize the risks related to the health emergency, we decided to take advantage of the option, established by art. 106 of the law decree of 17 March 2020, no. 18, *Misure di potenziamento del Servizio sanitario nazionale e di sostegno economico per famiglie, lavoratori e imprese connesse all'emergenza epidemiologica da Covid-19* (known as Cura Italia decree, then converted with modifications from law 24 April 2020, no. 27) to provide in the notice of call that in accordance with art. 135-undecies of TUF the participation of those entitled to vote in the Shareholders' Meeting took place exclusively through the Designated Representative, without physical participation by the shareholders, and with the right for all members of corporate bodies to participate by means of remote communication.
The Shareholders' Meeting was then held at one of the Group's offices in Trieste, with physical participation by the Chairman, the Notary and the Designated Representative. An audio and video streaming in Italian with simultaneous translation in English, French, German, Spanish and Italian Sign Language (LIS) was available to all shareholders legitimated to participate in the Shareholders' Meeting as to let them follow live the event, without the right to intervene and vote. Indeed, the Shareholders' Meeting was without the physical attendance of shareholders and solely in the presence of the Designated Representative; no virtual or hybrid form were adopted. In such a complicated environment in which we are still living now, we demonstrated how innovation, one of the three pillars of the Generali 2021 strategy, is fundamental to stand at the side of all our stakeholders and become their Lifetime Partner.
All the services planned under the Shareholders Meeting Extended Inclusion (SMEI) program were adapted to the virtual event, with particular attention to making the video streaming service accessible to all our shareholders.

**Percentage of share capital represented in the Shareholders' Meeting over the last five years**

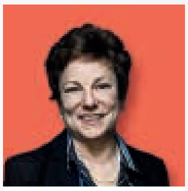


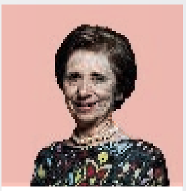

**Percentage of share capital represented by institutional investors in the Shareholders' Meeting over the last five years**




# Focus on the Board of Statutory Auditors

in office until 2023 Shareholders' Meeting




| BOARD OF STATUTORY AUDITORS | **Carolyn Dittmeier** Chairwoman | **Antonia Di Bella** Permanent Statutory Auditor | **Lorenzo Pozza** Permanent Statutory Auditor | **Silvia Olivotto** Alternate Auditor | **Tazio Pavanel** Alternate Auditor |
|---|---|---|---|---|---|
| AGE | 65 | 56 | 55 | 71 | 51 |
| NATIONALITY | Italian and American | Italian | Italian | French | Italian |
| IN OFFICE SINCE | 30 April 2014 | 30 April 2014 | 30 April 2014 | 30 April 2014 | 30 April 2020 |

| | | | |
|---|---|---|---|
| NFS AVERAGE AGE | 58.7 * | AVERAGE ATTENDANCE AT MEETINGS | 100% |
| NFS FEMALE AUDITORS | 66.7% ** | MEETINGS | 39 |
| AVERAGE ATTENDANCE AT BOARD OF DIRECTORS MEETINGS | 100% | | |

(*) 59.6 including also alternate auditors.
(**) 60% including also alternate auditors.

The Board of Statutory Auditors attendes the same induction sessions held for the Board of Directors.

Statutory auditors are requested to have the same independence qualifications set for independent directors and to meet integrity and professional expertise requirements.

# Focus on the Board of Directors

## in office at 31 Deember 2021

**BOARD OF DIRECTORS**

| | **Gabriele Galateri di Genola** Chairman | **Francesco Gaetano Caltagirone (*)** Deputy Vice-Chairman | **Clemente Rebecchini** Vice-Chairman | **Philippe Donnet** Group CEO | **Romolo Bardin (*)** Director | **Paolo Di Benedetto** Director |
|---|---|---|---|---|---|---|
| AGE | 74 | 78 | 57 | 61 | 43 | 74 |
| NATIONALITY | Italian | Italian | Italian | French | Italian | Italian |
| PROFESSIONAL BACKGROUND | manager | entrepreneur | manager | manager | manager | lawyer |
| IN OFFICE SINCE | 8 April 2011 | 28 April 2007 Vice-Chairman since 30 April 2010 | 11 May 2012 Vice-Chairman since 6 November 2013 | 17 March 2016 | 28 April 2016 | 28 April 2016 |
| BOARD COMMITTEE | P | | | P P | | P |
| INDEPENDENT[54] | | | | | ✓ | ✓ |
| EXECUTIVE | | | | ✓ | | |

(*) The director Francesco Gaetano Caltagirone, the director Romolo Bardin and the director Sabrina Pucci announced their resignation from the Board of Directors on 13 January 2022, 16 January 2022 and 25 January 2022, respectively. In their replacement, the Board of Directors of Assicurazioni Generali co-opted, on 28 February 2022, Alessia Falsarone, Andrea Sironi and Luisa Torchia as new independent members of the Board.

www.generali.com/governance/board-of-directors for updates on the Board of Directors

| | | |
|---|---|---|
| NFS | AVERAGE AGE | 61.8 |
| NFS | FEMALE DIRECTORS | 38.4% |
| | **INDEPENDENCE LEVEL** IN LINE WITH THE BEST INTERNATIONAL PRACTICES AND THE INCREASINGLY ESTABLISHED REQUIREMENTS IN THE WORLD OF FINANCE | 61.5% |
| | EXECUTIVE DIRECTOR | 1 |
| | AVERAGE ATTENDANCE AT MEETINGS | 98% |
| | MEETINGS | 19 |

In 2021, induction sessions were held - to the advantage of the Board of Directors and the Board of Statutory Auditors - on the impacts of the future application of IFRS 9 and IFRS 17 and on the Group's main Life traditional portfolios.

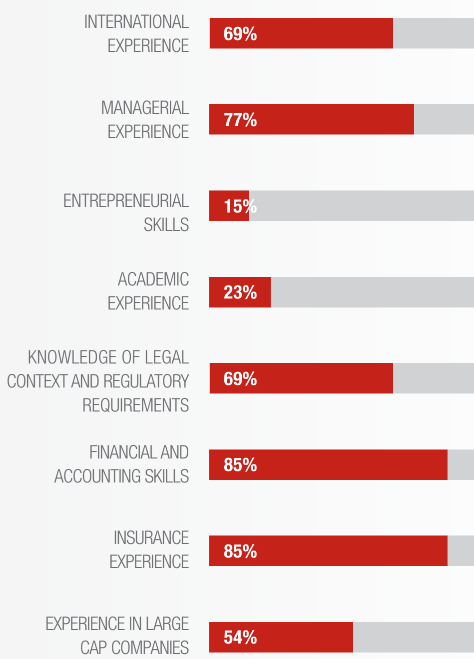
Directors are chosen based on their professional expertise and competence among people who have at least three years' total experience as qualified professionals in the insurance, credit or financial sector. They must also meet specific integrity requirements, that is reliability, financial strength and good standing, as well as independence qualifications.

As members of such corporate body, in line with the Policy on competences and integrity, they should have adequate experience and knowledge of:

- markets in which the company operates;
- strategy and business model;
- governance system;
- actuarial and financial analysis in relation to insurance companies;
- legal context and regulatory requirements.

The functioning of the Board, as well as its size and composition are evaluated annually, with the support of a qualified and independent external advisor.

## Optimal blend of skills and experience




54. As defined in the listed companies' Corporate Governance Code.

|  |  |  |  |  |  |  |
|---|---|---|---|---|---|---|
| **Alberta Figari**<br>Director | **Ines Mazzilli**<br>Director | **Antonella Mei-Pochtler**<br>Director | **Diva Moriani**<br>Director | **Lorenzo Pellicioli**<br>Director | **Roberto Perotti**<br>Director | **Sabrina Pucci (*)**<br>Director |
| 57 | 59 | 63 | 53 | 70 | 60 | 54 |
| Italian | Italian | Italian | Italian | Italian | Italian | Italian |
| lawyer | manager | manager | manager | manager | professor | professor |
| 30 April 2013 | 7 May 2019<br>elected from the minority slate | 7 May 2019 | 28 April 2016 | 28 April 2007 | 28 April 2016<br>elected from the minority slate | 30 April 2013 |
| ● P ● | ● ● | ● ● | ● P ● | ● ● ○ | ● ● ● | ● ● |
| ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |

## LEGENDA

| | |
|---|---|
| ● RISK AND CONTROL COMMITTEE | ● RELATED-PARTY TRANSACTIONS COMMITTEE |
| ● APPOINTMENTS AND REMUNERATION COMMITTEE (**) | ○ STRATEGIC OPERATIONS COMMITTEE |
| ● GOVERNANCE AND SUSTAINABILITY COMMITTEE | ◆ DIRECTOR RESPONSIBLEFOR THE INTERNALCONTROL AND RISK MANAGEMENT SYSTEM |
| ● INVESTMENTS COMMITTEE | P COMMITTEE CHAIRMAN |

(**) On 27 September 2021, a specific Appointments Committee was set up within the Appointments and Remuneration Committee to assist the Board of Directors in the process for the presentation of a list for the renewal of the Board by the outgoing Board. It began to perform its task as from 10 December 2021. The specific Appointments Committee was initially made up of the following independent members: Diva Moriani, Alberta Figari, Roberto Perotti and Sabrina Pucci. On 18 January 2022, the director Sabrina Pucci resigned from this Committee.

In view of the renewal of the Board of Directors, scheduled for the Shareholders' Meeting in 2022, the current Board of Directors has expressed an orientation opinion on the quantitative and qualitative composition considered optimal for the next three-year term of office. This opinion also takes into account the results of the self-assessment carried out by the current Board on the size, composition and actual functioning of the Board of Directors and its committees, also considering the role it has played in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.
The opinion is also formulated taking into account the feedback from the dialogue with the Company's various stakeholders (institutional investors, proxy advisors, etc.), as well as the examination of benchmarks and good corporate practices adopted at national and international level.
The guidance opinion formulated on the occasion of the next renewal also takes into account two novelties for the 2019-2021 three-year term: on the one hand, the possibility for the outgoing Board to present its own list of candidates for the renewal of the administrative body, following the statutory revision approved by a very large majority at the 2020 Shareholders' Meeting and, on the other hand, the updating of the Diversity Policy for members of corporate bodies. Generali has been applying since 2017 a Diversity Policy for the members of the corporate bodies, which defines and formalises the criteria and implementation methods to ensure an adequate level of diversity and inclusion among the members of the corporate bodies (Board of Directors and Board of Statutory Auditors). The Board will take this policy into account not only when drafting its guidance opinion, but also when selecting candidates, should it decide to avail itself of the option to submit its own list of candidates for the renewal of the Board of Directors.

Corporate Governance and Share Ownership Report 2021, p. 59 for further information on the diversity of administration, management and control bodies

# Our remuneration policy

**The Remuneration Policy is based on clear, globally shared and consistent principles, expressed in the form of remuneration programs compliant with regulatory requirements and local laws.**

**Every intervention to the remuneration policies can be traced back to these inspiring principles that underlie all the decisions taken:**

- **EQUITY AND CONSISTENCY** of remuneration in terms of responsibilities assigned and capabilities demonstrated
- **ALIGNMENT WITH THE STRATEGY AND LONG TERM SUSTAINABLE VALUE CREATION** for all stakeholders
- **COMPETITIVENESS** with respect to market trends and practices
- **MERIT AND PERFORMANCE-BASED REWARD** in terms of sustainable results, behaviours and Group values
- **CLEAR GOVERNANCE AND COMPLIANCE** with the regulatory framework

We are convinced that by drawing inspiration from these principles, our remuneration systems can be a key element for attracting, developing and retaining talents and key people with critical skills and high potential, thereby promoting a correct approach in aligning their performance with Company results and building the premises for solid and sustainable results over time.

The current remuneration policy for all Directors without executive powers provides that the remuneration is composed of a fixed annual fee and the payment of an attendance fee for each meeting of the Board of Directors where they participate, as well as reimbursement of expenses incurred for attending the meetings. Directors who are also members of Board Committees are paid additional fees in terms of what they have already received as members of the Board of Directors (with the exception of those who are also managers of the Generali Group), according to the skills assigned to these Committees and the commitment required for participation in the work of the latter in terms of the number of meetings and preparatory activities for them. This remuneration is established by the Board of Directors. In line with regulatory legislation and best international market practices, no variable remuneration is expected.

The Managing Director/Group CEO, sole executive director, the managers with strategic responsibilities and the other relevant personnel not belonging to Key Functions[55] are recipients of an overall remuneration package consisting of a fixed remuneration and a variable remuneration (annual in cash and deferred in shares) subject to malus and clawback mechanisms, and benefits.

**TOTAL TARGET REMUNERATION COMPONENTS[56]**

| FIXED | | VARIABLE | | |
|---|---|---|---|---|
| **FIXED REMUNERATION** | + | **ANNUAL** (on a yearly basis) | + | **DEFERRED** (on a multi-year basis) |

The remuneration package is comprised of fixed remuneration, variable remuneration and benefits, structured in such a way as to ensure a proper balance of the components. Generali regularly performs structural analyses of the systems, in order to ensure a fair equilibrium of the various components and to foster managers' commitment to achieving sustainable results.

| COMPONENTS | PURPOSE AND CHARACTERISTICS |
|---|---|
| **Fixed remuneration** | It remunerates the role covered and the responsibilities assigned, taking into account the experience and skills of each manager, also keeping as reference the levels and practices of market peers in terms of attractiveness, competitiveness and retention. |
| **Variable remuneration** | It is defined through annual cash and deferred incentive plans aimed at motivating management to achieve sustainable business goals through the direct link between incentives and results set at Group, business unit, country, function and individuals level, both financial and non-financial. |
| **Benefit** | They represent a relevant component of the remuneration package - in a Total Reward approach – as an integrative element to cash and share payments. Benefits differ based on the category of recipients, both in type and overall value. |

55. I.e. Head of Group Audit, Group Chief Risk Officer, Group Compliance Officer and Group Head of Actuarial Function and their first reporting managers. The Anti-Money Laundering (AML) function whose responsible is the Anti-Money Laundering Officer is assimilated to the Key Functions for the application of the remuneration and incentive rules. The specific provisions provided for the Heads of the Key Functions also apply to the Group Chief Risk Officer, even if a member of the Group Management Committee (GMC).
56. This is the target remuneration package for the entire population described, with the exception of the Key Functions for which specific remuneration policy and rules apply.

The variable component of the remuneration is based on a meritocratic approach and on a multi-year horizon, including a short-term (annual) and long-term (deferred) part, based on the achievement of a combination of predefined, measurable goals, linked to the achievement of economic, operational, financial and non-financial and sustainability results.

### Structure of variable remuneration

| COMPONENTS | CHARACTERISTICS | CRITERIA AND PARAMETERS |
|---|---|---|
| **Annual cash component - Group Short Term Incentive (STI)** | Annual cash bonus set within predefined maximum caps | • Group Funding Pool, linked to the results achieved in terms of Group net result adjusted[57] and operating result after verification of the achievement of the Regulatory Solvency Ratio threshold;<br>• Achievement of financial and non-financial goals defined in the individual balanced scorecards in terms of sustainable value creation, risk-adjusted profitability, implementation of strategic projects, sustainability, customer and people value;<br>• Maximum cap on the STI variable remuneration compared to the fixed remuneration equal to 200% for the Managing Director/Group CEO and on average equal to 170% for the managers with strategic responsibilities (excluding those belonging to Key Functions, who participate in a specific plan, with a maximum cap equal to 75% of fixed remuneration). |
| **Deferred component in shares - Group Long Term Incentive (LTI)** | Multi-year plan, based on Assicurazioni Generali shares, subject to Shareholders' approval, with allocations over a period of 6-7 years within predefined maximum caps | • Overall three-year performance with goals linked to Group strategy and business priorities after verification of the achievement of the Regulatory Solvency Ratio threshold;<br>• Performance indicators referring to Net Holding Cash Flow[58], relative TSR[59] and ESG goals;<br>• Allocation of shares with deferral and lock-up periods over a time frame of 6-7 years, depending on the reference population;<br>• Maximum cap on the LTI variable remuneration compared to the fixed remuneration equal to 200% for the Managing Director/Group CEO and for the managers with strategic responsibilities. |

The integration of sustainability into management remuneration is a key step to ensuring an even stronger link between individual performance and business sustainability. In line with the Group's ambitions and in continuity with 2020, a specific performance indicator has been inserted into the balanced scorecard (BSC) of the management through a basket of strategic goals on Sustainability which reflect the priorities of the Generali 2021 strategy and are the direct manifestation of the Group's ESG criteria. The latter are consistent with the materiality analysis and the United Nations Sustainable Development Goals.

Consolidated Non-Financial Statement, p. 167 for information on the materiality analysis process and results

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Compared to 2020, the 2021 performance year provides a further increase of the weight of ESG indicators in the incentive system:
- confirming the inclusion of specific sustainability indicators linked to the strategy in the annual variable component (STI);
- adding an indicator which reflects the positioning of Generali in the main ESG sustainability ratings, acting as multiplier/reducer factor in the deferred variable component in shares (LTI).

The provision of specific performance indicators linked to ESG factors and the assessment of the level of achievement of these goals, also based on what is foreseen in internal regulations for the management of responsible investments, ensure the Remuneration Policy is consistent with the integration of sustainability risks in investment decisions both for individual performance and for alignment and protection of the interests of investors and stakeholders. And it is, among other things, the inclusion in all incentive systems of sustainability indicators (in particular in the various forms tied to wellbeing, inclusion, value diversity, re-skilling and overall growth of employees), which represents one of the main elements through which Generali's remuneration policies have a positive effect on remuneration and working conditions of all Group employees.

www.generali.com/governance/remuneration for further information on remuneration policy and the Report on remuneration policy and payments, also including information about remuneration

Additional information in the Notes of the Annual Integrated Report and Consolidated Financial Statements 2021 for further information on pension benefits of the Group employees

57. It is the Group net result that excludes any extraordinary items not predictable (due to, by way of example only: amortization/goodwill depreciation, significant legal/regulatory/legislative changes, and significant impacts resulting from changes to tax treatment, gains/losses from M&A) and approved by the Board of Directors upon the recommendation of the Appointments and Remuneration Committee in accordance with these guidelines.
58. Net cash flows available at the Parent Company level over a given period, after holding expenses and interest costs. Its main components, considered from a cash point of view, are: remittances from subsidiaries; the result of centralised reinsurance; interest on financial debt; expenses and taxes paid or reimbursed at the Parent Company level.
59. Total return on investment to the shareholder calculated as a change in the market price of the shares, including distributions or dividends reinvested in shares against a selected list of peers.

# OUR PERFORMANCE


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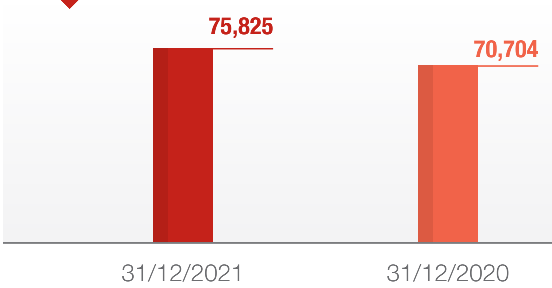
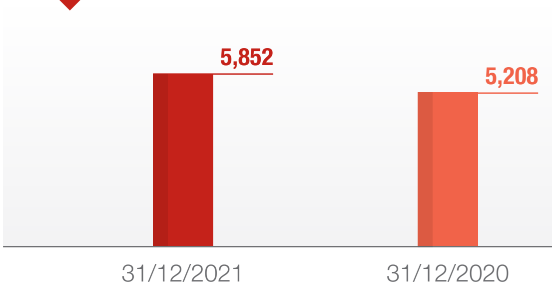
# GROUP'S HIGHLIGHTS[1]

## GROSS WRITTEN PREMIUMS (€ mln)



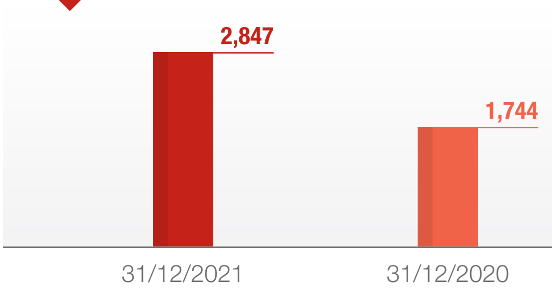

Total gross written premiums amounted to € 75.8 billion (+6.4%), up in both the Life (+6.0%) and P&C (+7.0%) segments. Life net inflows grew to € 12.7 billion (+4.4%), entirely focused on the unit-linked and protection lines.

## GROUP'S OPERATING RESULT (€ mln)



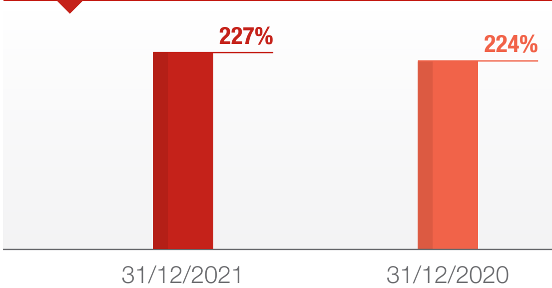

The operating result increased to € 5.9 billion (+12.4%), thanks to the positive performance of all business segments.

## GROUP'S RESULT OF THE PERIOD (€ mln)




The result of the period showed strong growth to € 2,847 million (+63.3%).
The adjusted net result[2] stood at € 2,795 million, excluding the overall positive result from the acquisition of control of the Cattolica group and extraordinary costs for its integration.

## SOLVENCY RATIO




The Group's capital position remained solid, with a Solvency Ratio at 227%.

1. In November 2021, Assicurazioni Generali acquired control of the Cattolica group, with a stake equal to 84.475% of the Cattolica Assicurazioni's share capital, following the successful conclusion of the voluntary public tender offer on the totality of the ordinary shares of the issuer. The Cattolica group was then accounted for using the equity method for the first ten months of 2021 and consolidated line-by-line for the last two months of 2021.
All changes in this Report were calculated on 2020, unless otherwise reported. Changes in premiums, Life net inflows and new business were on equivalent terms, i.e. at constant exchange rates and consolidation scope; as a result, the contribution from the Cattolica group was neutralised in the calculation for changes on equivalent terms. Changes in operating result, general account investments and Life technical provisions excluded any assets under disposal or disposed of during the same period of comparison; as a result, they considered the contribution from the Cattolica group in percentage changes. The present value of new business premiums (PVNBP) and new business value (NBV) didn't include the Cattolica group in 2021.
Note that ACEER will be called ACEE starting from March 2022, following the Group's decision to close its Moscow representative office, resign from positions held on the board of the Russian insurer Ingosstrakh and wind down Europ Assistance business in Russia.
2. The adjusted net result - defined as the net result without the impact of gains and losses related to acquisitions and disposals - stood at € 2,795 million in 2021. It excluded € 52 million relating to the acquisition of control of the Cattolica group and to extraordinary costs for its integration. At year-end 2020, it was € 1,926 million, which neutralised € 183 million resulting from the settlement agreement for the BSI disposal. In addition, excluding the one-off expense of € 77 million, net of taxes, from the establishment of the Extraordinary International Fund for Covid-19 and the expense of € 73 million, net of taxes, from the liability management transaction, the adjusted net result at the end of 2020 was € 2,076 million.

# GROUP'S PERFORMANCE

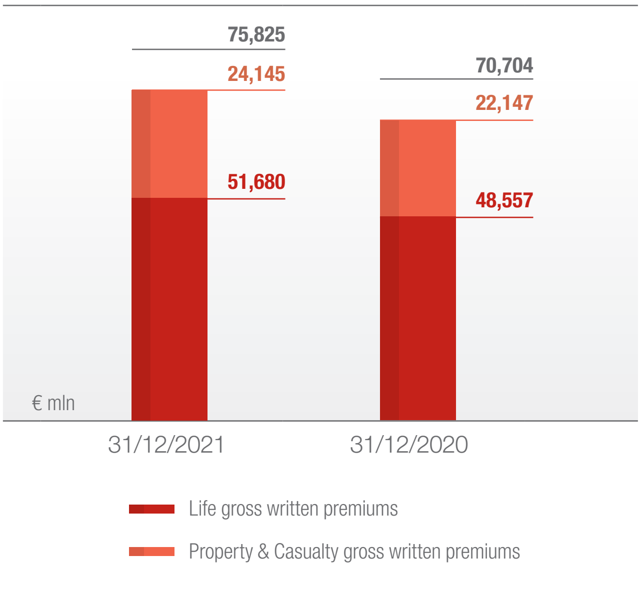
## Premiums development

The Group's gross written premiums amounted to € 75,825 million (+6.4%), showing an increase in both segments.

Life premiums[3] grew by 6.0% to € 51,680 million. The increase would have been 9.5%, excluding non-recurring premiums from a Life collective pension fund for approximately € 1.5 billion written in Italy[4] in 2020.
On the business line level, the positive trend observed during 2021 was confirmed, showing a boost in the unit-linked line (+19.8%), particularly in France, Germany and Italy. Excluding the cited pension fund from the same period of comparison, the Group's unit-linked policies would have increased by 36.1%.
The protection line (+6.0%) confirmed the good performance observed during 2021, with consistent growth across the countries where the Group operates, mainly driven by Asia, Italy and ACEER.
In line with the Group's portfolio repositioning strategy, the savings and pension line slightly decreased (-0.4%) as a result of the drop in volumes in Italy, partly offset by the performance in France, Asia and Germany.

Life net inflows increased by 4.4% to € 12.7 billion (+19.4%, excluding the cited pension fund), reflecting the growth in the unit-linked line, particularly driven by higher premiums in France and the spread development of the protection line. These trends offset the significant decrease in the savings and pension line, the net inflows of which amounted to € -0.9 billion due to higher surrenders, in line with the cited portfolio repositioning towards capital-light products.

New business (expressed in terms of present value of new business premiums - PVNBP) amounted to € 51,192 million, showing an increase by 8.6% (+15.0%, excluding the cited pension fund).
Growth was good in almost all the main geographical areas, except for Italy where the unit-linked business had benefitted from the pension fund in 2020. New business production was excellent in France and Germany, mainly thanks to the significant contribution from hybrid products, with a higher weight of the unit-linked component. New business of hybrid products was good in Italy, partly offset by the strategic reduction in traditional savings products. Also protection products continued to grow in all of the Group's main countries, especially in Germany.




New business margin on PVNBP stood at 4.52%, increasing by 0.57 p.p. compared to 2020 thanks to the rebalancing of the business mix towards the most profitable unit-linked component and the continuous improvement in the features of new products. The further improvement of protection profitability was mainly attributable to the higher weight of more profitable Italian products.
The total New Business Value (NBV) stood at € 2,313 million, a marked increase compared to 2020 (+24.2%; € 1,856 million at 31 December 2020).

P&C premiums increased to € 24,145 million (+7.0%), showing positive performance throughout the countries where the Group operates.
The motor line grew by 4.9%, above all in ACEER, Argentina, France and Italy. The non-motor line also improved (+7.5%), with a widespread growth in all of the Group's main areas of operation, particularly in Italy, France and ACEER. The premiums of Europ Assistance, which were impacted by the pandemic in 2020, significantly increased.

3. Including € 1,518 million premiums from investment contracts.
4. In June 2020, in Italy Generali was awarded the management mandate for two investment segments of Cometa, the National Supplementary Pension Fund for employees in the engineering, system installation and similar industries and for employees in the gold and silver industries.

### Total gross written premiums by country (*)

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Italy | 24,662 | 25,217 |
| France | 15,494 | 12,659 |
| Germany | 14,898 | 14,418 |
| Austria, CEE and Russia | 6,957 | 6,982 |
| International | 10,179 | 9,081 |
| Spain | 2,374 | 2,294 |
| Switzerland | 1,753 | 1,798 |
| Americas and Southern Europe | 2,225 | 1,909 |
| Asia | 3,826 | 3,081 |
| Group holdings and other companies | 3,635 | 2,346 |
| of which Europ Assistance | 971 | 741 |
| **Total** | **75,825** | **70,704** |

(*) Total gross written premiums for Global Business Lines (GBL), taking into consideration the business underwritten in the various countries, increased to € 4,069 million and it is broken down as follows:
- Global Corporate&Commercial € 2,465 million;
- Generali Employee Benefits € 1,604 million.

NFS

# Premiums from social and environmental products

Insurance products, by their very nature, have a high social and environmental value given that they constitute a concrete response to pension and protection needs of customers and the growing needs of society. We constantly monitor risks that may have impact on the society and the environment as to identify opportunities and continue to create value.
As part of our offering, we are committed to promote several high value-added solutions from a social and environmental perspective. Developing this type of coverage means providing a service that creates value over time, responding to new requirements related to emerging risks, fostering eco-sustainable conduct, and bridging gaps in the pension and public health services sectors. Embracing technology and innovation, we address habits and behaviour towards healthier and more informed lifestyles, favouring risk prevention rather than claims settlement. In order to encourage eco-sustainable conduct and support green activities, consistent with our Strategy on Climate Change, we develop and distribute sustainable insurance solutions (products and services) with particular attention to environmental protection.

A continuous commitment to sustainability, p. 61

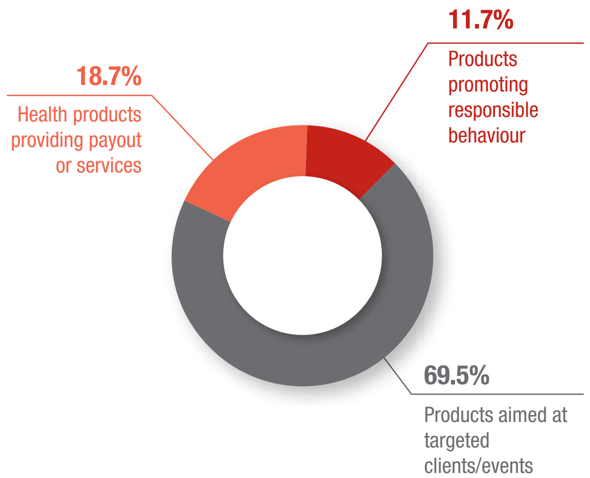
**PREMIUMS FROM SOCIAL AND ENVIRONMENTAL PRODUCTS**

€ 19,894 mln **+17.5%**

**TARGET (+7%-9% by 2021) OVERACHIEVED**

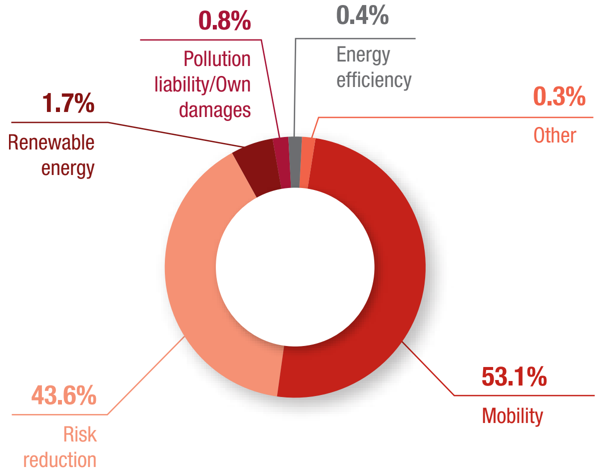
**PREMIUMS FROM SOCIAL PRODUCTS[5]**

€ 18,144 mln +18.0%




**PREMIUMS FROM ENVIRONMENTAL PRODUCTS[5]**

€ 1,750 mln +12.4%






# EU Taxonomy eligible and non-eligible non-life insurance activities

The European Union developed an ambitious strategy for sustainable development and the transition to a low-carbon economy, in line with the objectives of the 2015 Paris Agreement on climate, committing itself to becoming the first climate-neutral continent by the end of 2050. To achieve such objectives, the European Union is promoting investments in eco-sustainable activities with the use of both public and private resources. In this perspective, the European Commission adopted an initial Sustainable Finance Action Plan in 2018, where it defined a strategy for redirecting capital flows towards sustainable investments, in order to achieve a sustainable and inclusive growth.

In this context, the European Union has established a dynamic, significantly evolving but shared system of classification or EU Taxonomy of sustainable activities, outlined in Regulation EU 2020/852 and Delegated Regulation EU 2021/2139, which define the criteria for determining whether an economic activity can be considered environmentally sustainable in order to identify the degree of eco-sustainability of an investment.

According to the EU Taxonomy, insurance companies can contribute to EU climate objectives both by developing and offering insurance coverage to protect against climate change-related perils and by leveraging their role as long-term investors by reorienting capital flows towards eco-sustainable businesses and activities.

The instrument for the classification of economic activities is complemented by a mandatory disclosure regime for financial and non-financial undertakings, which provides for the inclusion of specific indicators regarding their contribution to the EU Taxonomy objectives. In particular, financial undertakings are required to provide:

- a simplified disclosure on EU Taxonomy eligibility for 2021 and 2022 annual reports;
- EU Taxonomy alignment indicators for annual reports starting from 2023.

Eligible activities represent the insurance activities for which the technical screening criteria have been defined in Annex II of Delegated Regulation EU 2021/2139, regardless of whether these criteria are met or not. The eligibility indicators therefore do not provide any indication on the degree of eco-sustainability pursuant to EU Taxonomy of the insurance coverage offered by the Group but only define the scope on which it will be possible to apply the Taxonomy criteria starting from 2023. The alignment disclosure will in fact represent the Group's contribution to EU Taxonomy climate objectives through the offer of non-life insurance coverage.

Pursuant to art. 10.3 of Delegated Regulation EU 2021/2178 of the European Commission[6], we reported the proportion in the total P&C premiums of EU Taxonomy eligible and non-eligible non-life insurance activities.

Eligible non-life insurance business refers to coverage of climate-related perils within certain lines of business[7]. In light of the

5. Premiums from social and environmental products refer to consolidated companies representing 99.8% of the Group's total gross direct written premiums, excluding those of the Cattolica group.
As for premiums from environmental products, the premium from multi-risk policies covering NATCAT events only refers to the NATCAT guarantee. If the premium cannot be split into green-related component and other components, only the premium from the policies which are predominantly providing a green coverage or service is reported.
6. It is the Delegated Regulation on disclosure pursuant to the EU Taxonomy: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, specifying the content and presentation of information to be disclosed by undertakings subject to article 19a or article 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, as well as specifying the methodology to comply with this disclosure obligation.
7. Annex II of Delegated Regulation EU 2021/2139 of the European Commission identifies the following lines of business: medical expense insurance; income protection insurance; workers' compensation insurance; motor vehicle liability insurance; other motor insurance; marine, aviation and transport insurance; fire insurance and other damage to property insurance; and assistance.

reporting guidelines published by the European Commission in December 2021 and February 2022[8], the Group considered eligible premiums as the total gross written premiums attributable to the lines of business, among the eight lines listed in Delegated Regulation EU 2021/2139 of the European Commission[9], which includes a policy to cover any climate-related perils defined by the EU Taxonomy. For the purpose of this report, the identification of such policy was based on the assessment of policy terms and/or conditions relating to catastrophe risk coverage[10]. The lines of business included were: other motor insurance; marine, aviation and transport insurance; fire insurance and other damage to property insurance.

**EU TAXONOMY ELIGIBLE NON-LIFE INSURANCE ACTIVITIES**

44.2%

**EU TAXONOMY NON-ELIGIBLE NON-LIFE INSURANCE ACTIVITIES**

55.8%

The EU Taxonomy classifies insurance underwriting as an activity contributing to climate change adaptation. In this regulatory context and considering the recent trends of increasing frequency and severity of natural disasters, the Group is increasingly focusing on such risks, with the aim of providing customers with adequate coverage through proper risk modelling and, consequently, price. In addition to adaptation, the Group aims to leverage its underwriting activities to generate a positive impact on climate change mitigation. With specific regard to the P&C business, Generali is working to develop and share best practices to underwrite the specific risks of the renewable energy sector, and to continue to expand the range of environmental products for the retail and SME market, for example those aimed at supporting the energy efficiency of buildings or those aimed at promoting sustainable mobility.

In view of future reporting needs, the lines of business identified as eligible already include considerations on the process for determining which insurance activities could be aligned with the EU Taxonomy, which will represent the Group's contribution to the climate change adaptation objective starting from 2023.
Moreover, in order to strengthen the process of integration of the EU Taxonomy in product design and to share best practices at European level, the Group is participating in the pilot exercise promoted by EIOPA on the impact of climate-related adaptation measures in non-life insurance products. In fact, the assessment of preventive actions undertaken by policyholders and the offer of rewards for risk reduction are two key criteria for defining an insurance activity in line with the EU Taxonomy.

# Operating result

The Group's operating result amounted to € 5,852 million (+12.4% on € 5,208 million at 31 December 2020), thanks to the positive performance of all segments.

**Total operating result by segment**

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Total operating result** | **5,852** | **5,208** | **12.4%** |
| Life | 2,816 | 2,627 | 7.2% |
| Property&Casualty | 2,650 | 2,456 | 7.9% |
| Asset Management | 672 | 546 | 22.9% |
| Holding and other business | 561 | 130 | n.m. |
| Consolidation adjustments | -847 | -551 | 53.6% |

The Life operating result stood at € 2,816 million (+7.2%). Both the technical margin, net of insurance expenses, and the net investment result - which in 2020 had been impacted by the negative performance of financial markets and the provisions for guarantees to policyholders in Switzerland - improved.
The P&C operating result grew to € 2,650 million (+7.9%). The increase in the investment result was also driven by the contribution from the Cattolica group, the dividend paid by Banca Generali, which had not been distributed in 2020, and higher dividend income from private equity. Such performance was offset by the drop in the technical result, which reflected the trend of the combined ratio, equal to 90.8% (+1.7 p.p.), due to both higher impact of natural catastrophe claims and an increased loss ratio in the motor line resulting from a gradual reduction in restrictions.
The Asset Management operating result went from € 546

8. *FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act? and Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets.*
9. It is Delegated Regulation on climate objectives: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, by establishing the technical screening criteria for determining under which conditions an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
10. Although the coverage of catastrophe risks concerns both climate-related perils and other catastrophe events, the risk of considering eligible the premiums attributable to policies that only cover other catastrophe events is limited, in light of the features of the Group's products.

million to € 672 million: the 22.9% increase was mainly boosted by the operating revenues, which rose also thanks to the overall increase in assets under management, and the further development of the real asset strategy.
The operating result of the Holding and other businesses segment also increased, thanks to the good performance of Banca Generali, the contribution of which was confirmed to be growing, lower holding expenses and the excellent performance of private equity.
Lastly, the change in the consolidation adjustments was due to higher intragroup transactions, mainly relating to dividends. Noteworthy was the dividend paid to Life and P&C companies by Banca Generali in the fourth quarter of 2021, which had not been distributed in 2020.

### Operating result by country

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Italy | 1,898 | 1,845 |
| France | 840 | 861 |
| Germany | 975 | 905 |
| Austria, CEE & Russia | 885 | 916 |
| International | 756 | 370 |
| Spain | 298 | 264 |
| Switzerland | 50 | -228 |
| Americas & Southern Europe | 262 | 198 |
| Asia | 155 | 153 |
| Asset & Wealth Management (*) | 1,008 | 821 |
| Group holdings, other companies and consolidation adjustments | -511 | -510 |
| **Total** | **5,852** | **5,208** |

(*) Asset & Wealth Management area includes the main Group entities operating in investment advisory, asset management and financial planning; it includes, among others, Banca Generali. Adding the operating result of AM of the Central and Eastern European countries to that of Asset & Wealth Management reported in the table, the total operating amounted to € 1,044 million (€ 853 million at 31 December 2020).

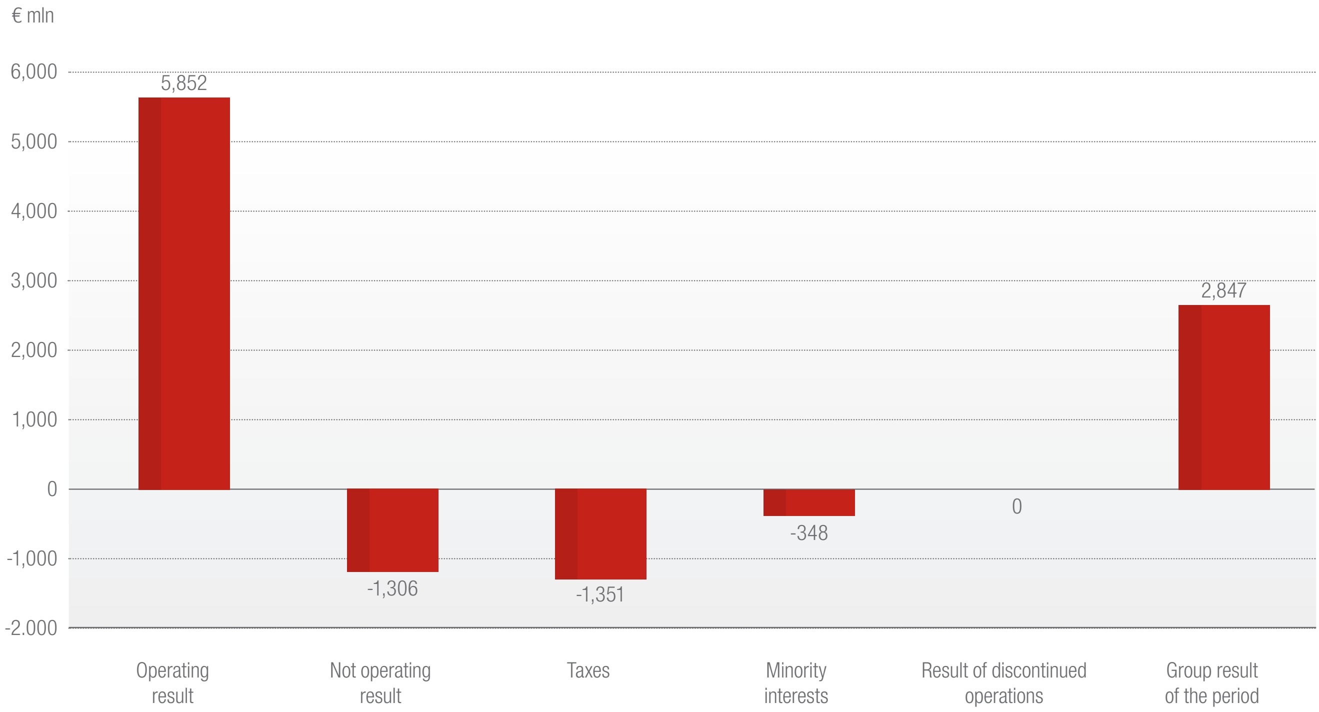
# Non-operating result

The Group's non-operating result was € -1,306 million (€ -1,848 million at 31 December 2020). In particular:

- net impairments, which mainly improved in the equity component, stood at € -251 million (€ -530 million at 31 December 2020, that had been affected by both the impact of the pandemic on financial markets and the € 93 million impairment on goodwill related to the Life business in Switzerland);
- net realized gains stood at € 368 million (€ 32 million at 31 December 2020), focused in the real estate, especially € 67 million from the Libeskind Tower transaction in CityLife, Milan and € 80 million from the Saint Gobain's Tower transaction in Paris. Noteworthy were a higher contribution from the equity component and a reduction in the bond component compared to 2020. In addition, 2020 net realized gains had been also impacted by the € 94 million[11] expense arising from the liability management transaction;
- net non-operating income from financial instruments at fair value through profit or loss amounted to € -1 million (€ - 97 million at 31 December 2020) as a result of the performance of financial markets and a better contribution from exchange rates;
- net other non-operating expenses stood at € -832 million (€ -674 million at 31 December 2020). They included € -91 million VOBA (Value Of Business Acquired) amortization (€ -126 million at 31 December 2020); € -387 million restructuring costs (€ -126 million at 31 December 2020), of which € -333 million in Italy, that increased also due to € -212 million extraordinary costs relating to the integration of the Cattolica group[12]; and € -353 million net other non-operating expenses (€ -421 million at 31 December 2020). The latter included, among others, the overall positive result from the acquisition of control of the Cattolica group, equal to € 198 million - which also led to a badwill - partly offset by costs for the application of IAS29 in Argentina, an allocation to provisions following the reform of pension system in France, as well as costs for strategic initiatives above all in France and Switzerland and marginal initiatives in Italy relating to the Covid-19 emergency. 2020 net other non-operating expenses included, in particular, the non-operating expense for the establishment of the Extraordinary International Fund launched by the Group to cope with the Covid-19 emergency, to support national healthcare system and economic recovery; further local initiatives in the main countries of operation and, in France, a mandatory extraordinary contribution to the national healthcare system requested to the insurance sector;
- holding non-operating expenses stood at € -590 million (€ -579 million at 31 December 2020). The reduction in interest expense on financial debt, which went from € -493 million to € -478 million following the strategy to reduce external debt, was more than offset by higher M&A costs and higher costs relating to long-term incentive plans.

11. This amount, net of taxes, was € 73 million.
12. This amount, net of taxes, was € -147 million.

# Group's result of the period




The result of the period attributable to the Group stood at € 2,847 million. The 63.3% increase on € 1,744 million at 31 December 2020 reflected:

- the positive performance of the operating and non-operating result commented above;
- the lower tax rate, which went from 34.7% to 30.2% and was mainly due to the absence of certain non-deductible expenses, which had been posted in 2020 due to the Covid-19 pandemic, and in 2021, to the reduction in the nominal income rate in France and to several one-off effects mainly related to the overall positive result from the acquisition of control of the Cattolica group;
- the result from discontinued operations, which was zero in 2021 whereas in 2020 included € -183 million expense resulting from the settlement agreement with BTG Pactual to end arbitration for the BSI disposal;
- the result attributable to minority interests, equal to € 348 million, which represented a 10.9% minority rate (14.2% at 31 December 2020) and increased compared to 2020 (€ 289 million), reflecting the performance of Banca Generali and China.

The adjusted net result, which excluded the overall positive result from the acquisition of control of the Cattolica group for € 198 million and extraordinary costs for its integration for € 147 million, net of taxes, rose by 45.1% to € 2,795 million (€ 1,926 million at 31 December 2020, which neutralized € 183 million resulting from the settlement agreement for the BSI disposal). This adjusted net result would have increased by 34.7% on € 2,076 million in 2020, which excluded also the one-off expense of € 77 million, net of taxes, from the establishment of the Extraordinary International Fund for Covid-19 and the expense of € 73 million, net of taxes, from the liability management transaction.

## From operating result to result of the period

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Consolidated operating result** | **5,852** | **5,208** | **12.4%** |
| Net earned premiums | 70,684 | 64,468 | 9.6% |
| Net insurance benefits and claims | -72,978 | -60,011 | 21.6% |
| Acquisition and administration costs | -12,300 | -11,430 | 7.6% |
| Net fee and commission income and net income from financial service activities | 1,133 | 787 | 43.9% |
| Operating investment result | 20,045 | 12,275 | 63.3% |
| Net operating income from financial instruments at fair value through profit or loss | 8,912 | 1,709 | n.m. |
| Net operating income from other financial instruments | 11,133 | 10,565 | 5.4% |
| Interest income and other income | 10,885 | 10,283 | 5.9% |
| Net operating realized gains on other financial instruments and land and buildings (investment properties) | 1,591 | 1,921 | -17.2% |
| Net operating impairment losses on other financial instruments and land and buildings (investment properties) | -208 | -620 | -66.5% |
| Interest expense on liabilities linked to operating activities | -222 | -307 | -27.7% |
| Other expenses from other financial instruments and land and buildings (investment properties) | -913 | -711 | 28.4% |
| Operating holding expenses | -516 | -528 | -2.4% |
| Net other operating expenses (*) | -216 | -353 | -38.6% |
| **Consolidated non-operating result** | **-1,306** | **-1,848** | **-29.3%** |
| Non operating investment result | 115 | -595 | n.m. |
| Net non-operating income from financial instruments at fair value through profit or loss | -1 | -97 | -98.6% |
| Net non-operating income from other financial instruments (**) | 117 | -498 | n.m. |
| Net non-operating realized gains on other financial instruments and land and buildings (investment properties) | 368 | 32 | n.m. |
| Net non-operating impairment losses on other financial instruments and land and buildings (investment properties) | -251 | -530 | -52.7% |
| Non-operating holding expenses | -590 | -579 | 1.9% |
| Interest expenses on financial debt | -478 | -493 | -3.1% |
| Other non-operating holding expenses | -112 | -86 | 30.2% |
| Net other non-operating expenses | -832 | -674 | 23.4% |
| **Earning before taxes** | **4,546** | **3,360** | **35.3%** |
| Income taxes (*) | -1,351 | -1,145 | 18.0% |
| **Earnings after taxes** | **3,195** | **2,215** | **44.3%** |
| Profit or loss from discontinued operations | 0 | -183 | -100.0% |
| Consolidated result of the period | 3,195 | 2,032 | 57.2% |
| **Result of the period attributable to the Group** | **2,847** | **1,744** | **63.3%** |
| Result of the period attributable to minority interests | 348 | 289 | 20.5% |

(*) At 31 December 2021, the amount is net of non-recurring taxes shared with the policyholders in Germany for € -34 million (at 31 December 2020 for € -46 million and for € 15 million operating taxes).

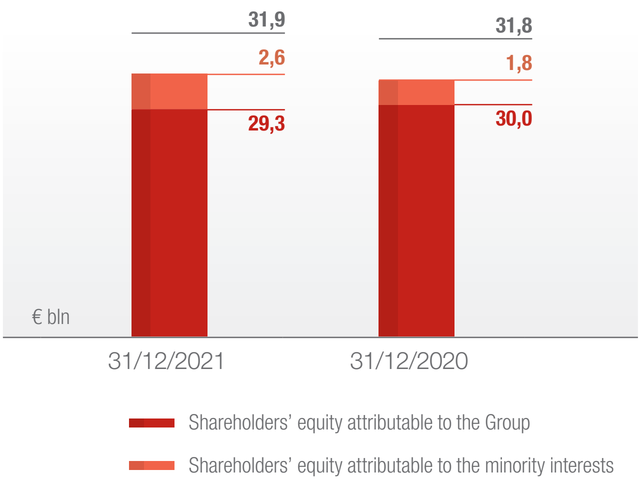
(**) The amount is gross of interest expenses on liabilities linked to financing activities.

# GROUP'S FINANCIAL POSITION

## Group shareholders' equity and solvency

The shareholders' equity attributable to the Group stood at € 29,308 million, down by 2.4% on € 30,029 million at 31 December 2020. The change was mainly attributable to:

- the result of the period attributable to the Group, equal to € 2,847 million at 31 December 2021;
- the dividend distribution for a total amount of € 2,315 million, of which € 1,591 million relating to 2020 dividend paid in May 2021 and € 724 million relating to the second tranche of 2019 dividend paid in October 2021;
- other comprehensive income (€ -1,273 million), resulting, in particular, from the reduction in the reserve for unrealized gains and losses on available for sale financial assets for € -1,922 million, mainly arising from the bond performance and partly offset by the increase in both the reserve for exchange rate differences for € 456 million and the reserve of unrealized gains and losses for defined benefit plans for € 365 million.




### Rollforward of Shareholders' equity

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Shareholders' equity attributable to the Group at the end of the previous period** | **30,029** | **28,360** |
| Result of the period | 2,847 | 1,744 |
| Dividend distributed | -2,315 | -785 |
| Other comprehensive income | -1,273 | 646 |
| Reserve for unrealized gains and losses on available for sale financial assets | -1,922 | 1,306 |
| Foreign currency translation differences | 456 | -521 |
| Net unrealized gains and losses on hedging derivatives | -155 | 41 |
| Net unrealized gains and losses on defined benefit plans | 365 | -180 |
| Other net unrealized gains and losses | -16 | 0 |
| Other items | 19 | -720 |
| **Shareholders' equity attributable to the Group at the end of the period** | **29,308** | **30,029** |

The Solvency Ratio - which represents the regulatory view of the Group's capital and is based on the use of the Internal Model, solely for companies that have obtained the relevant approval from IVASS, and on Standard Formula for other companies - stood at 227% at year-end 2021.
The increase compared to year-end 2020 (224%) was due to the very positive contribution of normalised capital generation (tied, above all, to the further expansion of Life new business and the solid contribution from the P&C segment) which, together with the positive impact from the performance of financial markets (characterised by a sharp rise in interest rates and the excellent performance of the equity sector), more than offset the negative impact deriving from regulatory changes, M&A transactions and foreseeable dividend of the period.

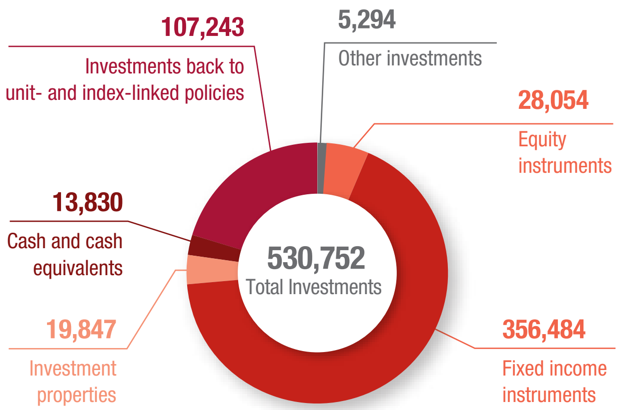
Risk Report, p. 139 of the Annual Integrated Report and Consolidated Financial Statements 2021 for further information on the Group's solvency

# Investimenti

## Asset allocation

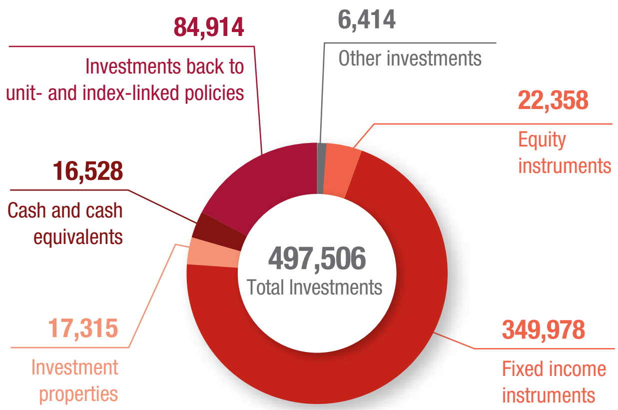
### Investments at 31 December 2021

€ mln




### Investments at 31 December 2020

€ mln



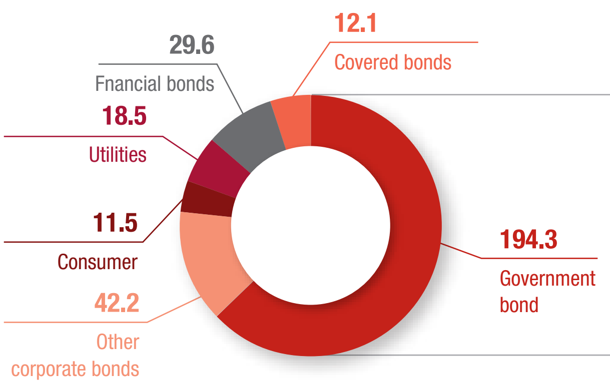

At 31 December 2021, total investments stood at € 530,752 million, up by 6.7% compared to the previous year. Both Group investments and unit- and index-linked investments increased to € 423,509 million (+2.6%) and € 107,243 million (+26.3%), respectively.
In terms of weight of the main investment categories, the relative exposure of fixed income instruments was substantially stable at 84.2% (84.8% at 31 December 2020), whereas the relative exposure of equity instruments increased, standing at 6.6% (5.4% at 31 December 2020). The weight of land and buildings (investment properties) slightly rose to 4.7% (4.2% at 31 December 2020), whereas the weight of other investments was substantially stable at 1.2% (1.5% at 31 December 2020). Note that other investments mainly include receivables from banks and customers, investments in subsidiaries, associated companies and joint ventures, and derivatives. Lastly, the weight of liquidity decreased from 4.0% to 3.3%.

## Fixed income instruments

Fixed income instruments increased by 1.9% to € 356,484 million compared to € 349,978 million at 31 December 2020. In particular, investments fund units related to bonds rose to € 31,700 million (+16.8%).
With regard to the composition of the bond portfolio, government bonds, which represented 54.5% (54.4% at 31 December 2020), slightly grew to € 194,293 million (€ 193,734 million at 31 December 2020). The change was attributable to an increase in government instruments due to the inclusion of assets of the Cattolica group in the last quarter, and to a negative impact on the value of securities in the portfolio due to a rise in interest rates and BTP-Bund spread. The exposure to individual government bonds was mainly allocated to the respective countries of operation, in line with the Group's ALM policy.
As a result of investment decisions, the corporate component slightly increased in absolute terms to € 113,965 million (€ 113,895 million at 31 December 2020), equal to 32.0% of the bond portfolio (32.5% at 31 December 2020). Taking into consideration, on the other hand, the current portfolio composition, the asset allocation was substantially stable, with a preference for the utilities sector.

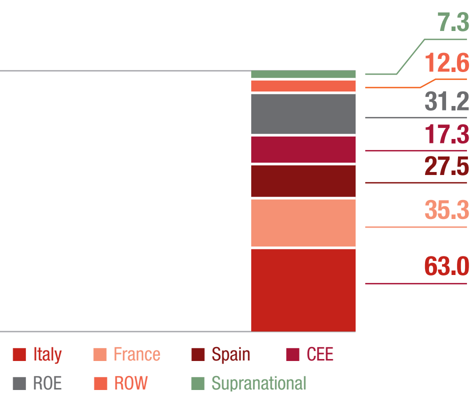
### Bond portfolio: detail by sector

€ bln




### Government bonds: detail by country of risk

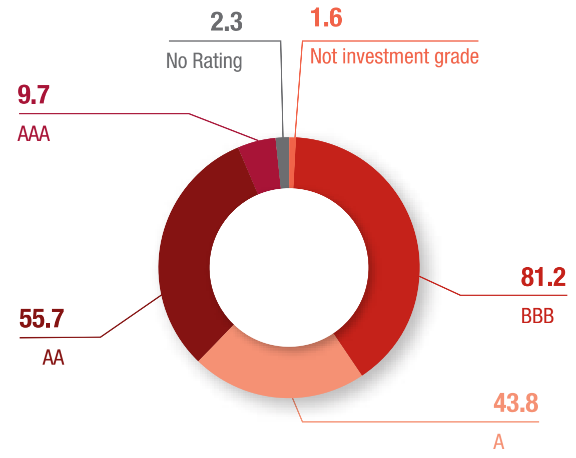
€ bln



The credit rating of the Group's government portfolio slightly decreased; 97.4% of bonds were classified as Investment Grade (98.8% at year-end 2020). The credit rating of the Group's corporate portfolio slightly decreased, too; 90% of bonds were classified as Investment Grade (92% at year-end 2020).

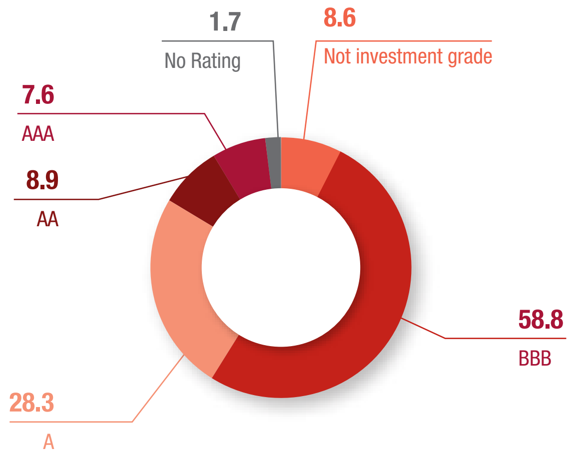
**Bond portfolio: government bonds by rating**

€ bln



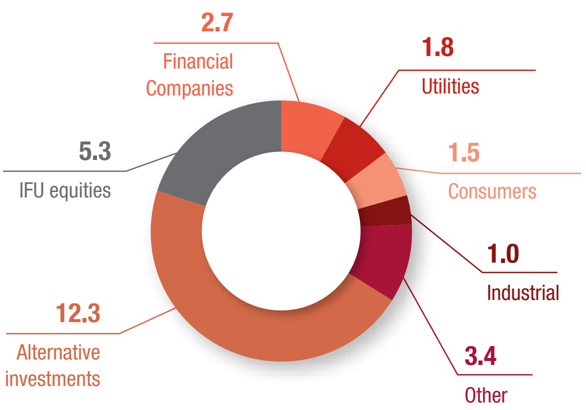

**Bond portfolio: corporate bonds by rating**

€ bln




## Equity instruments

€ bln



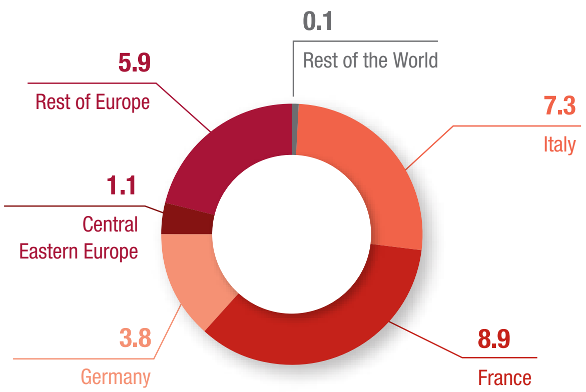

Equity instruments increased in absolute terms to € 28,054 million (€ 22,358 million at 31 December 2020). The change was attributable to portfolio decisions combined with market impact. In terms of allocation, the component relating to investments in listed instruments was up in 2021.

## Land and buildings (investment properties)

Land and buildings (investment properties) stood at € 19,847 million in terms of book value (€ 17,315 million at 31 December 2020).

**Direct investment properties at fair value**

€ bln




The Group's direct land and buildings (investment properties) at fair value, amounting to € 27,103 million (€ 24,660 million at 31 December 2020), were almost all in Western Europe, mainly in Italy, France and Germany, and were held in the respective countries of operation.

# Sustainable and responsible investments

Sustainable and responsible investments are a fundamental tool to integrate social responsibility into the business of an insurance group and to create long-term sustainable value for stakeholders. As an institutional investor with assets of more than € 710 billion, through its investments Generali can contribute to achieving the key sustainable development goals, and at the same time avoid financing sectors and companies that have a negative impact on the world around them.
Responsibility towards the world around us goes hand in hand with responsibility towards our stakeholders. Investing while limiting risk, including those related to environment and sustainability, is a fundamental requirement to respecting our commitment to them. To confirm this commitment, in 2007, the Group joined the United Nations Global Compact, and in 2011 we integrated the PRI (Principles for Responsible Investment), defined by the international network of the same name sponsored by the United Nations, into our investment strategy.

## The Group commitment on climate change

The fight against climate change represents one of the main challenges of this century. The COP 26, which was held in Glasgow in November 2021, opened with great ambitions, but did not fully achieve the objectives it set out, highlighting how complex it is to harmonise the requirements of individual countries in the fight against climate change. In these times of heightened uncertainty, it is crucial that individual investors and in particular institutional investors (Asset Owners), such as the Generali Group, opt for investments that are able to give an evident and clear contribution to limiting the average increase of global temperature to 1.5°C. In line with this commitment, in 2021, we updated our Strategy on Climate Change, which focuses on increasingly stringent criteria to exclude activities that harm climate (thermal coal first and foremost) and contains increasingly important ambitions for the funding of activities that provide solutions to reduce the level of GHG emissions. For example, we have decided to reduce investments to a minimum, right down to entirely divesting in companies in the thermal coal sector, and not to invest in companies involved in the extraction of tar sands, activity that has an impact on the environment in terms of GHG emissions, as well as deforestation and water consumption.

Adopting a climate strategy does not just entail excluding sectors but requires a holistic commitment.
In 2020, the Group joined the Net-Zero Asset Owner Alliance (NZ AOA), a group of 70 institutional investors representing over $ 10.4 trillion, established on the initiative of the United Nations, which is committed to reducing the net greenhouse gas emissions of its portfolios to zero by 2050 to limit an increase in the global temperature to 1.5°C. This goal will be pursued by working closely with the companies in portfolio, regulatory and government bodies with a view to urging the adoption of practices and regulations aligned to the commitments of the Paris Agreement, also by integrating the strategy with targeted investing. In accordance with the principles of the NZ AOA, we set intermediate targets to decarbonizing our portfolio by 2024[13] which reflect our continuous commitment to achieving this long-term goal:

- 25% reduction in the carbon footprint of direct investments[14] listed equities and corporate bonds, also through the engagement of 20 carbon-intensive investees in our portfolio;
- alignment of at least 30% real estate portfolio with the global warming trajectory of 1.5°C.

As a result of the commitments made in this area, the Group is gradually integrating the carbon footprint in its investment choices and active shareholding, mainly through an engagement with the most carbon intensive issuers of the portfolio.
The carbon footprint of a portfolio can be measured by using several metrics with different calculation methodologies. With reference to the direct investments in listed equities and corporate bonds, we report below the metrics monitored by the Group with the respective performance.

### Perimeter and metrics[15]

| | 2019 | 2020[16] | 2021 | 2019-2021 change |
|---|---|---|---|---|
| Direct investments in listed equity and corporate bonds (€ bln) | **117.5** | **111.5** | 110.4 | -6.1% |
| Absolute emissions[15] (mln $tCO_2e$) | 15.36 | 11.96 | 10.36 | -32.6% |
| Carbon intensity (EVIC)[15] ($tCO_2e$/€ mln invested) | 182 | 145 | 128 | -29.6% |
| Carbon Intensity (sales)[15] ($tCO_2e$/€ mln of sales) | 276.9 | 243 | 241 | -12.9% |
| Coverage[17] | 71% | 74% | 73% | 1.9 p.p. |

13. In line with the NZ AOA Target Setting Protocol, intermediate targets to decarbonizing the portfolio by 2024 are defined using carbon footprint at the end of 2019 as baseline.
14. General account investments from insurance companies.
15. To calculate the carbon footprint indicators, the Group relies on MSCI data. Data related to $CO_2$ emissions, EVIC and sales of the companies in the portfolio refer to the last available data at the moment of the calculation for this reporting (usually January/February of each year) and therefore usually refer to the previous year as the new data are available in the second semester of the year.
16. 2020 indicators have been recalculated following a change in the methodology and data provider.
17. The coverage presented in the table refers to the metrics Carbon intensity (per EVIC) and Absolute Emissions. The coverage for the metric carbon intensity (per sales) is 85% for the year 2019 and 2021 and 87% for the year 2020. Our ambition and our commitment is to increase the part of our investment portfolio covered by the carbon footprint assessment in order to provide data increasingly precise.

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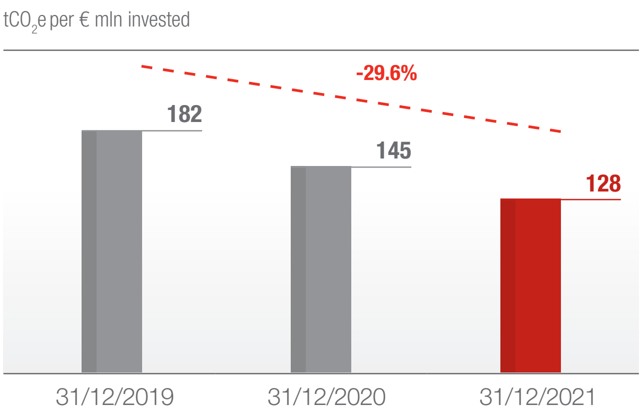
The Group ambition is to progressively reduce the impact of its investments on climate, in order to reach a net-zero level of GHG emissions by 2050 and limit the increase of the temperature by 1.5°C compared to the pre-industrial era.

In order to reach this long-term goal and in alignment with the NZ AOA initiative, we set a target to reduce the carbon intensity (per EVIC) of our investment portfolio by 25% between end of year 2019 and end of year 2024.
This target covers the direct investments of the Group insurance companies in listed equities and corporate bonds.
The carbon intensity (per EVIC) decreased by 29.6%, between year-end 2019 and year-end 2021, moving from 182 $tCO_2e$ /€ mln invested in 2019 to 128 $tCO_2e$ /€ mln at year-end 2021.
This reduction comes mainly from:

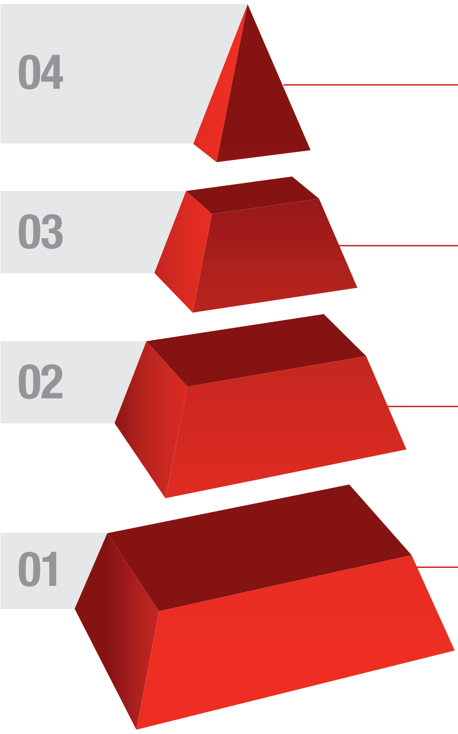
- an investment allocation that has favoured companies more virtuous in the energy transition, by reducing at the same time the exposure to high carbon intensive companies.
- a decrease in the GHG emission of the companies in the portfolio, due also to the Covid-19 pandemic effects on the global economy starting from 2020, which led to a drop in the productive activity of some sectors.




As regards the real estate assets managed by Generali Real Estate (GRE), we have committed through the NZ AOA initiative to developing a strategy to decarbonise our assets by 2050, which envisages the gradual alignment of our real estate portfolio with the targets defined by the CRREM (Carbon Risk Real Estate Monitor) model. This commitment is a natural consequence of the efforts already made by the Group for several years to manage its real estate assets more sustainably.
To accurately measure the initial levels and the achievement of the decarbonisation objectives, in 2019, GRE launched a Data Analytics project, which currently covers around 250 assets in 10 countries throughout Europe. For each asset, the consumption data of existing buildings are collected and centralised on a digital platform, which automatically calculates the $CO_2$ emissions and monitors their development. Based on the data collected, each year an improvement plan for each building is submitted or updated, which considers the main ways to reduce emissions, such as renovations, upgrading systems, making changes to the energy mix and involving the tenants.
In addition to its commitment to the existing portfolio, GRE has also implemented a policy to invest in high energy efficiency buildings, integrating ESG criteria into its real estate development and investment policy, and has developed its own sustainable assessment method for real estate at the time of purchase. To date, over half of the real estate assets managed by GRE is represented by assets certified externally (for example, BREEAM and LEED) or analysed internally, where 80% of external certifications are high level.
Various projects have been launched to meet the high market demand for the certification and benchmarking of funds (GRESB, SRI label, MSCI) and to comply with European legislation (Regulation EU 2019/2088 - SFDR) for the integration and disclosure of ESG criteria.
Through Green Leases, GRE undertakes the integration of the most important ESG issues in commercial rental agreements, with a view to making a commitment with the tenants to a sustainable partnership that is advantageous for all parties, and to meet the demand for data analysis and disclosure. Similarly, the satisfaction survey (Tenant Survey) helps GRE understand the needs and the current situation of the tenants and improve relations and communication with the same. In 2021, GRE conducted a digital analysis of its international portfolio, with over 2,000 leases, including questions on sustainability and innovation.
The founding principles for the responsible management of our real estate investments are contained in the public document Responsible Property Investment Guideline by GRE.

www.generalirealestate.com/Sustainability

Integrating responsible principles into our investments breaks down into four levels:




**ACTIVE OWNERSHIP**

Dialogue with invested companies on ESG topics and proxy voting activities.

**THEMATIC INVESTMENTS**

Direct investments with positive impact on the environment and society.

**INVESTMENTS WITH ESG CHARACTERISTICS**

ESG criteria increasingly integrated into the Group's investment decisions.

**EXCLUSION POLICIES**

Exclusion from investments of activities considered harmful to the environment or communities (thermal coal, tar sands, unconventional weapons) and companies responsible for significant ESG controversies.

## 1. Exclusion of companies belonging to controversial sectors/businesses and involved in violations of the UN Global Compact principles

Generali exclude from the investable universe companies those responsible for serious and systematic violations of ESG topics (corruption, environmental damage, including damage to biodiversity, and human rights violations) or significantly involved in the thermal coal, tar sands or controversial weapons sectors.

With specific reference to the thermal coal sector, in 2021, we adopted a new exclusion policy, the objective of which is the gradual but full disposal of any investments in issuers in this sector by 2030 for OECD countries and 2040 for the rest of the world. Thermal coal represents one of the most harmful activities for the environment, which must be totally disposed of if we want to meet the target of limiting global warming to 1.5°C. We have envisaged new, stricter thresholds compared to the previous ones, to exclude the general accounts of companies involved in the thermal coal business from our investments. The application of the new thresholds is accompanied by a qualitative analysis, which is made on issuers to assess the coal exit strategies of the companies identified by our filters. For companies whose exposure is marginally higher than the defined thresholds, we make a qualitative analysis to assess their current exposure as well as their coal exit strategies. The companies whose analyses show the presence of a clear coal exit strategy aligned to the Group's objectives may continue to be invested in.

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate for further details on thresholds described in the technical note

Exclusions are illustrated in the Responsible Investment Group Guideline (RIG), which regulates responsible investment activities at Group level. A dedicated cross-functional committee, the Responsible Investment Committee, supports the decisions on potential exclusions from investments and draws up new strategies in this regard.

**DIRECT INVESTMENTS BY THE GROUP'S INSURANCE COMPANIES SUBJECT TO RIG**

**€ 312,772 mln** - 4.2%

The Group requires its asset managers to act in compliance with the principles of the RIG and assesses alignment with ESG criteria also when selecting funds managed by external asset managers.

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## 2. Investments with ESG characteristics

Following the entry into force of Regulation EU 2019/2088 on the transparency of sustainability-related disclosures in the financial market (Sustainable Finance Disclosure Regulation or SFDR), we assessed the Group's investments, as asset owner (general accounts) and asset manager, to identify those promoting environmental or social characteristics and investing in companies with good governance practices (mandates ex art. 8 SFDR), and those having sustainable investment as their objective (mandates ex art. 9 SFDR).

### As Asset Owner

**MANDATES EX ART. 8/9 SFDR[18]**

**€ 69.2 mld**

Sustainability factors are fundamental in the Group's investment choices. We are formalizing this commitment with the aim of increasing mandates that promote environmental or social characteristics in the investment choices or have sustainable investment as their objective.

### As Asset Manager

The Group is boosting the integration of sustainability factors not only in direct investments, but also in the offer of financial products that promote environmental or social characteristics or have sustainable investment as their objective.
In 2019, we acquired Sycomore, an asset manager specialised in ESG funds, thus strengthening our commitment to include sustainability factors in portfolio management. Sycomore offers a wide range of funds that integrate sustainability factors at various levels.

**INVESTMENTS MANAGED EX ART. 8/9 SFDR[19]**

**€ 7.9 mld**

## 3. Thematic investments

### Green and sustainable investments

In 2019, we had set a target of € 4.5 billion green and sustainable investments by 2021, with a particular focus on direct investments in corporate and government bonds and in infrastructure.

**TARGET (€ 4.5 bln) OVERACHIEVED IN 2020**

On the strength of achieving and surpassing this target one year in advance, we have renewed our commitment to fund activities that are able to make a positive commitment to the surrounding environment and to society, and we have set a new target of between € 8.5 and € 9.5 billion of new green and sustainable investments between 2021 and 2025.

**NEW GREEN AND SUSTAINABLE INVESTMENTS (2021-2025)[20]**

**€ 2,537 mln**

With regard to the new 2021-2025 investment plan, the target has been defined with reference to green, social, sustainability and sustainability-linked bonds, issued by corporates or governments, that meet the market standard[21], selected according to an internal methodology (screening), whose main purpose is to assess the robustness of the sustainability framework of these bond issues and the level of transparency towards the market, as well as monitoring the activities that are financed through these investments. This approach enables a greater degree of awareness in these investments, and seeks to exclude bonds that might lead to potential problems as regards the ESG profile of the framework, as well as of the issuer in question. These investments contribute mainly to projects and initiatives funding renewable energies and energy efficiency, as well as transport solutions with low environmental impact and green buildings.

18. The indicator refers to Generali France mandates managed by Generali Insurance Asset Management.
19. The indicator refers to investments managed by Sycomore.
20. New investments refer to the difference between new purchases, sales and maturities of securities in the portfolio.
21. ICMA (International Capital Market Association) Principles.

## Covid-19: commitment to a sustainable economic recovery

The commitment of a large Group such as Generali and the help it can provide are even more evident in times of crisis. The social and economic crisis triggered by the Covid-19 pandemic, still ongoing, emphasised the need to strengthen and consolidate the European model, from a healthcare, economic and social perspective. To contribute to repairing the economic and social damage caused by the pandemic, the European Commission, the European Parliament and EU leaders have agreed on a recovery plan that will help the EU to emerge from the crisis and lay the foundations for a more modern and sustainable Europe.

Generali has undertaken to actively contribute to this recovery: we have joined the European Green Recovery Alliance, launched on the initiative of the Chair of the Environment Committee at the European Parliament, which is based on the belief that the recovery will be an opportunity to rethink the society and to develop a new economic model for Europe that is resilient, focused on the protection of the individual, sovereign and inclusive, in which the financial goals and the needs of the planet are aligned. A sustainable recovery is crucial to recreate the economic system damaged by the crisis on a less fragile and socially responsible basis, able to better withstand future shocks.
We launched Fenice 190, a € 3.5 billion investment plan to support the recovery of the European economies impacted by Covid-19, starting in Italy, France and Germany and to then target all of European countries in which the Group operates throughout the five years of the plan.
The extraordinary initiatives launched in 2020 to tackle the effects of the crisis become permanent; they included investments in support of SMEs and the real economy surpassing the objective of € 1 billion. An estimated commitment of € 500 million per year, over the next five years, is added to this initial amount for sustainable growth through national and international investment funds focusing on infrastructure, innovation and digitalization, SMEs, green housing, health care facilities and education.

**FENICE 190**

**€ 810 mln**

In 2021, the Group's companies signed higher commitments related to investments eligible for Fenice 190 than the annual commitment initially amounting to € 500 million.

The plan - open to both Group's companies and third-party investors - is implemented through the Generali Investments multi-boutique platform, with an approach to selecting initiatives based on compliance with the 17 United Nations Sustainable Development Goals (SDGs) and with the European Sustainable Finance Disclosure Regulation (SFDR). It aims to generating a positive impact on the economic recovery and the real economy in Europe. More specifically, investments for Fenice 190 have two objectives:

- a social objective, aimed at improving the people's life quality, through the support of companies promoting socially responsible labour policies and fairer employment contracts as well as urban redevelopment initiatives of living spaces;
- an environmental objective, aimed at energy requalification of existing companies and infrastructures, and pollution emission reduction, in line with European targets.

## 4. Active Ownership

As a responsible investor, we undertake to promote sustainability in our investees through voting in shareholder meetings and dialogue. Both activities are used as effective leverage to influence corporate practices on ESG aspects, to encourage greater transparency on these topics or to gain a greater understanding of investees' ESG risk management.
We have drawn up Active Ownership Guidelines which, starting from the Group's fundamental values, also in terms of sustainability, define the voting principles and the means of dialogue.
Our voting principles include topics such as: rights of shareholders, corporate bodies, remuneration policies, financial statements, information disclosures and transparency, share transactions, environmental and social aspects, special provisions for listed companies with reduced market capitalisation and unlisted companies, related party transactions. In 2021, we voted based on voting principles, including reference to systemic and market risks relating to pandemic situations, that were updated at the end of 2020.

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**SHAREHOLDERS' MEETINGS WE ATTENDED[22]**

| | |
|---|---|
| 1,710 | +15% |

**RESOLUTIONS VOTED**

| | |
|---|---|
| 20,795 | +5.4% |

**AGAINST VOTES**

| | |
|---|---|
| 12% | -0.0 p.p. |

Our approach to voting envisages exercising our voting rights whenever reasonably possible, without making discriminations based on the subject of the vote or the size of the shareholding in the issuers. Voting decisions are taken mainly following an internal analysis based on documents made public by the issuers and on research provided by the proxy advisors.

Consistent with the decarbonisation commitments consequent to our entry into NZ AOA, in 2021, we made a five-year commitment to dialogue with twenty of the investee companies whose net greenhouse gas emissions have the greatest impact on our portfolios; this involves a detailed assessment of the decarbonisation commitments made by the companies, inviting them to adopt objectives consistent with those of the Group and monitoring their progress.

In January 2022 our Group Engagement Committee has approved an engagement campaign to begin this year, aiming at sensibilizing investee companies on the women quota on boards and top management, consistently with Generali commitment as issuer on the topic. The campaign will target, engage and subsequently monitor companies whose board and top management is below 40% women rate.

www.generali.com/our-responsibilities/responsible-investments for further information on Active Ownership Guideline and Group Active Ownership Report 2021

NFS EU TAXONOMY

# Exposures to EU Taxonomy eligible and non-eligible activities

The European Union has established a dynamic, significantly evolving but shared system of classification or EU Taxonomy of sustainable activities, outlined in Regulation EU 2020/852 and in Delegated Regulation EU 2021/2139, which define the criteria for determining whether an economic activity can be considered environmentally sustainable in order to identify the degree of eco-sustainability of an investment.

EU Taxonomy eligible and non-eligible non-life insurance activities, p. 83 for more details

This classification is complemented by a mandatory disclosure regime for financial and non-financial undertakings, which provides for the inclusion of specific indicators regarding their contribution to the EU Taxonomy objectives. In particular, financial undertakings are required to provide:

- a simplified disclosure on EU Taxonomy eligibility for 2021 and 2022 annual reports;
- EU Taxonomy alignment indicators for annual reports starting from 2023.

Eligible activities represent the insurance activities for which the technical screening criteria have been defined in Annexes of Delegated Regulation EU 2021/2139, regardless of whether these criteria are met or not. The eligibility indicators therefore do not provide any indication on the degree of eco-sustainability pursuant to EU Taxonomy of the insurance coverage offered by the Group but only define the scope on which it will be possible to apply the Taxonomy criteria starting from 2023. The alignment disclosure will in fact represent the Group's contribution to EU Taxonomy climate objectives through its assets.

Pursuant to art. 10.2 of Delegated Regulation EU 2021/2178 of the European Commission[23], we reported for the year 2021 the proportion of exposures to EU Taxonomy eligible and non-eligible activities, as well as the proportion of exposures to central governments, central banks and supranational issuers, to derivatives and to undertakings not obliged to publish non-financial information.

22. The shareholders' meetings relating to the direct investment of insurance companies were 1,073.
23. It is the Delegated Regulation on disclosure pursuant to the EU Taxonomy: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, specifying the content and presentation of information to be disclosed by undertakings subject to article 19a or article 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, as well as specifying the methodology to comply with this disclosure obligation.

In consideration of the provisions of the reporting guidelines published by the European Commission in February 2022[24], at 31 December 2021 the proportions of eligibility and non-eligibility were calculated in the Group's total assets, amounting to € 586,225 million, with the exclusion of exposures and cash and cash equivalents to central governments, central banks and supranational issuers, which amounted to € 195,910 million (33.4% of total assets), intangible assets, tangible assets (excluding self-used buildings), amounts ceded to reinsurers from insurance provisions, receivables and other assets, which totalled € 47,546 million (8.1% of total assets). The assets covered by the EU Taxonomy indicators therefore were equal to € 342,768 million or 58.5% of total assets.

## EXPOSURES TO CENTRAL GOVERNMENTS, CENTRAL BANKS AND SUPRANATIONAL ISSUERS

33.4%

According to the reporting guidelines published by the European Commission in December 2021 and February 2022[25], we conducted the eligibility analysis exclusively on investments where the Group has direct control, considering the book value at the end of the period and without using estimates based on internal methods. The absence of actual data provided by the investees, which are yet to make them public, and over which the Group has no direct control, did not allow the identification of the exposures to the specific economic activities eligible for EU Taxonomy and described in Annexes I and II of Delegated Regulation EU 2021/2139[26]. The only eligible exposures for 2021, equal to € 24,617 million (7.2% of total covered assets), were therefore land and buildings (investment properties)[27] for € 16,206 million, self-used buildings, included in land and buildings (self-used) for € 2,299 million and mortgage loans[28] for € 6,112 million. In fact, the activity of *Acquisition and ownership of buildings* is included in Annex I of Delegated Regulation EU 2021/2139, as it is relevant for the objective of climate change mitigation. Furthermore, the exposures to such activity must be assessed in the next phase, in order to verify their alignment with the EU Taxonomy.

## EXPOSURES TO EU TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

7.2%

In line with Delegated Regulation EU 2021/2178, we considered as exposures to non-eligible economic activities investments in derivative assets, cash and cash equivalents (excluding those with central banks) and investments in undertakings not obliged to publish non-financial information. Moreover, as indicated in the guidelines of the European Commission of December 2021, also direct and indirect investments in undertakings potentially obliged to publish non-financial information were considered to be non-eligible; in fact, it was not possible to perform an eligibility on such exposures, since the actual data were not public at the time of preparation of this Report. Total exposures to non-eligible economic activities amounted to € 318,152 million (92.8% of total covered assets).

## EXPOSURES TO EU TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

92.8%

Within the EU Taxonomy non-eligible activities, derivative assets, amounting to € 1,147 million, represented 0.3% of total covered assets, while cash and cash equivalents (excluding those with central banks), amounting to € 6,859 million, were equal to 2.0% of total covered assets. To date, these exposures cannot be assessed for eligibility purposes in line with Delegated Regulation EU 2021/2178 and the reporting guidelines published by the European Commission in February 2022.

## EXPOSURES TO DERIVATIVE ASSETS

0.3%

With regard to exposures to undertakings not obliged to publish non-financial information, as there is not yet an official data source at EU level that would allow the identification of these undertakings, we estimated such proportion considering only

24. *Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets.*
25. *FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act? e Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets.*
26. It is Delegated Regulation on climate objectives: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, by establishing the technical screening criteria for determining under which conditions an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
27. Land and buildings (investment properties) do not include investments in agricultural lands, since they are currently not eligible for the EU Taxonomy.
28. Mortgage loans are considered eligible in line with the provisions of Annex V of Delegated Regulation EU 2021/2178 and in light of the reporting guidelines published by the European Commission in February 2022, as secured by real estate and attributable to the eligible activity of *Acquisition and ownership of buildings*.

the direct investments in equity instruments and corporate bonds issued by counterparties based in extra-EU countries, and alternative investments, mainly private equity, as the issuers are unlisted. Such exposures amounted to € 57,933 million (16.9% of total covered assets).

### ESTIMATED EXPOSURES TO UNDERTAKINGS NOT OBLIGED TO PUBLISH NON-FINANCIAL INFORMATION

16.9%

As previously indicated, the remaining 73.6% of exposures to EU Taxonomy non-eligible activities in covered assets, amounting to € 252,213 million, included direct and indirect investments for which it was not possible to perform an eligibility analysis, since actual counterparty data were not public at the time of preparation of this Report.

The Group has established and monitors the process of implementing the latest European legislative provisions, particularly as regards the requirements introduced by Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector (known as Disclosure Regulation) and Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (known as EU Taxonomy Regulation).
In particular, the Group is carrying out specific projects aimed at integrating, in its systems and processes, information necessary for the analysis of its investment portfolio with respect to EU Taxonomy eligibility and alignment. The primary objective is to create an infrastructure necessary for monitoring and reporting in compliance with the regulatory requirements in force and/or which will come into force.

The Group has established a framework to encourage the investments necessary to achieve the objectives of the European Green Deal of net-zero GHG emissions by 2050, committing to making its investment portfolio climate-neutral by mid-century. As long-term investors, insurance companies are uniquely positioned to address the challenges related to sustainability and facilitate the transition to a more sustainable and resilient economy, in line with the ambitious climate neutrality objectives of the European Green Deal.

| | 31/12/2021 | |
|---|---|---|
| (€ million) | Amounts | Ratio % |
| Total Assets in the Balance Sheet | 586,225 | |
| Activities excluded from EU Taxonomy indicators | 243,456 | |
| Intangible assets, Tangible assets (excluding self-used buildings), Amounts ceded to reinsurers from insurance provisions, Receivables, Other assets | 47,546 | 8.1% |
| Exposures to central governments, central banks and supranational issuers (including cash and cash equivalents with central banks) | 195,910 | 33.4% |
| Total assets covered by EU Taxonomy indicators (coverage ratio) | 342,768 | 58.5% |
| **EU TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES** | | |
| Land and buildings (investment properties)[1] | 16,206 | 4.7% |
| Mortgage loans | 6,112 | 1.8% |
| Land and buildings (self-used) | 2,299 | 0.7% |
| **Exposures to EU Taxonomy-eligible economic activities in total covered assets** | **24,617** | **7.2%** |
| **EU TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES** | | |
| Derivative assets | 1,147 | 0.3% |
| Cash and cash equivalents (excluding cash and cash equivalents with central banks) | 6,859 | 2.0% |
| Investments in undertakings not obliged to publish non-financial information (Articles 19a or 29a of Directive 2013/34/EU)[2] | 57,933 | 16.9% |
| Other non-eligible direct and indirect investments[3] | 252,213 | 73.6% |
| **Exposures to EU Taxonomy non-eligible economic activities in total covered assets** | **318,152** | **92.8%** |

1 Land and buildings (investment properties) do not include investments in agricultural lands, since they are currently not eligible for the EU Taxonomy.
2 The estimated proportion considers only exposures to direct investments in equity instruments and corporate bonds issued by counterparties based in extra-EU countries, and alternative investments, mainly private equity, as the issuers are unlisted.
3 It was not possible to perform an eligibility analysis, due to the absence of actual data provided by the investees.

# Investment result

**Return on investments**

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Economic components** | | |
| Current income from fixed income instruments | 8,339 | 8,505 |
| Current income from equity instruments | 1,425 | 850 |
| Current income from real estate investments (*) | 791 | 768 |
| Net realized gains | 1,676 | 1,975 |
| Net impairment losses | -384 | -1,067 |
| Net unrealized gains | -267 | 17 |
| **Average stock** | **409.119** | **394,761** |
| **Ratio** | | |
| Current return (*) | 2.6% | 2.6% |
| Harvesting rate | 0.3% | 0.2% |
| P&L return | 2.8% | 2.7% |

(*) Net of depreciation of the period.

The current return on investments was substantially stable at 2.6% (2.6% at 31 December 2020). The performance of this indicator was attributable to a higher current income from equity instruments, in particular alternative instruments, which more than offset the lower current income from fixed income instruments in relation to the context of low interest rates.

The contribution to the result of the period deriving from net realized gains, net impairments and net unrealized gains (harvesting rate) increased to 0.3% (0.2% at 31 December 2020), thanks to lower impairments compared to 2020.

# Debt and liquidity

## Debt

In accordance with the IAS/IFRS managerial model used by the Generali Group, consolidated liabilities were split into two categories:

- liabilities linked to operating activities, defined as all the consolidated financial liabilities related to specific balance sheet items from the consolidate financial statements. This category also includes liabilities stated by the insurance companies against investment contracts and liabilities to banks and customers of banks belonging to the Group;
- liabilities linked to financing activities, including the other consolidated financial liabilities, among which subordinated liabilities, bond issues, and other loans obtained. This category includes, for example, liabilities incurred in connection with a purchase of controlling interests.

Total liabilities were as follows:

**Group debt**

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Liabilities linked to operating activities** | **37,053** | **34,376** |
| **Liabilities linked to financing activities** | **10,660** | **9,692** |
| Subordinated liabilities | 8,760 | 7,681 |
| Senior bonds | 1,737 | 1,738 |
| Other non-subordinated liabilities linked to financing activities | 163 | 273 |
| **Total** | **47,713** | **44,068** |

The liabilities linked to operating activities posted an increase due mainly to the increase in the Group's bank deposits.
The increase in the Group's liabilities linked to financing activities was mainly due to the issuance of the subordinated bond in sustainability format for a nominal value of € 500 million in June 2021, with the aim of partly refinancing 2022 maturities, and to the inclusion of liabilities linked to financing activities of the companies of the Cattolica group.
The weighted average cost of liabilities linked to financing activities stood at 4.60%, showing a decrease compared to 2020 mainly due to the issuance made in June 2021 and to the consolidation of the liabilities at fair value of the companies of the Cattolica group. The weighted average cost reflects the annualized cost of the liabilities, considering the nominal amounts at the reporting date and the related transactions of currency and interest rate hedging.

Interest expenses on total liabilities were detailed below:

### Interest expenses

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| Interest expense on liabilities linked to operating activities | 222 | 307 | -27.7% |
| Interest expense on liabilities linked to financing activities | 478 | 493 | -3.1% |
| **Total (*)** | **700** | **800** | **-12.5%** |

(*) Without taking into account the interest expenses on liabilities linked to operating activities of the real estate development companies, classified among the other expenses, as well as the interest on deposit under reinsurance business accepted, deducted from the related interest income.

Capital management and financial optimization, p. 42 for further information

## Details on the liabilities linked to financing activities

### Details on subordinated liabilities and senior bonds

| (€ million) | 31/12/2021 | | | | 31/12/2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | Nominal value | Book value | Accrued interest expenses | Average weighted cost % (*) | Nominal value | Book value | Accrued interest expenses | Average weighted cost % (*) |
| Subordinated liabilities | 8,715 | 8,760 | 388 | 4.50% | 7,717 | 7,681 | 402 | 4.90% |
| Senior bonds | 1,744 | 1,737 | 89 | 5.13% | 1,750 | 1,738 | 91 | 5.13% |
| **Total** | **10,459** | **10,497** | **478** | | **9,467** | **9,419** | **493** | |

(*) The weighted average cost reflects annualized cost of financial debt, considering the outstanding debt at the reporting date and the related activities of currency and interest rate hedging.

### Details of issues and redemptions of subordinated liabilities and senior bonds

| (nominal value in € million) | 31/12/2021 | | | 31/12/2020 | | |
|---|---|---|---|---|---|---|
| | Issuances | Redemptions | Issuances net of redemptions | Issuances | Redemptions | Issuances net of redemptions |
| Subordinated liabilities | 500 | 50 | 450 | 600 | 600 | 0 |
| Senior bonds | 0 | 0 | 0 | 0 | 1,250 | -1,250 |
| **Total** | **500** | **50** | **450** | **600** | **1,850** | **-1,250** |

# Details on main issues

## Subordinated liabilities

### Main subordinated issues

| | Coupon | Outstanding (*) | Currency | Amortised cost (**) | Issue date | Call date | Maturity |
|---|---|---|---|---|---|---|---|
| Assicurazioni Generali | 6.27% | 350 | GBP | 415 | 16/06/2006 | 16/02/2026 | Perp |
| Assicurazioni Generali | 6.42% | 167 | GBP | 199 | 08/02/2007 | 08/02/2022 | Perp |
| Assicurazioni Generali | 10.13% | 302 | EUR | 301 | 10/07/2012 | 10/07/2022 | 10/07/2042 |
| Assicurazioni Generali | 7.75% | 468 | EUR | 467 | 12/12/2012 | 12/12/2022 | 12/12/2042 |
| Assicurazioni Generali | 4.13% | 1,000 | EUR | 945 | 02/05/2014 | n.a. | 04/05/2026 |
| Assicurazioni Generali | 4.60% | 1,500 | EUR | 1,341 | 21/11/2014 | 21/11/2025 | Perp |
| Assicurazioni Generali | 5.50% | 1,250 | EUR | 1,245 | 27/10/2015 | 27/10/2027 | 27/10/2047 |
| Assicurazioni Generali | 5.00% | 850 | EUR | 844 | 08/06/2016 | 08/06/2028 | 08/06/2048 |
| Assicurazioni Generali | 3.88% | 500 | EUR | 488 | 29/01/2019 | n.a. | 29/01/2029 |
| Assicurazioni Generali | 2.12% | 750 | EUR | 729 | 01/10/2019 | n.a. | 01/10/2030 |
| Assicurazioni Generali | 2.43% | 600 | EUR | 597 | 14/07/2020 | 14/01/2031 | 14/07/2031 |
| Assicurazioni Generali | 1.71% | 500 | EUR | 498 | 30/06/2021 | 30/12/2031 | 30/06/2032 |
| Società Cattolica di Assicurazioni S.p.A. | 7.25% | 100 | EUR | 58 | 17/12/2013 | 17/12/2023 | 17/12/2043 |
| Società Cattolica di Assicurazioni S.p.A. | 4.25% | 500 | EUR | 562 | 14/12/2017 | 14/12/2027 | 14/12/2047 |

(*) In currency million.

(**) In € million.

This category included all subordinated liabilities issued by Assicurazioni Generali and Società Cattolica di Assicurazioni
The remaining subordinated liabilities were mainly issued by Austrian and Italian subsidiaries for approximately € 25 million and € 46 million, respectively, at amortized cost.

## Senior bonds

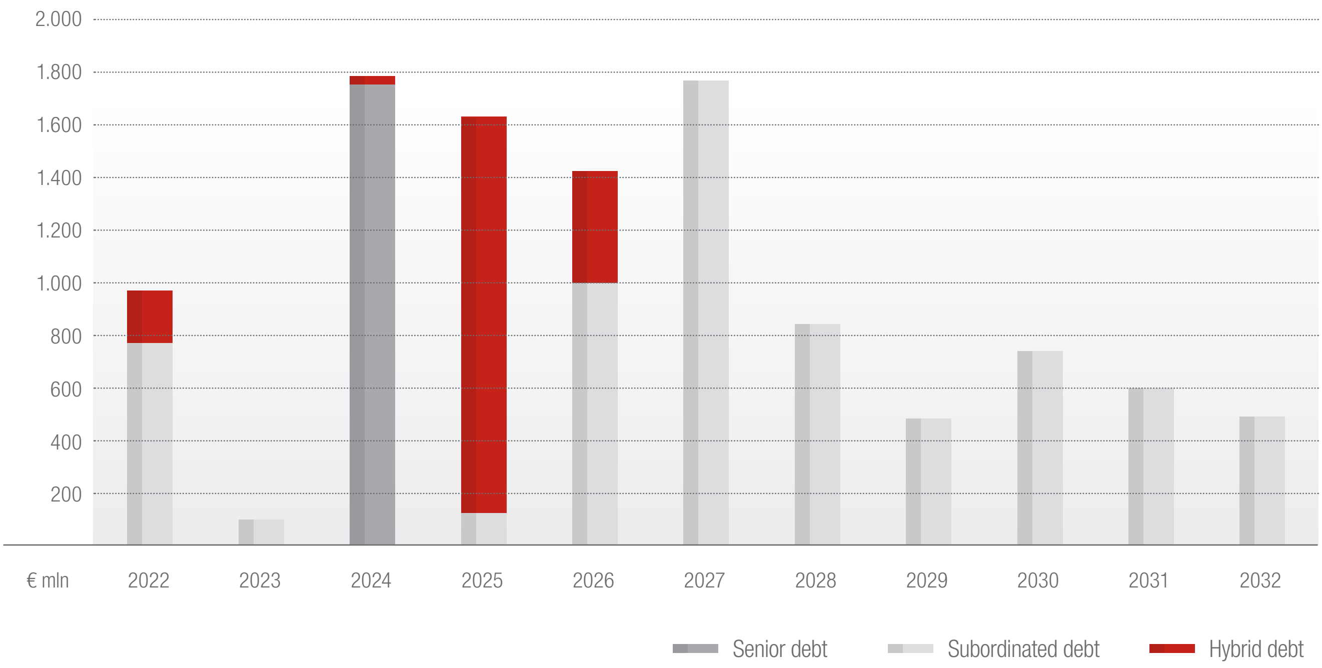
### Main senior bonds issues

| Issuer | Coupon | Outstanding (*) | Currency | Amortised cost (**) | Issue date | Maturity |
|---|---|---|---|---|---|---|
| Assicurazioni Generali | 5.13% | 1,750 | EUR | 1,737 | 16/09/2009 | 16/09/2024 |

(*) In currency million.

(**) In € million.

## Details on debt maturity[29]




The average duration stood at 5.07 years at 31 December 2021 compared to 5.76 years at 31 December 2020.

## Revolving credit facilities

Assicurazioni Generali has revolving credit facilities for a total amount of € 4 billion. They represent, in line with the best market practice, an efficient tool to protect the Group's financial flexibility in case of adverse scenarios.
The two revolving credit facilities, syndicated for a value of € 2 billion each, have a duration until 2023 and 2024, respectively. The second revolving credit facility, having the possibility of extending the maximum duration up to until 2026, was signed in April 2021, to replace an expiring one of equal amount.
The revolving credit facilities also present innovative features in terms of sustainability: their cost is linked to both the targets on green investments and the progress made in sustainability. This transaction further strengthens Generali's commitment to sustainability and the environment, as set out in the Charter of Sustainability Commitments and in the Strategy on Climate Change. This will only impact the Group's liabilities linked to financing activities if the facilities are drawn down.

# Liquidity

### Cash and cash equivalents

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Cash at bank and short-term securities | 6,605 | 6,935 |
| Cash and cash equivalents | 254 | 311 |
| Cash and balances with central banks | 1,617 | 654 |
| Money market investment funds unit | 7,717 | 9,326 |
| Other | -2,363 | -698 |
| **Cash and cash equivalents** | **13,830** | **16,528** |

Cash and cash equivalents went from € 16,528 million at 31 December 2020 to € 13,830 million. The reduction in Group's liquidity reflected the payment of the second tranche of 2019 dividends in October 2021, as well as extraordinary transactions and investment activities.

29. The chart represents the outstanding nominal value of the debt securities in € million.

# OUR MAIN MARKETS: POSITIONING[30] AND PERFORMANCE

## Italy[31]

| GROSS WRITTEN PREMIUMS[32] | | TOTAL OPERATING RESULT | | NFS OUR PEOPLE | |
|---|---|---|---|---|---|
| € 24,662 mln | -2.2% | € 1,898 mln | +2.9% | 13,744 | +2.2% |

| LIFE MARKET SHARE | P&C MARKET SHARE | RANKING | |
|---|---|---|---|
| 18.8% | 14.3% | 1st | 1st Life and 2nd P&C[33] |

In a global scenario still reeling from the effects of the pandemic, Generali confirms its leadership position in the Italian insurance market with an overall share of 17.6%, up compared to last year. The company was distinguished by its resilience and solidity in an extremely challenging context, as it was able to count on an entirely renewed range of products, including innovative insurance solutions for its customers in both the Life and P&C segments. In terms of distribution, the multichannel strategy, which has been the focus of recent years, guaranteed excellent levels of inflows and premiums even during the lockdown periods at the start of the year, thanks to the use of remote sales tools made available to the sales force.
Business continues to be highly centred on agents, with a strong position in the direct Life and P&C channels, through Genertel and Genertellife, recently renewed and the first native digital insurance company in Italy. Thanks to its partnership with Banca Generali, the Group is able to offer its customers a broad and complete variety of insurance, pension and savings products. Generali presents itself to the Italian market with three distinct brands marked by a clear strategic positioning - Generali (retail market and SME), Alleanza (households) and Genertel and Genertellife (alternative channels).
In 2021, Generali Italia completed the implementation of its Lifetime Partner programme, the objective of which is to become the company with the best customer experience through valuable consultancy, using all relationship channels, offering an increasingly extensive range of prevention, protection services and investing in new technologies and related ecosystems. Jeniot, a company launched by Generali Italia at the end of 2018 that develops innovative services in the Internet of Things and connected insurance area tied to mobility, home, health and work, also continued to grow.

In 2021, the growth of the Italian economy surpassed forecasts (+6.4%), sustained by the increase in household spending which, with the relaxation of limitations to social interaction and movement, contributed to increasing the demand for commercial, transport, tourism and catering services. Even though the end of the state of emergency will lead to a reduction of support measures, the launch of the New Generation EU programmes should guarantee resources to sustain growth even in future years, maintaining high levels, if compared to those observed in the recent past. The high propensity for precautionary saving of households during the pandemic, which also characterised 2021, is expected to fall over the next three years, and to be replaced by asset management instruments and government bonds, whose yields on maturity will once again be attractive. The low interest rates in 2021 continued to sustain risk taking by operators, not just financial ones, in search of more attractive returns, sustaining the demand for asset management and insurance products (multi-business insurance products proved to be very popular, as they combine forms of capital protection with participation in market trends, as were unit-linked products).

The Italian insurance market, up by 8.5%, benefits from the exceptional performance of Life premiums (+9.9%) sustained by the boost of the bancassurance channel and of financial advisors, which were most affected by the lockdown period during the pandemic. Life business continued to be mostly oriented towards traditional products: even as regards multi-business products, the traditional component, corresponding to 64.2% (66.5% in 2020), prevailed over the unit-linked one (35.8%). The pandemic pushed the interest of households towards Life protection policies (pension, Long Term Care policies, critical illness, health assistance and death coverage policies, not related to the granting of mortgage loans, loans or salary-backed loans).
The P&C insurance market is expected to grow by 2.9% Premiums in the motor line fell slightly (-0.5%), despite the excellent performance of car body coverage, while third party liability premiums continued to be exacerbated by suspensions of policies and renewal discounts guaranteed by many insurers to their customers during the lockdown period due to the lack of vehicle use. With the return to the free circulation of the population, claims frequency rose, although staying at lower levels than those before the pandemic. The non-motor business showed a net recovery, and should post a +5.5% in 2021.

30. The indicated market shares and ranking, based on written premiums, refer to the most recent official data.
31. In 2021, the companies of the Cattolica Group, which are included in the managerial scope of the Country Manager & CEO of Generali Country Italia and Global Business Lines, do not contribute to the results and the relative market shares of the Italian area, but are included in the Group's holdings and other companies area.
32. Excluding the non-recurring effect of the premiums of a collective Life pension fund, underwritten in 2020 in Italy amounting to around € 1.5 billion, the gross written premiums would have risen by 4.0%.
33. Including the contribution of the Cattolica Group, Generali would reach first place also in the Property & Casualty segment

With reference to the financial markets, the ten-year BTP yield rose from 0.52% at year-end 2020 to 1.19%. The BTP-Bund spread rose from 110 bps at year-end 2020 to 136 bps. The FTSE MIB posted a very positive performance during the year (+27.3%).

NFS

During 2021, Generali Country Italia continued with the process of integrating ESG dimensions (Environmental, Social and Governance) in strategic investment allocation, specifically focusing on climatic change, backing companies that have a lower impact in terms of fossil emissions and that are focused on sustainable development, both environmental and social.
In order to seize the opportunities arising from mitigation and adaptation to climate change, the distribution of insurance solutions to protect customers from natural catastrophe damage was developed and promoted, including damage influenced by climate change, to support customers in adopting sustainable lifestyles. The processes and initiatives set in place over the past few years to manage the emergency were consolidated (intervention protocol Qui per voi, swift pay-outs, suspension of payments) and the offer of thematic investment products linked to green finance for the retail segment was expanded. With a view to increasing customer awareness, Generali has actually extended its range with the Genera Sviluppo Multiplan which complements the Genera Sviluppo Sostenibile. These products enable the customer to participate in the 2030 Sustainable Development targets promoted by the United Nations for economic growth that encourages social inclusion and environmental protection.
The commitment to important topics of social impact continued and intensified (Welfare, D&A, environment, education, art) through initiatives and strategic partnerships.
With regard to the pandemic, starting with its own organisation, Generali maintained the measures set in place to safeguard the health of its people and to continue to serve its customers. In particular, smart working regarded all employees (reaching over 95%) and constant contact was maintained with its people, also through live streaming sessions that involved 16 thousand employees and agents.
Furthermore, Generali launched new initiatives within the Ora di Futuro - The Human Safety Net project, which entails digital training and content to guarantee remote lessons in primary schools and in Ora di Futuro centres, providing real help to households in difficulty throughout Italy.

## LIFE SEGMENT

**LIFE PREMIUMS[34]**

€ 18,671 mln -4.9%

**Life OR**

€ 1,282 mln -6.5%

**PVNBP**

€ 19,334 mln -6.8%

**NBV**

€ 1,065 mln +14.9%

Generali has concentrated on a full-scale offer that envisages the development of pension, savings, investment and protection products according to the pre-set goals of improving the advice given to the customer and boosting premium income from capital-light products. Thanks to a multi-channel approach and to the integration of traditional sales systems with new remote sales tools, Generali managed to maintain a valuable consultancy service for its retail customers, even in the most complex periods due to the pandemic.

The trend of Life premiums therefore showed good performance, supported by the protection line (+20.2%) and the strong growth of linked products (+5.9%; +51.7% net of the collective pension fund).
New business in terms of present value of new business premiums (PVNBP) stood at € 19,334 million, down 6.8% due to the one-off effect of the above-cited pension fund in 2020 (without the latter the PVNBP would have risen by +6.8%). The fall in single premiums (-12.3%) was only partly offset by the slight increase in the present value of future annual premiums (+1.3%); excluding the above-cited pension fund, a growth of both would be observed (+0.5% and +16.1% respectively).
With reference to the lines of business, both the unit-linked business (+58.7%, excluding the contribution of the collective Life pension fund in 2020) and that of protection products (+26.5%) reported strong growth, which offset the strategic fall in savings and pension products (-10.4%).
The new business margin (expressed as a percentage of PVNBP) increased by 1.04 p.p., rising from 4.46% in 2020 to 5.51% in 2021. The increase was amplified by the lower profit margins of the above-cited pension fund, and was due to a better business mix as well as the improvement of product features, for example in terms of rebalancing the type of financial guarantee.
New business value amounted to € 1,065 million (+14.9%).

34. Excluding the non-recurring effect of the premiums of a collective Life pension fund, underwritten in 2020 in Italy amounting to around € 1.5 billion, Life premiums would have risen by 3.0%.

## P&C SEGMENT

| P&C PREMIUMS | | P&C OR | | CoR | |
|---|---|---|---|---|---|
| € 5,991 mln | +7.3% | € 654 mln | +23.2% | 91.4% | +3.2 p.p. |

Note the growth in P&C premiums (+7.3%), thanks to increases in both segments. In 2021, the motor lines posted a growth overall, by entering into partnerships with leading figures in the automotive world, while the single car segment was down, due to the intensification of the competitive arena, which consequently led to a fall in average premiums. Generali focused on maintaining profitability and on defending the portfolio with interventions on the flexibility and development of smart-pricing models thanks to advanced analytics activities. In the non-motor lines (+6.6%), the renewal of the product range through the development of new associated services and products, combined with the ever-increasing attention paid to improving industrial processes and the relative levels of service, enabled the production levels of the previous year to be surpassed, in a difficult context, benefiting in particular from the performance of the retail and Businesses lines.
The combined ratio, corresponding to 91.4%, was up +3.2 p.p. compared to 2020, due to a higher loss ratio, also due to the recovery of claims frequency and to the greater weight of natural catastrophe claims. The weight of acquisition costs increased (+0.9 p.p.) due to the change in the mix.

# Germany

| GROSS WRITTEN PREMIUMS | | TOTAL OPERATING RESULT | | NFS OUR PEOPLE | |
|---|---|---|---|---|---|
| € 14,898 mln | +3.3% | € 975 mln | +7.7% | 9,182 | -3.2% |

| LIFE MARKET SHARE | P&C MARKET SHARE | RANKING | |
|---|---|---|---|
| 7.0% | 5.0% | 3rd | 2nd Life and 8th P&C |

Operating in Germany since 1837, the Group currently ranks third in terms of total premium income thanks to a 7.0% market share in the Life segment (also including the Health business), in which its leadership role in the protection line, so-called term-life, is confirmed, and to a 5.0% P&C share, distinguished by an innovative and highly profitable offer.
In 2021, Generali Deutschland further improved its performance thanks to the disciplined execution of its strategy, aiming to be the leading insurance company in Germany in terms of profitable growth, return on capital and innovation, fully in line with the Group's strategic plan. Both an innovative platform of products and services that defined a new standard for the sector, and attentive technical and operating regulation therefore contributed to Generali Deutschland's excellent results. This enabled the Group to further improve its profit margins in Germany, even in a very challenging market context, characterised by the impact of the Covid-19 crisis, by exceptional natural events and by continuing very low interest rates.
The Deutsche Vermögensberatung (DVAG) distribution network, in which Generali holds 40% of share capital, provided fundamental support, in terms of both premium income and profit margins. This network, comprised by around 18,000 full-time agents, has an exclusive agreement with the Generali Group for the sale of insurance solutions, and is able to effectively combine qualified consultancy, understanding the needs of customers at 360° and digital tools to provide highly effective customer interaction.
In line with its strategic objectives, in 2021, Generali Deutschland continued to strengthen its market position, not only thanks to the DVAG network, where it operates with the Generali brand, but also through the CosmosDirekt brand, focused on the digital channel, in which Generali Group boasts leadership of the German market. The sales portfolio is completed with two niche brands, Dialog and Advocard.
In line with Generali Group's ambition to transform the traditional concept of insurance into protection, prevention and partnership with the customer, in 2021, Generali Deutschland introduced new products in the market which, by exploiting avant-garde technologies, help customers to adopt healthy and sustainable practices and lifestyles, which contribute to preventing future claims. An example of this is the programme developed with Movendo Technology to prevent accidental falls thanks to training assisted by robots and artificial intelligence; VitalSigns&Care, an application that makes it possible to independently measure several vital parameters, including blood oxygenation, simply through a smartphone camera; and Digitalen Blutdruck-Coach, an application to optimise blood pressure.

The German economy, which was negative in the first quarter (-1.9%), improved in the second and third quarters, posting +2% and +1.7% respectively, sustained by domestic demand thanks to a growth in household consumption of 6.2%. Exports continued to be weak (-1%). In the fourth quarter, also due to the upsurge in Covid cases and to the continuing difficulties of the automotive sector, growth is expected to slow down. The average annual growth of GDP stood at 1.4%.

The insurance sector, significantly affected by social distancing during the pandemic in 2020, closed the year up by 1.1%. Life premium income, impacted by the fall in single premiums (-4.7%), was down by 1.4% (stable in 2020). The portfolio continues to see a shift from traditional products with guarantees to products linked to financial market trends, with positive effects on the solvency rate.
The P&C segment grew (+2.2%), even though Motor third-party liability inflows, which in 2020 benefited from an exceptionally low loss ratio, were stable. The aviation and transport businesses, which had been affected during the crisis, resumed growth, and Property also posted an improvement (+4.2%). The pandemic contributed to sustaining the demand for health insurance (+5%), which is expected to continue at a steady pace also in future years due to premium adjustments. As regards the financial markets, the yield of the ten-year German Bund closed the year at -0.18% (-0.58% in 2020). In 2021, the DAX stock market earned 16.9%.

NFS

Generali Deutschland has consolidated its position as leader in terms of social and environmental responsibility. In the social sphere, the company renewed its commitment to sponsor sports events, such as the marathons in the most important German cities, as well as promoting art and culture. In both cases, where physical events did not take place or were considerably downsized due to anti-pandemic rules, Generali Deutschland created alternative digital solutions. As regards the environment, the company announced its commitment to completing an operating model, a product platform and a company culture that respects the environment 100%. In particular:

- Generali Deutschland's operations will be climate neutral from the end of 2021;
- activities related to the insurance business will be climate neutral and all new investments will be carbon-free from 2025;
- the entire investment portfolio will be carbon-free by 2050.

Generali Deutschland's commitment to social responsibility also features the first edition of the Sustainable Impact Award, organised together with a leading German editorial group and the national association for SMEs, to reward the most sustainable companies and to promote sustainability in this vital sector for the European economy. The Sustainable Impact Award is part of the framework of initiatives of the SME EnterPRIZE Group.

Through its programme The Human Safety Net (THSN), again in 2021, Generali Deutschland helped families in difficulty and refugees, with the assistance of 12 NGOs and social enterprises throughout the country. Also in the year that has just ended, the pandemic continued to have a severe impact on those in more fragile conditions. Generali Deutschland therefore offered financial support to refugees that want to start up a business, helped NGOs digitalise their services and gave opportunities to families in difficulty to attend special educational and leisure programmes. This was possible also thanks to € 750,000 donated in total by Generali Deutschland colleagues to Caritas. In addition, 2021 marked the highest participation ever of colleagues in volunteering activities organised by THSN, also through new digital formats. Lastly, Generali Deutschland entered into agreements with partners and contributors such as the German Ministry of Education and the Schöpflin Stiftung in order to extend their initiatives to cities such as Cologne and Saarbrücken.

## LIFE SEGMENT

**LIFE PREMIUMS**
€ 11,034 mln +3.7%

**Life OR**
€ 415 mln +11.5%

**PVNBP**
€ 12,454 mln +14.6%

**NBV**
€ 362 mln +21.4%

3.7% increase in Life premiums due above all to the unit-linked business (+9.8%), consistent with the Group's strategic decision to focus on capital-light products. Both recurring premiums and single premiums performed well, sustained by our exclusive DVAG network.
New business in terms of PVNBP increased significantly by 14.6% compared to 2020, affecting both the Life segment (+14.1%) and the healthcare sector (+19.2%), with an increase in the present value of future annual premiums (+14.0%) and of single premiums (+17.4%). All lines of business rose; in particular, united linked and savings and pension lines posted very good growth (+21.0% and +11.2% respectively), thanks to the excellent performance of hybrid products, while protection products rose by 13.0% thanks to the health line.
New business margin (expressed as a percentage of the PVNBP) was 2.91%, up compared to 2.75% in 2020, thanks to the good contribution of protection products.
New business value grew by 21.4% and amounted to € 362 million.

## P&C SEGMENT

| P&C PREMIUMS | | P&C OR | | CoR | |
|---|---|---|---|---|---|
| € 3,864 mln | +2.2% | € 634 mln | +7.2% | 87,1% | +1.0 p.p. |

P&C premiums rose (+2.2%) driven by the non-motor business (+3.3%), which benefited in particular from the sale of multi-risk retail products, as well as from the good performance of the Global Corporate & Commercial lines, as well as by an increase in the motor business (+0.3%). The growth was mainly sustained by the good performance of our exclusive network.
The exceptional natural phenomena, hurricanes and floods, which hit Germany during the summer months, were the underlying reason for the slight deterioration of the combined ratio (+1.0 p.p.). The increase of the loss ratio was, in fact, mainly caused by the greater impact of natural catastrophe claims during the year (+3.1 p.p. compared to the previous year), as a consequence of the exceptional floods and storms that struck Germany during the summer months. This performance was mitigated both by the reduction of the current year loss ratio, which benefited from the close focus on technical profit margins in terms of tariffs and risk-taking, as well as from the lockdown, and the fall in large claims. The contribution from prior years was down. The expense ratio posted a slight increase, due to higher acquisition costs, originating from the growth of new business, against a reduction of administration costs.

# France

| GROSS WRITTEN PREMIUMS | | TOTAL OPERATING RESULT | | NFS OUR PEOPLE | |
|---|---|---|---|---|---|
| € 15,494 mln | +22,4% | € 840 mln | -2,4% | 6,589 | -1,1% |

| LIFE MARKET SHARE | P&C MARKET SHARE | A&H MARKET SHARE | RANKING | |
|---|---|---|---|---|
| 5.3% | 5.7% | 7.5% | 7th | 8th Life, 6th P&C and 5th A&H |

Generali has been active in France since 1831 with one of the Group's first foreign branches. The operating structure was consolidated toward the mid-2000s, when the merger of the various brands forming the Group led to the creation of one of the country's largest insurance companies. Generali France operates with a multi-channel approach of agents, employed sales persons, brokers, financial advisors, banks, direct channels and affinity groups. The multiplicity of the distribution forms reflects the market segment served and the type of product sold, with focus always placed on the customer. Generali France boasts a leadership position in Life savings and pension products distributed through internet and for the so-called affluent customers, just as holds true in the market of supplementary pensions for self-employed workers. The presence of professionals, SMEs and personal risks in the segments is also significant.
In 2019 the Group carried out a number of strategic initiatives in France as part of a project called Excellence2022 that envisages different streamlining and corporate business transformation actions over a three-year span.
Like in the main geographical areas where the Group operates, in France as well initiatives aimed for the most part at consolidating the bond of trust in customer relations through their lifetimes were carried out with a view to strengthening the brand and the image throughout the country.
In 2021, Generali France launched an advertising campaign on multiple channels (television, press, billboards and other digital platforms) aimed at generating more contacts and increasing the number of leads (+25%).
At the end of 2021, Generali signed an agreement to acquire La Médicale, an insurance company addressed to healthcare workers, through exclusive negotiations with Crédit Agricole Assurances. The transaction is expected to be completed by 2022 and is still conditioned by the approval of the competent regulatory authorities and anti-trust authorities, as envisaged for transactions of this nature.

The Covid-19 pandemic had a lesser impact in 2021. P&C companies continue to benefit from motor claim frequency, while the other businesses show a return to normal. In the Life segment, the protection business was less impacted by the pandemic than the previous year.

In 2021, French GDP rose by 5.4%. With regard to the insurance market, the increase in Life premiums should be around 30%, compared with the fall observed in 2020, surpassing pre-pandemic levels. Although precautionary saving (current accounts and Livret A) continued to be high, Life premium income showed a net recovery. Unit-linked products represent 39% of total premiums. Net inflows were positive, and stood close to € 24 billion.
The P&C segments enjoyed good performance with premiums in the motor business up by 3% compared to 2020, against higher repair costs, driven by the increase in the price of spare parts and labour. In the property segment, premiums started to increase

again (estimated +3.5% at year-end), as did services resulting from higher claims due to the return to circulation of the population. The return to pre-pandemic levels of the health sector (expected growth of +4.5% in premiums in 2021), characterised by an increase of the loss ratio, will push down technical profit margins.
With regard to the financial markets, in 2021, the spread between OAT and Bund rose from 23 bps at year-end 2020 to 37 bps. The CAC 40 posted an increase of 27.7%.

As regards ESG, Generali France confirmed its ambition with tangible initiatives to encourage its customers towards a more responsible, lasting and inclusive economy through solutions that respect society and the environment such as:
- 7.7% increase in direct premiums of insurance products of socio-environmental value;
- Renewal of its unit-linked offer directed towards funds with a social and environmental impact;
- Development of The Human Safety Net France initiatives.

Following these continuous efforts, Generali was awarded in the 2022 classification as the top responsible insurance company in France.
In 2021, Generali France also launched the We care programme aimed at improving working conditions in the workplace and remotely. Investments were made to adapt offices and work places, and to provide direct IT support to employees. An agreement was reached between the management and workers on post-covid working conditions, which include specific rules for smart working.

With regard to The Human Safety Net programme, 2021 represents the fourth year of its implementation, and thanks to the help of various partners, facilities have received support for families in difficulty and it has contributed to improving the integration of refugees through enterprise initiatives. The various initiatives are sustained both by private and public sources of financing. Their objective is to constantly seek social wellbeing.
In particular, in 2021:
- support to parenthood was completed by reawakening the language of younger children with the support of a local association;
- a second incubator for refugees was finalised in Saint-Denis (thanks to the support of Europ Assistance, which renewed its sponsorship) and a third one in Strasbourg.

Two significant donations were also collected through the Global Challenge in June, and the Solidarity Christmas, with the involvement of employees and agents.
As regards the impulse given by the THSN Foundation, a Hackathon was also implemented, a global initiative that sought to give advice to parents in the management of their children during the health emergency. As in 2020, 110 computers belonging to Generali were donated to families and refugees to close the digital divide that the health crisis further highlighted.

## LIFE SEGMENT

| LIFE PREMIUMS | | Life OR | |
|---|---|---|---|
| € 12,374 mln | +26.3% | € 651 mln | +15.4% |
| **PVNBP** | | **NBV** | |
| € 12,588 mln | +32.9% | € 361 mln | + 84.8% |

Generali Vie continues with the transformation of its business model towards a well-balanced portfolio between savings and pension lines, unit-linked lines and protection lines, also thanks to regulated profit-sharing, linked to an incentive mechanism, if the unit-linked business should increase. 2021 was characterised by the launch of a new generation of Eurocroissance products, by the implementation of a range of unit-linked products across all distribution channels and by the strengthening of the underwriting policy.
As a result, direct Life premiums rose by 31.8% compared to 2020, particularly thanks to unit-linked (up by 54.1%) and traditional savings and pension policies (25.8%). In addition, the business mix continues to be optimised, thanks to the excellent sales performance of unit-linked products, that have reached a weight of 45.9% (39.3% in 2020).

With reference to the new business, an excellent recovery was observed - after the fall last year - in PVNBP (+32.9%), both for single premiums (+33.7%) and for the present value of future annual premiums (+28.1%).
The hybrid product business grew considerably, in particular the unit-linked component (+60.6%); the Saving component also posted good performance (+37.1%). Slight increase in protection products (+2.3%).
The new business margin (expressed as a percentage of PVNBP) rose by 0.81 p.p., increasing from 2.06% in 2020 to 2.87% in 2021, thanks to the positive effects of the improved business mix.
New business value amounted to € 361 million (+84.8%).

## P&C SEGMENT

| P&C PREMIUMS | | P&C OR | | CoR | |
|---|---|---|---|---|---|
| € 3,119 mln | +9.1% | € 169 mln | -43.0% | 97.9% | +5.2 p.p. |

P&C premiums rose by 9.1%, thanks to the lively recovery of the portfolio after a 2020 heavily influenced by Covid-19. In 2021, significant growth was observed of the SMEs portfolio, due to the strengthening of partnerships of Equité and an increase of corporate revenue.
The increase of the combined ratio, which rose from 92.7% to 97.9% is related to the return to normality in terms of natural catastrophe claims, large claims in the motor business and the lower contribution of claims in the previous year.

# Austria, CEE & Russia

| GROSS WRITTEN PREMIUMS | | TOTAL OPERATING RESULT | | NFS OUR PEOPLE | |
|---|---|---|---|---|---|
| € 6,957 mln | +5.6% | € 885 mln | -3.3% | 17,106 | -2.1% |

| LIFE MARKET SHARE | P&C MARKET SHARE | RANKING |
|---|---|---|
| At: 14.8% Cz: 22.3% Hu: 9.8% Sk: 9.2% Pl: 4.5% | At: 14.9% Cz: 28.9% Hu: 18.7% Sk: 13.6% Pl: 5.3% | At: 3rd Cz: 2nd Hu: 2nd Sk: 3rd Pl: 6th |

The ACEER regional structure is the fourth most important market for the Generali Group. The scope comprises 12 countries: Austria (At), Czech Republic (Cz), Poland (Pl), Hungary (Hu), Slovakia (Sk), Serbia, Montenegro, Romania, Slovenia, Bulgaria, Croatia and lastly Russia. The area will be called ACEE starting from March 2022, following the Group's decision to close its Moscow representative office, resign from positions held on the board of the Russian insurer Ingosstrakh and wind down Europ Assistance business in Russia.

The Group boasts its presence in the Eastern Europe territories since 1989 and over the years it has strengthened its position, becoming one of the largest insurance companies in the area:

- 2008: a joint venture collaboration with PPF Holding started, which then ended in 2015, the year in which the Generali Group acquired full control and powers over Generali CEE Holding;
- 2018: entry of Austria into the region, where Generali has operated since 1832, and of Russia. In addition, Generali has strengthened its presence in Eastern Europe through two important acquisitions, Adriatic Slovenica in Slovenia and Concordia in Poland, enabling portfolios, sales channels and its operations in the area to be balanced and diversified. Lastly, it signed a collaboration agreement with Unicredit for the distribution of insurance solutions mainly concerning Credit Protection Insurance (CPI) in the entire region;
- 2019: in line with the Group's strategy, the acquisition in Poland of Union Investment TFI S.A from the German group Union Asset Management Holding AG was completed and the agreement to acquire all Life, P&C and Mixed portfolios of three companies of ERGO International AG in Hungary and Slovakia was concluded;
- 2020: acquisition of SK Versicherung AG (founded in 1982 as a joint venture between a number of Austrian insurance companies) by Austria, signing an exclusive 5-year sales agreement with ÖAMTC (Austrian automobile, motorcycle and touring club). Furthermore, the Group completed the acquisition of the Izvor osiguranje portfolio in Croatia;
- 2021: Generali Ceska Pojistovna acquires the insurance business of Generali Poistovna in Slovakia.

Following the gradual elimination of restrictive measures and the increase of vaccinations, the Austrian economy saw a large rebound reflected in the growth of GDP (+5.4% in 2021), compared to a decrease in 2020, also thanks to the increase in private consumption and the substantial rise in investments.
The Austrian insurance market, in line with previous years, increased by 3.3%. Life premiums were up slightly (+0.6%), penalized by low interest rates, while Non-Life premiums posted +4.7% sustained by growth in the non-motor line and accidents. Health insurance premiums also increased (+3.7%).
With regard to the financial market, the ten-year bond rate in Austria showed a variation from -0.5% to -0.11%.

After a sharp fall in GDP in 2020, the growth of the Czech Republic regained vitality in 2021 (+3.6%) although it was slowed down by one of the highest rates of Covid-19 infection in the OECD area, and the slower pace of the vaccination campaign. The rise in inflation in 2021 (+6.5%) caused by the increase in the price of essential goods, should slow down, albeit remaining high in 2022. The ten-year bond rate rose from 1.5% at year-end 2020 to 3.0% in 2021.

The Life insurance segment closed 2021 up by 1.7%, despite the fall in single premium policies (-8.8%). The P&C insurance rose by 5.8%, thanks to the significant contribution of motor and property insurance.

NFS

In the ACEER region, the Group continued with its engagement activities to promote the fair transition of coal companies operating in countries that are heavily dependent on this fuel. In 2021, exposure in the coal sector was further reduced

A continuous commitment to sustainability, p. 61

Generali Česká pojišt'ovna (CZ) is the company that has most contributed to the growth of insurance products with a high social value in the Life segment, thanks to the growing demand of young households. As regards P&C, premiums originating from products with a high environmental value are rising. Generali Polska (PL) stood out for its range in the agricultural sector, to protect crops from the effects of climate change. In Austria, the Czech Republic and Hungary, an awareness campaign was launched with SMEs to promote a culture of sustainability, thanks to the driving force of the SME EnterPRIZE Group project.
In Austria, Generali Versicherung AG strengthened its partnerships with start-ups, whose mission is to promote sustainability culture at corporate level in an innovative way.
In the sports sphere and to promote a healthy lifestyle, sponsorships of sports events with low environmental impact continued. Generali Biztosító (HU) funded the Budapest marathon, in which athletes were not allowed to use plastic.
There is an increasing commitment to build a model with a low environmental impact in operational terms, by reducing $CO_2$ emissions, promoting digital solutions and the use of clean energy.

In the ACEER region, the Group showed strong business resilience in the face of the pandemic in both Life and P&C, confirming its ambition to become a Lifetime Partner to its customers and distributors through a series of initiatives launched in the region to respond to the emergency.
More specifically, it sought to meet customers' needs by guaranteeing the utmost flexibility in premium terms and payment methods, and in claims notification and management procedures (for example by implementing remote channels). With the aim of increasing its solidarity with its customers, specific coverage and products to cover Covid-19 risk were launched in seven countries of the region. In Serbia, the coverage for pandemic risk was integrated in policies that were already in the portfolio, while in Slovenia, Poland and Austria, tele-medicine services were launched as well as other added-value services related to the health emergency.
With regard to its agents and distributors in the region, the Group demonstrated its solidarity with the network, by setting up initiatives designed to provide financial support through advances on commissions and premium deposits, and renegotiating sales targets, with a view to simplifying the achievement of financial targets and the associated bonuses. The sales network was provided with suitable tools for remote use and internal operating processes were simplified and optimised; such as, for example, the automatic conclusion of the policy when the payment of the premium is received, and remote customer identification, in line with local laws.
In the region, Generali showed a high level of solidarity with its employees to help them handle the pandemic emergency, by setting up various initiatives to create times when employees could meet to keep up their spirit of belonging to a Group and to provide prompt updates on developments of the health emergency.
The emergency related to the pandemic was also the reason why the digital transformation of its existing processes in the region was accelerated, enabling the foundations to be laid for further and solid future growth.

Insurance companies in the Austria, CEE & Russia region are active in providing help to the community. The Human Safety Net initiatives are operational in eleven countries in the region - Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia and Montenegro. Three of these countries - Austria, Croatia and Serbia - were awarded with the scale up impact grant, which demonstrates the rigorous selection process, the strength of local partnerships and the potential to have a greater impact when working within a global strategy. The Human Safety Net programme in the ACEER seeks to create equal opportunities for children that come from disadvantaged environments. Furthermore, the programme seeks to save new-borns from the potential fatal consequences linked to asphyxia and commits to providing the best assistance possible to babies born prematurely. In 2020 and 2021, at the time of the pandemic, all the NGO partners were helped, by raising funds and volunteer work.

## LIFE SEGMENT

**LIFE PREMIUMS**

€ 2,325 mln **+4.4%**

**Life OR**

€ 251 mln **-12.9%**

**PVNBP**

€ 2,305 mln **+10.6%**

**NBV**

€ 157 mln **+7.9%**

The growth of Life premiums was sustained, in line with Group strategy, by the good performance of capital-light products. The protection product line posted significant growth (+9.5%, mostly recurring premium policies), followed by the good contribution of unit-linked lines (+6.5%, resulting from single premium policies). The fall in savings and pension premiums continued (-4.7%), mainly attributable to the recurring premium component.
The highest increases in volumes were posted by Poland (+12.4%, linked to Protection lines), Austria (+3.6%, thanks to higher linked and health insurance covers), Hungary (+9.7% driven by UL products) and Slovakia (+7.8% thanks to health products), Romania and Croatia. Volumes in the Czech Republic were down slightly (-1.3%, due to the continual decrease of new savings and pension product business) and Slovenia (-2.1% due to the decrease of unit-linked lines).

New business in terms of present value of new business premiums (PVNBP) rose by 10.6%, relating to both future annual premiums (+11.2%) and single premiums (+9.1%).
Business grew both in Austria (+10.1%) and in the whole CEE area (+11.2%), in particular in the Czech Republic (+9.0%), in Poland (+11.0%) and in Hungary (+11.7%).
Thanks to the profitability of risk products, the profit margins of new business (expressed as a percentage of PVNBP) continued to be high (6.79%) despite the slight fall compared to 2020 (-0.17 p.p.): the decrease in the CEE area (-1.11%) was only partly offset by the increase in Austria (+0.53%).
New business value amounted to € 157 million (+7.9%).

## P&C SEGMENT

| P&C PREMIUMS | | P&C OR | | CoR | |
|---|---|---|---|---|---|
| € 4,632 mln | +6.1% | € 622 mln | -0.4% | 84.2% | +0.3 p.p. |

P&C premiums grew by 6.4%, driven by the overall good performance of the main lines of business. The motor business posted an increase of 6.0% thanks to Casco (+7.3%), and RCA lines (+4.6%). This trend was mostly sustained by contributions from Romania (+47.5% - higher volumes of RCA lines linked to favourable market conditions, as well as the introduction of new state incentives), Austria (+2.7% - mostly due to the Retail business), Poland (+6.1% - increase of average premium in Casco lines), Hungary (+9.1% - increase of the average premium of the main businesses), Slovakia (+12.2% - thanks to Retail and Leasing businesses) and Slovenia (+9.0% - high written premiums in Casco lines). Non-motor lines grew by 6.7%, thanks to higher volumes posted mostly by Poland (+18.7% - thanks to agro lines, following higher subsidies, as well as the rise of Businesses lines), Hungary (+12.2% - increase of SME and Home lines), Austria (+2.5% - thanks to Home products), Croatia (+33.3% - rise of Credit lines, as well as the increase resulting from bank partnerships), Slovenia (+6.3% - sustained by assistance and health lines) and the Czech Republic (+2.2%).

The combined ratio was slightly down (+0.3 p.p.) due to higher natural catastrophe claims (+2.7% compared to the previous period) concentrated in particular during the summer, only partly offset by the reduction of the current year loss ratio (-0.7 p.p.), due to the continuing lockdown periods relating to Covid-19 in many areas of the region. Furthermore, the run-off result made a greater contribution (+1.8 p.p.). The expense ratio was substantially stable (+0.2%), benefiting from continuing cost cutting measures.

# International

Spain, Switzerland, Americas and Southern Europe, Asia

| GROSS WRITTEN PREMIUMS | | TOTAL OPERATING RESULT | | NFS OUR PEOPLE | |
|---|---|---|---|---|---|
| € 10,179 mln | +11.8% | € 756 mln | +104.5% | 13,008 | -3.5% |

## Spain

Generali, in Spain since 1834, operates in the country through Generali España, and two bancassurance agreements with Cajamar (Life and P&C), which guarantee the Group exposure to the major Life distribution channel, as well as continuous expansion in P&C.
Generali is one of the main insurance groups in Spain, with a market share reported in the third quarter of 2021 of 3.1% in the Life segment and 4.3% in the P&C segment. The Generali España group offers a wide range of Life and P&C policies dedicated to private individuals and companies, using a multi-channel distribution strategy including not only bank offices, but also a network of agents and brokers, which is among the most extensive in Spain. All in all, the Group ranks eighth in the Spanish insurance market in terms of total premiums (sixth place in the P&C market).

The Spanish economy is recovering, posting a 5.2% increase in GDP in 2021, thanks to the positive change in pandemic indicators.

With regard to the insurance market, the Life segment, significantly impacted in 2020 by the pandemic crisis (-21%), resumed growth (+7.9%), led by the demand for unit-linked policies (+22.1%); traditional policies were also up (+3.4%) which, sold together with mortgage loans, benefited from the recovery of the property market. P&C premiums also increased, sustained by property lines (+4.7%), which benefited from the recovery of the property market, and by the health lines (+5%). Credit, suretyship and pecuniary loss lines also posted high growth. The increase in profitability observed in 2020 led to higher pressure on prices, resulting in a slight downturn of the motor line (-1.2%).
With regard to the financial markets, the IBEX 35 posted a total return of 7.9% in 2021. Spain's ten-year bond rate rose by 52 bps, from 0.04% at the end of 2020 to 0.56% at the end of 2021.

NFS

During 2021, numerous social, environmental and workplace initiatives were launched with a view to mitigating the impact of Covid-19 on the community:
- social initiatives: The Human Safety Net España Generali Foundation was established to support families at risk of poverty, and Vitality was launched to promote good lifestyle habits for customers. In addition, EnterPRIZE awards were organised, dedicated to SMEs that stood out in terms of sustainability in the field of environmental protection, social action and labour;
- environmental initiatives: in terms of energy consumption, 100% of electric power originating from renewable sources is used, and digitalisation processes were promoted, with a view to reducing paper consumption. Furthermore, policies were adopted to prevent that the underwriting process benefits companies that extract coal and fossil fuels, and to promote the sale of green and social products;
- labour initiatives: the smart-working policy was consolidated (2.5 days per week), which promotes a healthy work-life balance, and makes a positive contribution to reducing the emissions of urban commuting. Lastly, inclusion policies were adopted to increase the number of women in management positions and to reduce the gender gap, as well as to promote the visibility of the LGBTI+ community.

Life premiums rose by 3.3% compared to 2020, reflecting the increase in both protection products (+5.0%), led by the significant improvement of Cajamar Vida, and in unit-linked products (+39.9%), in line with the Group's strategy to redirect the business mix towards capital-light products. Instead, premiums relating to savings and pension policies fell (-8.6%), reflecting the above-cited strategic decision.
New business in terms of PVNBP was up by 7.8%, both in single premium products (+7.9%) and in annual premium products (+7.7%).
The increase was driven by both the unit-linked business (+43.4%, thanks to the good contribution of products without guarantee and index-linked ones), and by the protection business (+4.4%), while savings and pension products remained stable.
The new business margin (expressed as a percentage of PVNBP) was substantially unchanged (+0.06%), confirming its excellent levels (17.41%), thanks to the high profitability of the protection business.
New business value amounted to € 127 million, up (+8.2%) compared to 2020.
In the P&C segment, premiums rose by 3.6%, thanks to the increase of the non-motor line (+6.4%), mainly due to the increase of the portfolio in the multi-risk, health and funeral costs lines, which more than offset the decrease of the motor line (-0.9%).
The combined ratio stood at 93.2%: the slight decrease compared to the previous year (-0.1 pp) reflects the reduction of the expense ratio (-1.4%), partly offset by the higher loss ratio (+1.2%), due to the greater impact of large man-made claims.

## Switzerland

The Generali Group has been operating in Switzerland since 1987, where it has been able to consolidate its position through the acquisition and merger of several insurance companies. In line with the strategy defined by the Group, Generali focuses on the retail business and provides high quality and innovative services through various distribution channels: agents, brokers, financial promoters and direct channels.
Generali ranked as the market leader in terms of premium income in the individual unit-linked Life segment with a 33% market share, and was eighth in the P&C segment with a 4.3% market share. Generali does not operate in the Collective Life policies segment.

In Switzerland, GDP in 2021 showed a recovery and returned to pre-pandemic levels. The Swiss National Bank, in its baseline scenario, envisages a growth of GDP of approximately 3.5% in 2021 and of approximately 3% in 2022. As regards the insurance market, 2021 was significantly affected by natural catastrophe claims, which had a substantial impact on P&C results. According to the Swiss Insurance Association (SIA), the loss in the P&C market in 2021 could be the largest since 2005.
In the Life segment, despite the impact of the pandemic, the demand for individual pension products rose. Both the insurance and the banking sectors increased thanks to new business. In particular, the individual pension market is growing at a rate of 4% per year.
With regard to the financial markets, the SMI closed the year up, with a total return of 23.7%. The return on the ten-year Swiss bond rose, increasing from -0.57% at the end of 2020 to -0.11% at the end of 2021.

Generali continued with the process, which began in 2020, to speed up the establishment of reserves linked to guaranteed products in the Life segment, reflecting more conservative long-term financial assumptions.

In 2021, Generali launched Tomorrow Invest in Switzerland (an ESG fund in collaboration with Sustaynalitics), integrated in unit-linked products for retail customers. For the Next Generation customer segment, Generali has implemented a new added-value service, called Smart Savings, related to the digital end-to-end individual pension solution (Digital 3a). Smart Savings is a micro-saving approach, which is directly connected to credit cards and uses the rounded-off amount of each payment to invest in Digital 3a.

Thanks to The Human Safety Net Switzerland, founded in 2019, General Switzerland participates in the global aspiration of THSN to create a movement of people who help others. More specifically, THSN Switzerland is a partner of the Marie Meierhofer Institut (MMI) and of Capacity Zurich, with the aim of supporting their Families and Refugees programmes. In 2021, Generali Switzerland provided more active assistance to refugee entrepreneurs through start-up financing and the transfer of know-how.

Life premiums fell 0.7% following the slowdown in premium income from savings and pension products.
New business in terms of PVNBP stood at € 655 million, up 3.1% driven mainly by the increase in single premiums (+21.8%), while the present value of future annual premiums was fairly stable (+1.7%).
The increase was sustained by the unit-linked business (+4.3%), which represents the dominant part of the business, while a contraction in protection (-3.5%) and saving products (-2.6%) was observed.
Overall, the new business margin (expressed as a percentage of PVNBP) posted a slight fall (from 6.75% in 2020 to 6.43% in 2021), mainly due to a less favourable business mix in the unit-linked line.
New business value amounted to € 42 million (-1.7%).
P&C premiums fell by 2.5%, mainly due to the strategic decision to abandon products in the accident & health and fleet lines that are not very profitable; the remaining P&C segments were substantially stable.
The combined ratio stood at 92.4% (+0.9 p.p.), mainly due to the impact of the storms at the beginning of the summer, only partly offset by lower distribution costs.

## Americas and Southern Europe

Argentina, where Generali is ranked as the fourth largest operator in terms of premiums, is the main South American market for the Group and is characterised by a historically high rate of inflation and by high volatility. The country's macroeconomic situation was hard hit by the second wave of the pandemic in 2021.
In this context, the Group implemented best practices, investing in IT projects based on business needs, which enabled the Argentinian company to stand out in terms of service quality and innovation. The company Caja is the third largest player in the market in terms of premiums, excluding the lines of business in which it does not operate (Workers Compensation and Annuities). The impact of the pandemic on the business was mitigated by implementing more actions focused on customer assistance and loyalty. The branch and channel strategy was adapted to new consumer behaviour.
Generali also operates in Brazil, one of the worst hit countries by Covid-19, where the Life insurance market was significantly impacted by high levels of mortality and claims. Nevertheless, the segment benefited from a considerable increase in revenues, thanks to the higher demand for Life protection products.
In Chile, Generali operates through AFP PlanVital, which manages pension and savings funds for people in Chile. PlanVital has 1.8 million active customers and total assets under management of around € 5.3 billion. In addition to managing compulsory pension contributions, PlanVital sells voluntary savings products (mainly through direct channels), providing financial advice for both savings and pension purposes.

In Southern Europe, the Group has operated in Greece since 1886 through Generali Hellas Single Member Insurance Company S.A (Generali Hellas). In accordance with the Generali 2021 three-year strategic plan, with a view to strengthening its position in Europe, at the end of 2020, the Generali Group announced the acquisition of AXA Hellas Insurance SA, belonging to the AXA Group, also negotiating an exclusive bancassurance agreement with Alpha Bank for a period of 20 years. The acquisition transaction was finalised at the end of May 2021, after having obtained all of the required regulatory approvals, renaming AXA Hellas Insurance SA as Generali Hellas I. Following the necessary approvals from the local authorities, the legal merger between Generali Hellas and Generali Hellas I was completed at the end of 2021, and Generali Hellas became the only company in Greece. The integration procedures will be accelerated in the first few months of 2022 with the transfer to the new head office acquired.
The Generali Group has been present in Portugal since 1942, where it operates through Generali Seguros, S.A., a company established from the merger of the former Generali Vida Companhia de Seguros, SA (which operated in the Life segment), the former Generali Companhia de Seguros, SA (active in the P&C segment) and the former Seguradoras Unidas, SA. In January 2020, the Generali Group acquired 100% of Seguradoras Unidas and AdvanceCare, from entities whose majority shareholdings have been held by investment funds belonging to Apollo Global Management.

The merger led to the creation of Generali Seguros, S.A. and enabled Generali to rapidly proceed with the integration and the development of growth plans for the country.
Generali Seguros, S.A. is the second largest operator in the P&C market in Portugal, with a share of around 19.0% in the P&C segment and 1% in the Life segment, offering a wide range of policies addressed to individuals and businesses, sold mainly under the brand name Tranquilidade, and adopting a multi-channel distribution strategy, which can count on a solid network of agents (around 70% of total premiums issued), brokers and a direct channel, through the Logo brand.

Life premiums showed a growth of 17.8%, thanks to the positive performance of Argentina, Brazil and Greece, which offset the fall reported by Portugal. The new company acquired in Greece contributed € 28 million in premiums to the country's overall volumes.
New business in terms of PVNBP was up (+15.4%) with a new business margin (expressed as a percentage of PVNBP) that came to 8.86%.
New business value amounted to € 31 million.
P&C premiums were up by 16.9%, mostly thanks to Argentina (+51.4%), mainly due to the introduction of more competitive tariffs, which enabled it to increase its premium volume, despite the crisis generated by Covid-19, as well as thanks to Portugal (+7.1%). Lastly, the new company in Greece increased the country's P&C premiums by € 55 million.
The region's combined ratio improved slightly (96.2%; -0.6 p.p.) compared to the previous year, mainly thanks to the favourable trend of the CoR in Portugal, which benefited from the fall in claims frequency due to the lockdown. This development offset the deterioration recorded in Argentina following the initial recovery of frequency post-Covid and higher inflation.

## Asia

Generali is one of the key European insurers in the Asian market, and currently operates in eight territories. The predominant segment is Life, with premium income mostly concentrated in the savings, pension and protection lines. Generali offers its products in the entire region adopting a distribution strategy that includes agents, brokers, digital channels and agreements with banking groups. Generali operates in China with Generali China Life, in partnership with China National Petroleum Corporation (CNPC), which is one of the largest Chinese state-owned companies as well as one of the major energy groups in the world. Generali has a joint venture agreement with CNPC for the P&C products offer as well. Owing to its prominent presence in the Chinese market, Generali China Life is the leading contributor to the turnover and operating result of the entire region.
Generali operates as Life insurer also in India, the Philippines, Indonesia, Thailand and Vietnam, and as P&C insurer in Thailand, Hong Kong, India and Malaysia.
The companies China P&C, India Life, India P&C and in Malaysia are not fully consolidated since a non-controlling interest is held.
Generali has been operating in the Hong Kong market, where it coordinates the activities of the whole region, since 1980, offering both Life and P&C products.
In 2021, Generali signed an agreement in Malaysia to acquire a majority share in a joint venture with AXA Affin and envisages acquiring 100% of MPI Generali. The transaction, which is still subject to the approval of the Regulator, would position Generali as one of the key insurers in the Malaysian market, creating the second largest P&C insurer by market share and entering the country's Life insurance segment.
In the past few months, Generali signed an agreement to become the majority shareholder of Future Generali India Insurance Company Limited and Future Generali India Life Insurance Company Limited. The transaction is in line with Generali's "Lifetime Partner 24: Driving Growth" strategy to strengthen its presence in fast-growing markets. Both transactions are subject to the approval of the competent regulatory authorities.

NFS

In India, which was hard hit in 2021 by the pandemic, Generali has actively supported its employees and the local community by donating supplies of oxygen and lung ventilators.

Life premiums rose by 23.0%, particularly thanks to the growth posted in China and Thailand.
New production in terms of PVNBP was up (+20.5%), with a good increase both in current value of future annual premiums (+14.8%) and in single premiums (+35.2%).
Significant growth was reported in China (+20.8%, driven by savings and pension products), in Vietnam (+25.8%, thanks to unit-linked products) and in Thailand (+23.3%, mainly thanks to the protection products business).
The new business margin (expressed as a percentage of PVNBP) posted a good increase (from 5.77% in 2020 to 6.24% in 2021), driven by the good contribution of China and Thailand (sustained by the high margins of protection products).
The value of new business amounted to € 166 million, up by 28.9%.
In the P&C segment, premiums showed an increase of 16.1%, despite the negative effects of the Covid-19 crisis.
Thanks to the positive performance of Hong Kong, which led to a positive result for the combined ratio of the entire Region, falling from 100.0% in 2020 to 99.2% in 2021.

# Asset & Wealth Management

| TOTAL OPERATING RESULT | | Cost/Income ratio* | NFS OUR PEOPLE | |
|---|---|---|---|---|
| € 1,008 mln | +22.8% | 45% | 2,284 | +3.7% |

* calculated as the incidence of operating costs on operating revenues

In continuity with the Group strategy announced in 2018 and following the reorganisation announced at the beginning of 2021, the Asset & Wealth Management business unit is the Group's main managerial entity operating in the area of asset management and financial planning. In a continuously evolving market in which specialisation, efficiency and innovation are key elements in order to compete, Generali intends to become a benchmark in the asset management market not only for the insurance companies of the Generali Group, but also for external customers. The pursuit of this objective, which characterised the period of 2019-2021, was mainly achieved through different courses of action:
- cross-selling opportunities, promoting the growth of a capital-light business, such as the services of LDI (Liability Driven Investments), which offer institutional customers the expertise developed in insurance investment management;
- the expansion of the multi-boutique platform in order to diversify the range of products and services to all customers. Multi-boutiques are companies acquired on the market or created in partnership with operators with acknowledged investment skills in highly specialised asset classes, both in traditional asset classes and alternative ones.

The boutiques operating in the Asset & Wealth Management business unit are:
- Generali Global Infrastructure (GGI), a partnership created with the aim of investing in infrastructure debt with a diversified portfolio, both in terms of geography and sector;
- Aperture Investors, an innovative asset management company based on a revenue model that is radically different from that present on the market;
- Lumyna, a leading company in developing alternative UCITS (Undertakings for the Collective Investment of Transferable Securities) strategies, with an important international clientele that positively contributes to Generali's offer and distribution;
- Sycomore Factory SAS, a benchmark in ESG/SRI investment solutions in France;
- Axis Retail Partners, advisory boutique active in real estate, focused on shopping centre investments;
- Plenisfer Investments SGR, which offers an innovative and integrated approach for a wide range of asset classes.

The business unit operates in the two areas indicated by their names:
- Asset Management, addressed to both insurance customers and external customers;
- Wealth Management, which seeks to protect the entire family wealth of the Private and Affluent customer segments through the network of Banca Generali advisors.

www.generali.com/who-we-are/global-positioning/investments-asset-and-wealth-management for more information on the breakdown of the segment

NFS

Over the past year, the Asset & Wealth Management business unit continued, with an integrated approach, on its path to the full application of ESG principles in its processes. This implied growing attention to sustainability issues in the activities of the product factories of the business unit, with the launch of new funds dedicated to environmental sustainability and social impact.
The whole Asset Management value chain was fine-tuned, with a view to clearly reflecting ESG principles in it, from sector and fundamentals research to the selection of securities, from the design of new products to the construction of portfolios. This development was promoted and accelerated by internal training programmes for our employees on sustainability and regulation topics, and by synergies with Sycomore, the asset manager with a strong ESG identity, in which the Group acquired a majority share in 2018.
Special attention was paid to continuously developing models and tools to assess and manage the climate impact generated and suffered by our portfolios. Generali Insurance Asset Management (GIAM) assists the its customers in structuring and managing products that incorporate ESG features on the basis of its own expertise.
Generali Investments Partners (GIP) is the main distribution centre, a multi-channel leader, a multi-customer entity and the relationship manager for the range offered by all companies that are encompassed in the boutique perimeter. The company, with high ESG ambitions, has its own investment expertise and specialises in the management of bond portfolios, thematic, multi-asset/balanced stocks and alternative asset classes.
At the end of 2021, 7 funds managed by GIP obtained an SRI label with the intention of reviewing the remaining funds under management to offer customers a high quality service as regards ESG strategies.
In the Wealth Management segment, Banca Generali has significantly boosted its ESG range, with 6.5 billion assets invested in ESG products related to the SDGs of the UN.

NFS

Banca Generali's ESG value proposition benefited from a strong ESG commitment, represented both by the governance dimension, and through extensive training courses focused on sustainability issues and dedicated to its network of financial advisors and by a range of products that is increasingly based on sustainability principles and developments, as well as adapted and aligned to the new European regulation, known as SFDR. In this regard, Banca Generali has also announced ambitious targets for the next three years, stating that it intends to reach a percentage of 40% in ESG products with respect to total products managed.

The operating result of the Asset & Wealth Management business unit, also including the AM result of CEE countries, grew by 22.4%, rising from € 853 million in 2020 to € 1,044 million in 2021.
This increase was mainly driven by Banca Generali's Wealth Management, which increased its operating result by 14.6%, rising from € 353 million in 2020 to € 405 million in 2021, and by Asset Management, which increased its operating result by 22.9%, rising from € 546 million in 2020 to € 672 million in 2021.

# Group's Holding and other companies

Group's holdings and other companies, includes the Parent Company's management and coordination activities, including Group reinsurance, Cattolica Group, Europ Assistance, Global Corporate & Commercial, Generali Employee Benefits as well as other financial holding companies and international service providers not included in the previous geographic areas.

## Cattolica group

The Cattolica group is one of the key players in the Italian insurance market. With around 3.5 million customers, who rely on its insurance solutions and distributed products, the group has 1,326 agencies throughout Italy, in both large and small communities, and a network of 1,826 agents.
Cattolica has a multi-channel and multi-product, integrated and dynamic business model, ready to incorporate, and if possible anticipate developments in the insurance market, current social and demographic trends, the demand for increasingly evolved services and the appearance of new distribution channels. The Group's activities break down into three business areas: P&C, Life and Other.
The Parent Company, Cattolica Assicurazioni directly or indirectly controls seven insurance companies operating in both the Life and the P&C segments (BCC Assicurazioni S.p.A., BCC Vita S.p.A., TUA Assicurazioni S.p.A., Vera Assicurazioni S.p.A., Vera Protezione S.p.A., Vera Financial DAC and Vera Vita S.p.A.) and a reinsurance company (CattRE S.A.). In addition to these, through the Other business line, it has ten subsidiaries, one of which is a holding company (Satec Holding S.r.l.), two companies in the agricultural-property sector (Cattolica Agricola S.a.r.l. and Cattolica Beni Immobili S.r.l.), a property services company (Cattolica Immobiliare S.p.A.), two operating services companies (Cattolica Services S.C.p.A. and Meteotec S.r.l.) and four insurance brokerage and reinsurance companies (All Risks Solutions S.r.l., Mediterranea Underwriting S.r.l., Qubo S.r.l. and Satec S.r.l.). It also has four associated companies (Aladdin S.r.l., Ima Italia Assistance S.p.A., Ima Servizi S.C.a r.l. and H-FARM S.p.A.).

## Europ Assistance (EA)

Established in 1963, EA, which falls within the scope of responsibility of the Country Manager France & Europ Assistance, is one of the leading global brands in the field of private assistance, with a presence in over 200 countries thanks to its assistance centres and its network of partner suppliers. EA offers insurance coverage and assistance in the travel sector, the automotive area with road-side assistance, and personalised coverage for assisting the elderly, cyber-security, and medical and concierge services.
In 2021, the EA Group's turnover stood at € 1.96 billion, posting an increase of around 24% compared to the previous year, which had suffered a significant downturn due to the pandemic. The travel insurance segment, one of the main drivers of EA's growth in recent years, and which was particularly impacted by the restrictions to mobility introduced to limit the spread of Covid-19, reported a good recovery thanks to the development of new targeted commercial proposals to cover the new requirements of customers, with a strong focus on domestic holidays and on short-term rentals.
In a difficult international context in which the recovery of business volumes continues to be partially limited by restrictions in place in numerous countries, in 2021, EA achieved results that were in line with the pre-pandemic situation, thanks to a steady focus on containing costs and benefiting from its diversification, both in terms of business and geography. In this regard, Europ Assistance continues to pursue a growth strategy focused on strengthening its leadership position in the travel sector, at the same time expanding and diversifying its range of motor and personal assistance products. To achieve this objective, in addition to organic growth, in recent years, the Europ Assistance group has embarked on an external expansion policy, making a series of acquisitions in various business sectors. Following the acquisitions made in previous years, in 2021, EA further extended its scope by acquiring GDE and Segman, two Spanish companies operating in the home services sector. Furthermore, EA has extended its geographic coverage by opening new offices in Eastern Europe (Slovenia) and in Asia (Thailand and Malaysia), with a view to supporting the development of Generali's strategy in these areas.

Loyal to its mission of helping people in difficulty and its spirit as a caring company, EA actively contributed with numerous initiatives to addressing the Covid-19 emergency in 2021 as well, in particular by providing support in numerous countries during the vaccination campaigns, making its medical assistance network available to the national healthcare system.
With regard to its organisation, EA confirmed the extension of all measures undertaken to safeguard the health of its people and to continue to serve its customers. Furthermore, in many countries, EA implemented a new hybrid way of working, combining office and smart-working, in order to guarantee a healthy work-life balance. To promote the development of this new working model, projects to upgrade the offices were undertaken, to create spaces that facilitated sharing and socialising.

## Generali Global Business Lines (GBL)

**GROSS WRITTEN PREMIUMS GBL**

€ 4,069 mln **+6.7%**

Generali Global Business Lines (GBL), which fall within the scope of responsibility of the Country Manager & CEO of Generali Country Italia and Global Business Lines, support companies of global reach with a complete insurance offer. The GBLs include two units: Generali Global Corporate & Commercial and Generali Employees Benefits, which offer medium to large companies flexible and smart insurance services and solutions in the Life and P&C segments, health protection and pension plans for local and global employees of multinational companies.

### Global Corporate and Commercial (GC&C)

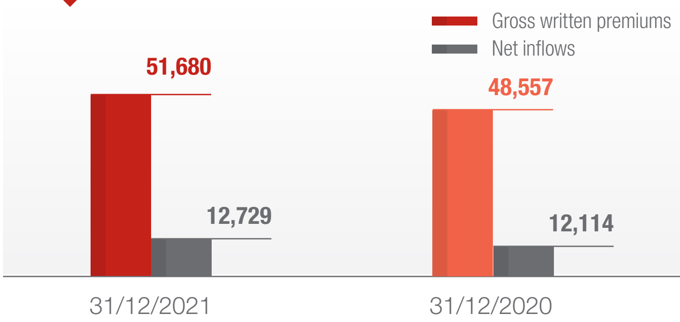
GC&C provides insurance solutions and P&C services to medium-large companies and intermediaries in over 160 countries worldwide. Backed by its solid global experience and knowledge of the local markets and of the corporate sector, integrated solutions that can be personalised in properties, casualty, engineering, marine, aviation, cyber and speciality risks are provided. Furthermore, GC&C guarantees companies the same level of assistance and protects everywhere in the world through its Multinational Programs, Claims and Loss Prevention experts. GC&C's total premium volumes were € 2.5 billion in 2021.
The year's performance was positive, although it was influenced by several large natural catastrophe claims in the property business. From a technical perspective, in 2021 GC&C continued to pursue a policy to develop Multinational Programs, Parametric Products, Cyber risk and Financial Lines, focusing on and balancing the portfolio globally in the medium-large companies segment, in a market characterized by a hardening phase.

### Generali Employee Benefits (GEB) Network

An integrated network based on a global platform of services that protect and improve the well-being of employees throughout the world. We are the Generali Group's business line, a leading provider of global solutions for employee benefits and insurance services, designed for local and seconded employees of multinational companies and comprised by life protection (health, accident and disability), emotional support (e.g. prevention of mental health problems) and financial protection (life and pension). Driven by innovation, by people and by know-how, we are built on an ecosystem of partnerships to provide customers with support on their ESG, Environmental, Social and Governance path. Our global presence in 126 countries, with the support of 138 local network partners, enables us to provide competence and support to 47 captive clients and to 330 coordinated multinational programmes, with a volume of premiums of € 1.6 billion.
The GEB network is an entity of partnerships based on reinsurance, which operates through 12 offices worldwide - that cover the APAC, EMEA and Americas regions - coordinated centrally by its head office in Luxembourg.

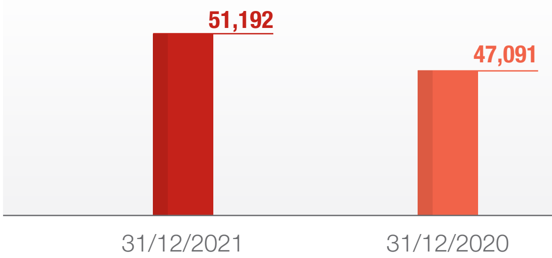
# LIFE SEGMENT[35]

## GROSS WRITTEN PREMIUMS AND NET INFLOWS (€ mln)



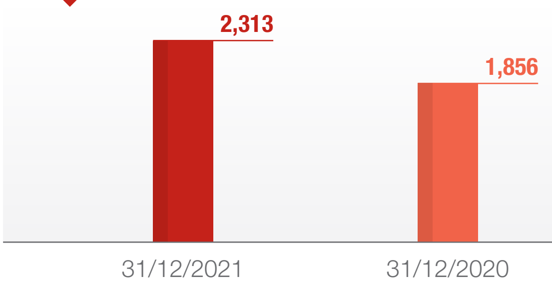

Life net inflows rose to € 12.7 billion (+4.4%), entirely focused on the unit-linked and protection lines. Premiums increased to € 51.7 billion (+6.0%).

## PVNBP (€ mln)



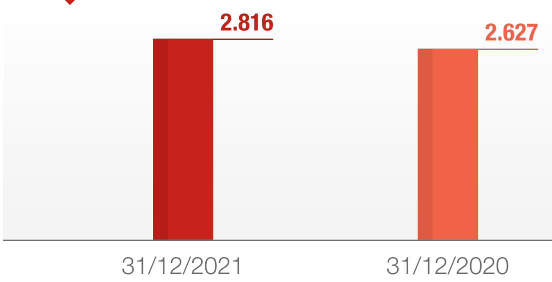

PVNBP grew by 8.6%, with new business margin at 4.52%.

## NBV (€ mln)




New business increased by 24.2%.

## OPERATING RESULT (€ mln)




The operating result was € 2,816 million (+7.2%) thanks to an improvement of both the technical margin, net of insurance expenses, and the net investment result.

35. The present value of new business premiums (PVNBP) and new business value (NBV) didn't include the Cattolica group in 2021.

# Performance of the Life segment

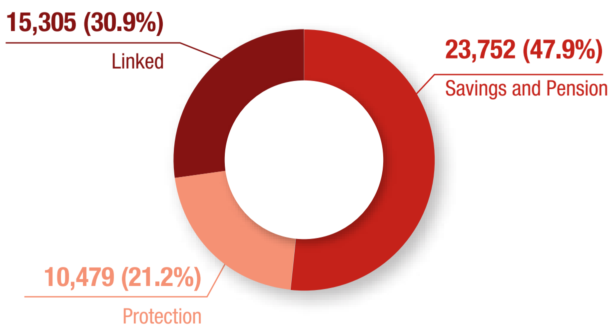
## Premiums and new business development

Life premiums increased to € 51,680 million (+6.0%). The increase would have been 9.5%, excluding non-recurring premiums from a Life collective pension fund for approximately € 1.5 billion written in Italy in 2020.
On the business line level, there was widespread growth in unit-linked premiums, primarily driven by France (+54.1%) and, to a lesser extent, Germany (+9.8%) and Italy (+5.9%). Excluding the cited single premiums from the same period of comparison, the Group's unit-linked policies would have increased by 36.1% and those in Italy by 51.7%. The unit-linked line also grew significantly in Spain (+39.9%) and Asia (+38.8%).

The protection line (+ 6.0%) confirmed the good performance observed during 2021, with consistent growth across the countries where the Group operates, in particular driven by Asia (+25.5%), Italy (+20.2%), ACEER (+9.5%) and France (+4.7%).
In line with the Group's portfolio repositioning strategy, the savings and pension line slightly decreased (-0.4%) as a result of the drop in volumes in Italy (-9.4%), partly offset by the performance in France (+25.8%), Asia (+20.7%) and Germany (+5.2%). Spain (-8.6%) and ACEER (-4.7%) also decreased, albeit to a lesser extend in terms of volumes.

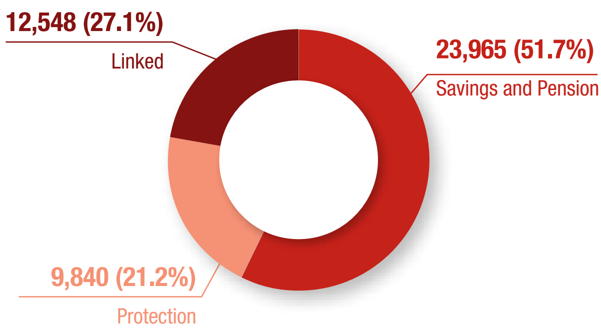
**Gross direct premiums by line of business at 31 December 2021**

€ mln




**Gross direct premiums by line of business at 31 December 2020**

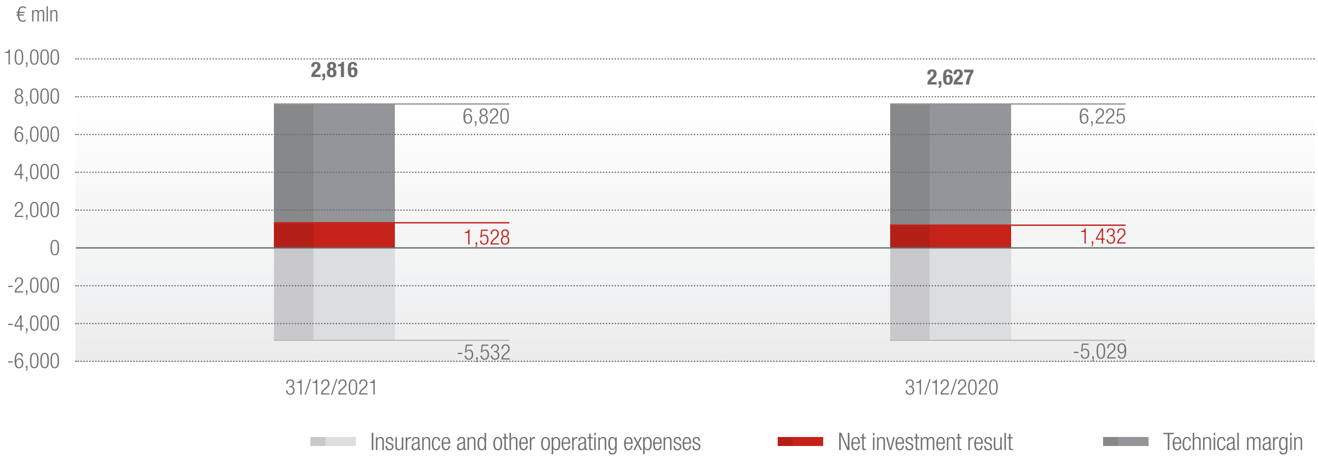
€ mln




Life net inflows - premiums collected, net of claims and surrenders - stood at € 12,729 million, up by 4.4% on equivalent terms (+19.4%, excluding the cited pension fund).
The development was mainly thanks to significant growth in France, driven by higher single premiums, in particular in the unit-linked line. This trend offset the decrease in Italy due to the strong fall in the savings and pension line as a result of lower premiums and higher surrenders, whereas the unit-linked line increased. ACEER, in particular Austria, and Asia, driven by growth in premiums in China, also positively contributed.
In terms of business mix, net inflows were entirely focused on the unit-linked and protection lines. Indeed, the savings and pension line was negative due to the decrease mainly posted in Italy as a result of lower premiums and higher surrenders, in line with the Group's portfolio repositioning strategy.
The unit-linked line significantly grew (+22.7%), driven by France (+62.8%) but also supported by the good development in ACEER and Italy. Neutralizing the non-recurring effect on the same period of comparison, the Group's unit-linked net inflows would have increased by 55.6% and that in Italy almost doubled.
The savings and pension line also grew (+11.9%); net inflows, in particular driven by France, showed an increase throughout the Group's areas of operation.

New business (expressed in terms of present value of new business premiums - PVNBP) amounted to € 51,192 million, showing an increase by 8.6% (+15.0%, excluding the cited pension fund).
Growth was good in almost all the main geographical areas, except for Italy (-6.8%) where the unit-linked business had benefitted from the pension fund in 2020. New business production was excellent in France (+32.9%) and Germany (+14.6%), mainly thanks to the significant contribution from hybrid products, with a higher weight of the unit-linked component. New business of hybrid products was good in Italy, partly offset by the strategic reduction in traditional savings products. Also protection products continued to grow in all of the Group's main countries, especially in Germany.
New business margin on PVNBP stood at 4.52%, increasing by 0.57 p.p. compared to 2020 thanks to the rebalancing of the business mix towards the most profitable unit-linked component and the continuous improvement in the features of new products. The further improvement of protection profitability was mainly attributable to the higher weight of more profitable Italian products.
The total New Business Value (NBV) stood at € 2,313 million, a marked increase compared to 2020 (+24.2%; € 1,856 million at 31 December 2020).

# Operating result




Life operating result increased by 7.2% to € 2,816 million (€ 2,627 million at 31 December 2020). Both the technical margin, net of insurance operating expenses, and the net investment result improved. In 2020, the latter had been impacted by the negative performance of financial markets and the provisions for guarantees to policyholders in Switzerland.
The operating return on investments[36], calculated on the highest value of investments following market performance, stood at 0.63% (0.63% at 31 December 2020).

## Technical margin

### Life segment operating result: technical margin

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Technical margin** | **6,820** | **6,255** | **9.6%** |
| Loadings | 3,509 | 3,487 | 0.7% |
| Technical result and other components | 1,566 | 1,318 | 18.9% |
| Unit/index-linked fees | 1,744 | 1,420 | 22.8% |

The technical margin[37] amounted to € 6,820 million (+9.6%), reflecting a more favourable business mix leaning towards unit-linked and protection products.
This margin did not include the insurance operating expenses, which were reported under the item Insurance and other operating expenses.
The technical margin was estimated[38] to be impacted by € -119 million as a result of the Covid-19 pandemic (€ -63 million at 31 December 2020), in particular due to higher claims in the protection line, mainly in the Parent Company, France, Americas and Southern Europe.

36. Please refer to Glossary for details on the calculation of this indicator.
37. Please refer to the chapter *Methodological notes on alternative performance measures* for details on the calculation of this indicator
38. In line with 2020 and 9M2021 disclosure, impacts of the Covid-19 pandemic on the Group's results, relating to the segments in which the Group operates as a whole, were calculated taking into consideration:
- direct effects resulting from Covid-19, relating for example to higher claims due to the pandemic itself and to other local initiatives to support the communities affected by Covid-19;
- indirect effects for which an estimate process was required to calculate the share of the same attributable to Covid-19. The latter category included the effects relating to the decrease in assets and the lower loss ratio following the lockdown during the year.

# Net investment result

### Life segment operating result: investment result

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Net investment result** | **1,528** | **1,432** | **6.7%** |
| Operating income from investments | 18,324 | 10,842 | 69.0% |
| Net income from investments | 9,458 | 9,348 | 1.2% |
| Current income from investments | 9,196 | 9,070 | 1.4% |
| Net operating realized gains on investments | 1,468 | 1,896 | -22.6% |
| Net operating impairment losses on investments | -159 | -557 | -71.4% |
| Other operating net financial expenses | -1,046 | -1,061 | -1.4% |
| Net income from financial instruments at fair value through profit or loss | 8,866 | 1,495 | n.m. |
| Net income from financial instruments related to unit and index-linked policies | 9,222 | 1,615 | n.m. |
| Net other income from financial instruments at fair value through profit or loss | -357 | -121 | n.m. |
| Policyholders' interests on operating income from own investments | -16,796 | -9,411 | 78.5% |

The net investment result amounted to € 1,528 million, up by 6.7%, on € 1,432 million at 31 December 2020. In particular:

- current income from investments, also including current income from investments at fair value through profit or loss, increased to € 9,196 million (€ 9,070 million at 31 December 2020). Their profitability, calculated based on the book value of the investments, was stable at 2.6%;
- net operating realized gains on investments stood at € 1,468 million (€ 1,896 million at 31 December 2020), due to lower realized gains on bonds, partly offset by lower realized losses on equities;
- net operating impairments on investments went from € -557 million at 31 December 2020 to € -159 million, mainly as a result of lower impairments on equities due to the performance of financial markets in the first half of 2020 following the global spread of the pandemic;
- other operating net financial expenses, including interest expense on liabilities linked to operating activities and investment management expenses, decreased to € -1,046 million (€ -1,061 million at 31 December 2020);
- net income from financial assets and liabilities related to unit- and index-linked policies went from € 1,615 million at 31 December 2020 to € 9,222 million, following the performance of financial markets;
- policyholders' interests on operating income from own investments went from € -9,411 million at 31 December 2020 to € -16,796 million, mainly due to the related increase in income from financial instruments at fair value through profit or loss related to linked policies.

# Insurance and other operating expenses

### Life segment operating result: total insurance and other operating expenses

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Insurance and other operating expenses** | **-5,532** | **-5,029** | **10.0%** |
| Acquisition and administration costs related to insurance business | -5,314 | -4,845 | 9.7% |
| Net other operating expenses | -217 | -184 | 18.3% |

The insurance and other operating expenses increased to € -5,532 million (€ -5,029 million at 31 December 2020).
In particular, insurance operating expenses rose to € -5,314 million (+9.7%). Acquisition costs grew to € -4,365 million (+10.8%), as a result of higher commissions mainly in France due to the increase in costs relating to protection and health line, in Italy, reflecting also the change in the business mix towards higher value products, and in Germany, particularly in the broker channels and DVAG exclusive network to support new business. Administration costs increased to € -949 million (+4.7%).

The ratio of the acquisition and administration costs to premiums stood at 10.6% (10.3% at 31 December 2020), entirely as a result of the increase in the acquisition component. The ratio of the total administration costs related to insurance business to the average technical provisions was stable at 0.24%.
The net other operating expenses[39] rose to € -217 million (€ -184 million at 31 December 2020).

39. This item also included the brand royalties paid by the companies in this segment to the Parent Company for global marketing and branding activities.

# Non-operating result

Life non-operating result went from € -624 million at 31 December 2020 to € -295 million: the non-operating investment result increased to € -35 million (€ -294 million at 31 December 2020, which had been affected by both the impact of the pandemic on financial markets and the € 93 million impairment on goodwill related to the Life business in Switzerland).

Other net non-operating expenses went from € -329 million at 31 December 2020 to € -260 million, mainly due to 2020 expenses, which had been above all for the extraordinary contribution to the national healthcare system in France requested to the insurance sector and for other local initiatives in the main countries of operation aimed at responding to the Covid-19 emergency. Other net non-operating expenses also included € -55 million relating to VOBA (Value Of Business Acquired) amortization (€ -59 million at 31 December 2020).

# Other information on the Life segment

### Life segment operating result and non operating result

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Life segment operating result** | **2,816** | **2,627** | **7.2%** |
| Net premiums | 48,533 | 43,582 | 11.4% |
| Net insurance benefits and claims | -59,244 | -47,291 | 25.3% |
| of which change in the provisions for unit and index-linked policies | -17,622 | -5,175 | n.m. |
| Acquisition and administration costs | -5,306 | -4,837 | 9.7% |
| Acquisition and administration costs related to insurance business | -5,303 | -4,836 | 9.7% |
| Other acquisition and administration costs | -3 | -1 | n.m. |
| Net fee and commission income and net income from financial service activities | 108 | 51 | n.m. |
| Net operating income from financial instruments at fair value through profit or loss | 8,986 | 1,692 | n.m. |
| of which net income from financial assets and liabilities related to unit and index-linked policies | 9,222 | 1,615 | n.m. |
| Net operating income from other financial instruments | 9,338 | 9,151 | 2.0% |
| Interest income and other income | 9,075 | 8,873 | 2.3% |
| Net operating realized gains on other financial instruments and land and buildings (investment properties) | 1,468 | 1,896 | -22.6% |
| Net operating impairment losses on other financial instruments and land and buildings (investment properties) | -159 | -557 | -71.4% |
| Interest expense on liabilities linked to operating activities | -87 | -165 | -47.2% |
| Other expenses from other financial instruments and land and buildings (investment properties) | -959 | -897 | 7.0% |
| Net other operating expenses (*) | 401 | 280 | 42.9% |
| **Life segment non-operating result** | **-295** | **-624** | **-52.7%** |
| Net non-operating income from other financial instruments | -35 | -294 | -88.0% |
| Net non-operating realized gains on other financial instruments and land and buildings (investment properties) | 20 | 12 | 64.7% |
| Net non-operating impairment losses on other financial instruments and land and buildings (investment properties) | -55 | -306 | -82.0% |
| Net other non-operating expenses | -260 | -329 | -21.1% |
| **Life segment earnings before taxes** | **2,520** | **2,003** | **25.8%** |

(*) At 31 December 2021, the amount is net of non-recurring taxes shared with the policyholders in Germany for € -34 million (at 31 December 2020 for € -46 million and for € 15 million operating taxes.

## Life segment indicators by country

| (€ million) | Gross written premiums | | Net inflows | | PVNBP (*) | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Italy | 18,671 | 19,636 | 4,329 | 6,846 | 19,334 | 20,754 |
| France | 12,374 | 9,800 | 2,357 | -90 | 12,588 | 9,472 |
| Germany | 11,034 | 10,638 | 3,528 | 3,446 | 12,454 | 10,867 |
| Austria, CEE & Russia | 2,325 | 2,626 | 340 | 176 | 2,305 | 2,073 |
| International | 5,672 | 4,892 | 1,949 | 1,726 | 4,511 | 3,925 |
| Spain | 693 | 671 | -104 | -124 | 732 | 679 |
| Switzerland | 1,027 | 1,045 | 277 | 315 | 655 | 639 |
| Americas and Southern Europe | 441 | 368 | 25 | 97 | 347 | 313 |
| Asia | 3,511 | 2,808 | 1,751 | 1,439 | 2,660 | 2,154 |
| Group holdings and other companies | 1,602 | 966 | 225 | 10 | - | - |
| **Total** | **51,680** | **48,557** | **12,729** | **12,114** | **51,192** | **47,091** |

(*) PVNBP data are presented on historical basis, they include possible assets under disposal and do not isolate the contribution of companies in Group holdings and other companies.

| (€ million) | Operating result | | NBV (**) | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Italy | 1,282 | 1,371 | 1,065 | 926 |
| France | 651 | 565 | 361 | 196 |
| Germany | 415 | 372 | 362 | 298 |
| Austria, CEE & Russia | 251 | 289 | 157 | 142 |
| International | 415 | 79 | 368 | 294 |
| Spain | 179 | 142 | 127 | 118 |
| Switzerland | 2 | -289 | 42 | 43 |
| Americas and Southern Europe | 53 | 34 | 31 | 10 |
| Asia | 179 | 192 | 166 | 124 |
| Group holdings and other companies (*) | -199 | -48 | - | - |
| **Total** | **2,816** | **2,627** | **2,313** | **1,856** |

(*) The data relating to Operating result also include country adjustments.

(**) NBV data are presented on historical basis, they include possible assets under disposal and do not isolate the contribution of companies in Group holdings and other companies.

## Life segment direct premiums by line of business and by country

| (€ million) | Savings and Pension | | Protection | | Unit-linked | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Italy | 12,907 | 14,249 | 501 | 417 | 5,263 | 4,970 | 18,671 | 19,636 |
| France | 3,879 | 3,083 | 2,164 | 2,066 | 5,132 | 3,331 | 11,175 | 8,481 |
| Germany | 3,414 | 3,244 | 4,715 | 4,738 | 2,852 | 2,598 | 10,981 | 10,580 |
| Austria, CEE & Russia | 649 | 1,080 | 980 | 893 | 691 | 650 | 2,320 | 2,623 |
| International | 2,667 | 2,307 | 1,934 | 1,601 | 1,057 | 967 | 5,658 | 4,876 |
| Spain | 282 | 309 | 289 | 275 | 122 | 87 | 693 | 671 |
| Switzerland | 163 | 176 | 129 | 133 | 734 | 735 | 1,026 | 1,044 |
| Americas and Southern Europe | 58 | 74 | 373 | 290 | 11 | 5 | 441 | 368 |
| Asia | 2,164 | 1,749 | 1,144 | 903 | 190 | 141 | 3,498 | 2,793 |
| Group holdings and other companies | 237 | 0 | 185 | 125 | 310 | 33 | 731 | 157 |
| **Total** | **23,752** | **23,965** | **10,479** | **9,840** | **15,305** | **12,548** | **49,536** | **46,352** |

# Financial position of the Life segment

## Investments

### Life segment investments

| (€ million) | 31/12/2021 | Impact (%) | 31/12/2020 | Impact (%) |
|---|---|---|---|---|
| Equity instruments | 16,497 | 4.6% | 13,993 | 3.9% |
| Fixed income instruments | 313,570 | 87.1% | 312,003 | 87.1% |
| Bonds | 272,354 | 75.6% | 275,454 | 76.9% |
| Other fixed income instruments | 41,216 | 11.4% | 36,549 | 10.2% |
| Land and buildings (investment properties) | 10,967 | 3.0% | 9,789 | 2.7% |
| Other investments | 12,547 | 3.5% | 12,189 | 3.4% |
| Investments in subsidiaries, associated companies and joint ventures | 11,645 | 3.2% | 9,804 | 2.7% |
| Derivatives | 65 | 0.0% | 334 | 0.1% |
| Other investments | 837 | 0.2% | 2,051 | 0.6% |
| Cash and cash equivalents | 6,448 | 1.8% | 10,389 | 2.9% |
| **General accounts investments** | **360,029** | **100.0%** | **358,363** | **100.0%** |
| Investment back to unit and index-linked policies | 107,243 | | 84,914 | |
| **Total investments** | **467,272** | | **443,276** | |

At 31 December 2021, total investments in the Life segment showed a considerable increase by 5.4% over 31 December 2020, standing at € 467,272 million. The Group's investments amounted to € 360,029 million (+0.5%), while the investments back to unit/index-linked policies were equal to € 107,243 million (+26.3%).
The exposure in absolute terms to fixed income instruments increased, standing at € 313,570 million (€ 312,003 million at 31 December 2020), with a stable weight to total (87.1%). The exposure to equity instruments increased, standing at € 16,497 million (€ 13,993 million at 31 December 2020). The Group's land and buildings (investment properties) rose to € 10,967 million (€ 9,789 million at 31 December 2020). Lastly, cash and cash equivalents decreased both in absolute terms and in relative terms, and stood at 1.8% (2.9% at 31 December 2020).

With reference to the bond portfolio breakdown, the exposure to government bonds decreased, standing at € 171,799 million (€ 173,543 million at 31 December 2020), with a weight to bond portfolio equal to 54.8% (55.6% at 31 December 2020). The negative change in the period was mostly due to the increase in interest rates and BTP-Bund spreads on the securities' value in portfolio, contrasted by the inclusion of the Cattolica group's assets, consolidated from the fourth quarter. Corporate bonds also decreased to € 100,554 million (€ 101,911 million at 31 December 2020), with a relative weight of 32.1% (32.7% at 31 December 2020). This performance was mainly due to investment decisions.
The average duration of the bond portfolio stood at 10.2 (10.7 at 31 December 2020).

**Life segment return on investments**

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Current return (*) | 2.6% | 2.6% |
| Harvesting rate | 0.2% | 0.3% |
| P&L return | 2.7% | 2.7% |

(*) Net of depreciations.

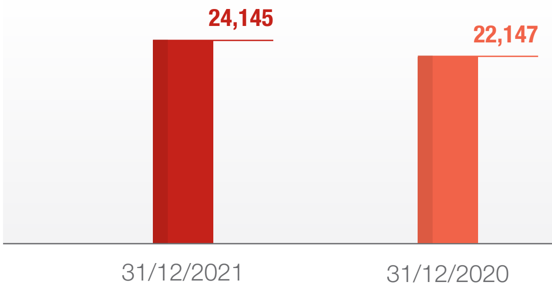
The net current return on investments in the Life segment was stable at 2.6%, with the related current income increasing slightly to € 9,066 million (€ 8,949 million at 31 December 2020).
The contribution to the result of the period from the harvesting transactions slightly decreased, standing at 0.2% (0.3% at 31 December 2020). Higher impairments were more than offset by lower unrealized gains on instruments at fair value through profit or loss.

# Life segment insurance provisions


Life technical provisions and financial liabilities - excluding deferred liabilities to policyholders - amounted to € 424,475 million. The increase in net technical provisions (+10.3%) was driven by the contribution from the unit-linked component, which weighed 25.6% on the total. The development of unit-linked provisions resulted from net inflows and positive performance of the financial markets.
Noteworthy was the development of provisions, which reflected changes in the scope following the consolidation of the Cattolica group and the deconsolidation of a pension fund in the Czech Republic. Neutralizing these effects, net technical provisions would have increased by 6.4% (+21.1% the unit-linked component and + 2.1% the traditional component).
The deferred liabilities to policyholders stood at € 22,356 million (€ 33,833 million at 31 December 2020), reflecting the change in the value of investments, particularly in government bonds.

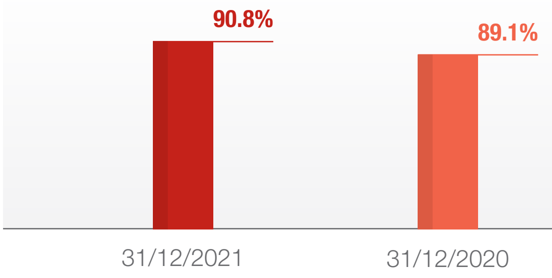
# P&C SEGMENT

## GROSS WRITTEN PREMIUMS (€ mln)



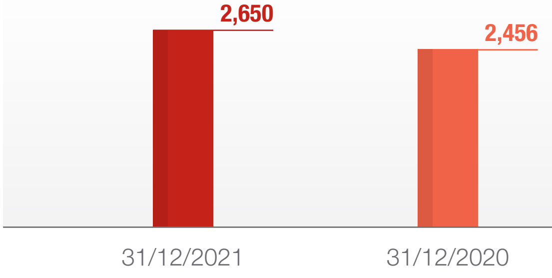

Premiums increased to € 24,145 million (+7.0%), thanks to the development of both business lines.

## COMBINED RATIO




The Group's CoR was 90.8% (+1.7 p.p.), mainly due to higher impact from natural events and an increased loss ratio in the motor line resulting from a gradual reduction in restrictions.

## OPERATING RESULT (€ mln)




The operating result increased to € 2.7 billion (+7.9%); the drop in the technical result, which reflected the trend of the CoR, was more than offset by an improvement in the investment result.

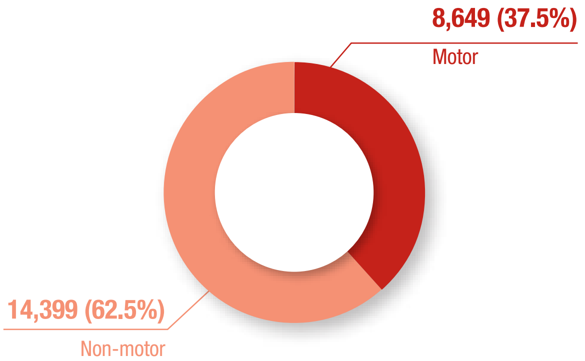
# Performance of the Property & Casualty segment

## Premiums development

P&C premiums increased to € 24,145 million (+7.0%), thanks to the contribution from both business lines, with positive growth throughout the countries in which the Group operates. The motor line increased by 4.9%, particularly in ACEER (+6.0%) thanks to the good development of both the motor third-party liabilities and other motor insurance, France (+4.4%) and Italy (+4.5%), also thanks to the development of fleets line and the contribution from partnerships, and Argentina (+51.7%), reflecting inflation-related tariff adjustments.
The non-motor line also improved (+7.5%), with widespread growth throughout all countries in which the Group operates, in particular in Italy (+6.6%), above all thanks to the development of accident and health lines as well as corporate business, France (+12.0%), also thanks to the development of health line, and ACEER (+6.7%), sustained by both retail and corporate lines. The premiums of Europ Assistance, which benefitted from new partnerships, increased (+30.2%) after having suffered from the effects of the context due to the pandemic, especially in the travel line.

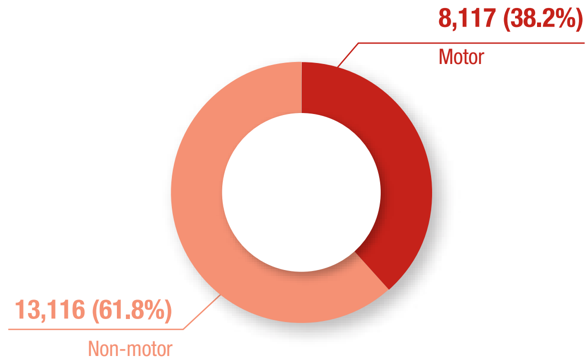
**Gross direct premiums by line of business at 31 December 2021**

€ mln

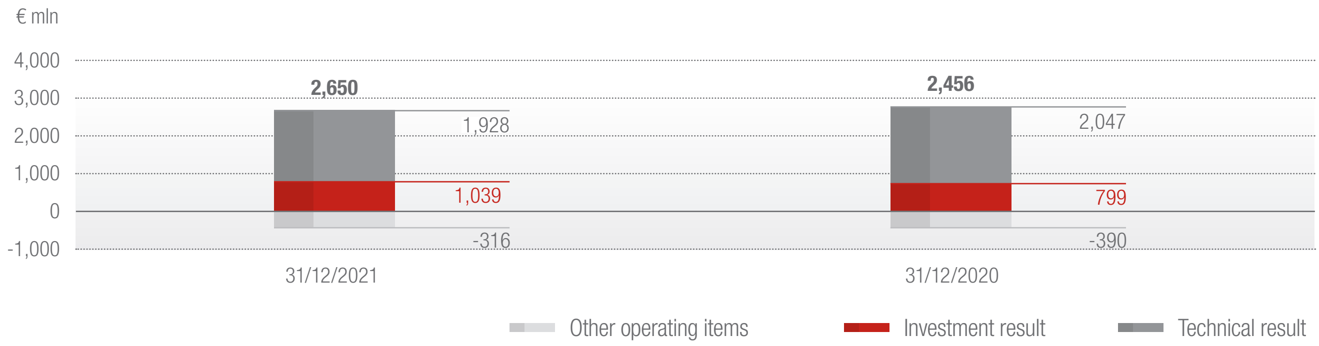



**Gross direct premiums by line of business at 31 December 2020**

€ mln




# Operating result




P&C operating result increased by 7.9% to € 2,650 million (€ 2,456 million at 31 December 2020). The drop in technical result, which reflected the trend of the combined ratio, equal to 90.8% (+1.7 p.p.), was more than offset by the improvement in the investment result, which also benefitted from the contribution from the Cattolica group, the dividend paid by Banca Generali, and higher dividend income from private equity.
The operating return on investments[40] of the P&C segment stood at 6.3% (6.1% at 31 December 2020).

## Technical margin

### Property&Casualty operating result: technical result

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Technical result** | **1,928** | **2,047** | **-5.8%** |
| Net earned premiums | 22,151 | 20,886 | 6.1% |
| Net insurance benefits and claims | -13,856 | -12,731 | 8.8% |
| Net acquistion and administration costs | -6,255 | -5,875 | 6.5% |
| Other net technical income | -112 | -233 | -51.8% |

The technical margin stood at € 1,928 million (-5.8%). The decrease reflected the 1.7 p.p. increase in the Group's combined ratio, which stood at 90.8%, confirming it to be the best and least volatile among peers in the market. The worsening was due to higher impact from natural catastrophe claims and an increased loss ratio in the motor line resulting from a gradual reduction in restrictions.
The technical result included € 493 million natural catastrophe claims (€ 320 million at 31 December 2020), among which storms that hit Spain in January and continental Europe in summer, as well as floods that mainly affected Germany in July. The impact from large man-made claims decreased.
The increase in insurance expenses referred to the rise in the acquisition costs component, mainly due to the development observed in both business lines.
The decrease in other technical expenses reflected the costs incurred in 2020 for commercial initiatives to retain customers, following the context triggered by the health emergency.

### Technical indicators

| | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Combined ratio** | **90.8%** | **89.1%** | **1.7** |
| **Loss ratio** | **62.6%** | **61.0%** | **1.6** |
| Current year loss ratio excluding natural catastrophes | 64.0% | 63.1% | 0.9 |
| Natural catastrophes impact | 2.2% | 1.5% | 0.7 |
| Prior year loss ratio | -3.7% | -3.7% | 0.0 |
| **Expense ratio** | **28.2%** | **28.1%** | **0.1** |
| Acquisition cost ratio | 23.3% | 23.0% | 0.3 |
| Administration cost ratio | 4.9% | 5.1% | -0.2 |

40. Please refer to *Glossary* for details on the calculation of this indicator.

The worsening of the Group's combined ratio (90.8%; +1.7 p.p. compared to 31 December 2020) was mainly attributable to the trend of the loss ratio.

The overall loss ratio stood at 62.6%, where the worsening in the non-catastrophe current year loss ratio (+0.9 p.p.) reflected in particular the gradual reduction in restrictions compared to 2020 resulting in an increase in claims frequency in the motor line. The non-catastrophe current year loss ratio in the non-motor line remained substantially stable. The impact from natural catastrophe claims was 2.2% (1.5% at 31 December 2020); the impact from large man-made claims fell slightly (-0.2 p.p.). The prior year loss ratio was stable at -3.7%.
With regard to the main countries in which the Group operates, the increase in the loss ratio in the motor line, as consequence of the resumption of traffic after the pandemic-related restrictions, and the impact from natural catastrophe claims negatively influenced the combined ratio of the main countries: Italy (91.4%, +3.2 p.p.), France (97.9%, +5.1 p.p.), Germany (87.1%, +1.0 p.p.) and ACEER (84.2%, +0.3 p.p.).
Insurance expenses amounted to € 6,225 million (€ 5,875 million at 31 December 2020). In detail, acquisition costs rose to € 5,165 million (+7.5%), reflecting the cited increase in both business lines. The ratio of acquisition costs to net earned premiums stood at 23.3% (23.0% at 31 December 2020), with an increase in the motor line, due to an increase in commissions linked to more profitable products, especially in Italy.
Administration costs rose from € 1,071 million to € 1,090 million, increasing by 1.7%. The ratio of costs to net earned premiums was down at 4.9%, due to widespread decreases in the main countries where the Group operates.
The expense ratio was substantially stable at 28.2% (28.1% at 31 December 2020).
It is estimated[41] that the Group's combined ratio restated without the Covid-19 effect would have been equal to 92.3%.

## Investment result

**Property&Casualty operating result: investment result**

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Investment result** | **1,039** | **799** | **30.1%** |
| Current income from investments | 1,333 | 1,076 | 23.9% |
| Other operating net financial expenses | -294 | -277 | 6.1% |

The investment result of the P&C segment stood at € 1,039 million, up compared to 31 December 2020. The improvement was mainly attributable to the contribution from the Cattolica group, the dividend paid by Banca Generali, which had not been distributed in 2020, and higher dividend income from private equity. This effect was partially offset by the lower contribution from the main asset classes which also reflected the current condition of market interest rates. Other operating net financial expenses, which encompassed interest expenses on liabilities linked to operating activities, including the effects of IFRS 16 accounting treatment, and investment management expenses, amounted to € -294 million (€ -277 million at 31 December 2020).

## Other operating items

The other operating items of the P&C segment, which primarily included non-insurance operating expenses, depreciation and amortization of tangible assets and multi-annual costs, provisions for recurring risks and other taxes, decreased to € -316 million (€ -390 million at 31 December 2020), mainly due to higher costs in 2020 for reorganization of the German activities.

# Non-operating result

The non-operating result of the P&C segment stood at € -359 million (€ -500 million at 31 December 2020).
In particular, the non-operating investment result rose, reflecting, on one hand, lower net impairment losses on equities, which went from € -252 million to € -176 million at 31 December 2021, and, on the other, higher net realized gains, which went from € 116 million to € 278 million at 31 December 2021 and were driven by real estate, in particular for € 67 million for the Libeskind Tower transaction in CityLife, Milan and for € 80 million for the Saint Gobain's Tower transaction in Paris.
Net non-operating income from financial instruments at fair value through profit or loss stood at € -22 million (€ -48 million at 31 December 2020) following the performance of the financial markets.
Other net non-operating expenses amounted to € -439 million (€ -316 million at 31 December 2020), of which € -32 million relating to VOBA (Value Of Business Acquired) amortization (€ -30 million at 31 December 2020). They reflected higher restructuring costs, mainly in Italy, also as a result of extraordinary costs for the integration of the Cattolica group.

41. In line with 2020 and 9M2021 disclosure, impacts of the Covid-19 pandemic on the Group's results, relating to the segments in which the Group operates as a whole, were calculated taking into consideration:
- direct effects resulting from Covid-19, relating for example to higher claims due to the pandemic itself and to other local initiatives to support the communities affected by Covid-19;
- indirect effects for which an estimate process was required to calculate the share of the same attributable to Covid-19. The latter category included the effects relating to the decrease in assets and the lower loss ratio following the lockdown during the year.

# Other information on the Property & Casualty segment

## Property&Casualty segment operating and non operating result

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Property&Casualty segment operating result** | **2,650** | **2,456** | **7.9%** |
| Net earned premiums | 22,151 | 20,886 | 6.1% |
| Net insurance benefits and claims | -13,866 | -12,744 | 8.8% |
| Acquisition and administration costs | -6,274 | -5,891 | 6.5% |
| Acquisition and administration costs related to insurance business | -6,255 | -5,875 | 6.5% |
| Other acquisition and administration costs | -19 | -16 | 17.5% |
| Fee and commission income and income from financial service activities | 0 | 0 | -100.0% |
| Net operating income from financial instruments at fair value through profit or loss | 56 | 49 | 13.9% |
| Net operating income from other financial instruments | 992 | 763 | 30.0% |
| Interest income and other income | 1,278 | 1,027 | 24.4% |
| Interest expense on liabilities linked to operating activities | -44 | -55 | -19.9% |
| Other expenses from other financial instruments and land and buildings (investment properties) | -241 | -209 | 15.4% |
| Net other operating expenses | -408 | -607 | -32.9% |
| **Property&Casualty segment non-operating result** | **-359** | **-500** | **-28.2%** |
| Net non-operating income from financial instruments at fair value through profit or loss | -22 | -48 | -54.2% |
| Net non-operating income from other financial instruments | 102 | -136 | n.m. |
| Net realized gains on other financial instruments and land and buildings (investment properties) | 278 | 116 | n.m. |
| Net impairment losses on other financial instruments and land and buildings (investment properties) | -176 | -252 | -30.1% |
| Net other operating expenses | -439 | -316 | 38.9% |
| **Property&Casualty segment earnings before taxes** | **2,292** | **1,956** | **17.1%** |

## Property&Casualty segment indicators by country

| (€ million) | Gross written premiums | | Operating result | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Italy | 5,991 | 5,581 | 654 | 531 |
| France | 3,119 | 2,860 | 169 | 297 |
| Germany | 3,864 | 3,780 | 634 | 592 |
| Austria, CEE & Russia | 4,632 | 4,356 | 622 | 624 |
| International | 4,506 | 4,189 | 367 | 334 |
| Spain | 1,682 | 1,623 | 124 | 127 |
| Switzerland | 726 | 753 | 57 | 71 |
| Americas and Southern Europe | 1,784 | 1,541 | 168 | 134 |
| Asia | 315 | 272 | 18 | 3 |
| Group holdings and other companies (*) | 2,033 | 1,380 | 205 | 79 |
| of which Europ Assistance | 971 | 741 | 70 | 71 |
| **Total** | **24,145** | **22,147** | **2,650** | **2,456** |

(*) The data relating to Operating result also include country adjustments.

## Technical indicators by country

| | Combined ratio(*) | | Loss ratio | | Expense ratio | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Italy | 91.4% | 88.3% | 64.4% | 61.9% | 27.0% | 26.4% |
| France | 97.9% | 92.7% | 70.6% | 64.5% | 27.3% | 28.3% |
| Germany | 87.1% | 86.0% | 57.4% | 56.6% | 29.6% | 29.4% |
| Austria, CEE & Russia | 84.2% | 83.9% | 55.6% | 55.5% | 28.5% | 28.4% |
| International | 94.7% | 94.8% | 65.9% | 65.1% | 28.8% | 29.6% |
| Spain | 93.2% | 93.4% | 65.9% | 64.7% | 27.3% | 28.7% |
| Switzerland | 92.4% | 91.5% | 65.7% | 63.6% | 26.7% | 27.9% |
| Americas and Southern Europe | 96.2% | 96.8% | 65.7% | 66.2% | 30.4% | 30.6% |
| Asia | 99.2% | 100.0% | 67.7% | 66.1% | 31.5% | 33.9% |
| Group holdings and other companies | 92.1% | 91.3% | 65.0% | 65.0% | 27.1% | 26.2% |
| of which Europ Assistance | 92.3% | 91.0% | 61.8% | 58.8% | 30.6% | 32.2% |
| **Total** | **90.8%** | **89.1%** | **62.6%** | **61.0%** | **28.2%** | **28.1%** |

(*) CAT claims impacted on the Group combined ratio for 2.2 p.p., of which 3.4 p.p. in Italy, 2.1 p.p. in France, 4.2 p.p. in Germany and 3.7 in ACEER (at 31 December 2020 CAT claims impacted on the Group combined ratio for 1.5 p.p., of which 3.1 p.p. in Italy, 0.9 p.p. in France, 1.2 p.p. in Germany and 1.1 p.p. in ACEER).

## Property&Casualty direct written premiums by line of business and by country

| (€ million) | Motor | | Non-motor | | Total | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Italy | 2,053 | 1,965 | 3,719 | 3,489 | 5,772 | 5,454 |
| France | 1,116 | 1,068 | 1,932 | 1,726 | 3,048 | 2,794 |
| Germany | 1,469 | 1,465 | 2,387 | 2,311 | 3,856 | 3,776 |
| Austria, CEE & Russia | 2,167 | 2,040 | 2,429 | 2,275 | 4,596 | 4,314 |
| International | 1,633 | 1,549 | 2,589 | 2,399 | 4,221 | 3,948 |
| Spain | 440 | 444 | 1,167 | 1,098 | 1,607 | 1,541 |
| Switzerland | 297 | 304 | 429 | 449 | 726 | 753 |
| Americas & Southern Europe | 895 | 802 | 885 | 738 | 1,780 | 1,540 |
| Asia | 0 | 0 | 108 | 114 | 108 | 114 |
| Group holdings and other companies | 210 | 30 | 1,344 | 917 | 1,554 | 947 |
| of which Europ Assistance | 23 | 28 | 790 | 597 | 814 | 625 |
| **Total** | **8,649** | **8,117** | **14,399** | **13,116** | **23,048** | **21,233** |

# Financial position of the Property & Casualty segment

## Investments

### Property&Casualty segment investments

| (€ million) | 31/12/2021 | Impact (%) | 31/12/2020 | Impact (%) |
|---|---|---|---|---|
| Equity instruments | 2,036 | 4.7% | 1,654 | 4.1% |
| Fixed income instruments | 30,103 | 69.1% | 27,646 | 68.5% |
| Bonds | 26,694 | 61.3% | 24,210 | 60.0% |
| Other fixed income instruments | 3,409 | 7.8% | 3,437 | 8.5% |
| Land and buildings (investment properties) | 4,555 | 10.5% | 3,803 | 9.4% |
| Other investments | 2,608 | 6.0% | 2,820 | 7.0% |
| Investments in subsidiaries, associated companies and joint ventures | 2,691 | 6.2% | 2,857 | 7.1% |
| Derivatives | 5 | 0.0% | -0 | 0.0% |
| Other investments | -88 | -0.2% | -37 | -0.1% |
| Cash and cash equivalents | 4,279 | 9.8% | 4,409 | 10.9% |
| **Total investments** | **43,580** | **100.0%** | **40,333** | **100.0%** |

Total investments in the P&C segment went from € 40,333 million at 31 December 2020 to € 43,580 million (+8.1%).
With reference to the exposure to the various asset classes, the fixed income portfolio increased to € 30,103 million, with a weight to total equal to 69.1%. Following net purchases, the exposure to equity instruments increased, with a weight going from 4.1% at 31 December 2020 to 4.7%.The exposure to the investment property portfolio rose, with a weight going from 9.4% to 10.5%. Lastly, the weight of cash and cash equivalents decreased from 10.9% at 31 December 2020 to 9.8%.
With reference to the bond portfolio breakdown, the exposure to government bonds increased, standing at € 13,245 million (€ 11,966 million at 31 December 2020), with a weight increasing to 44.0% (43.3% at 31 December 2020). The exposure to corporate bonds rose too, amounting to € 13,449 million, with a weight equal to 44.7% (44.3% at 31 December 2020).
The average duration of the bond portfolio decreased to 6.0.

### Property&Casualty segment return on investments

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Current return (*) | 3.0% | 2.5% |
| Harvesting rate | 0.3% | -0.2% |
| P&L return | 3.0% | 1.9% |

(*) Net of depreciations.

The net current return on investments in the P&C segment increased compared to 31 December 2020, standing at 3.0%, with the related current income amounting to € 1,277 million (€ 1,024 million at 31 December 2020).

The harvesting rate showed an increase, standing at 0.3% (-0.2% at 31 December 2020), due to higher net realized gains and lower impairments.

## Property & Casualty insurance provisions

### Propery&Casualty: technical reserves

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Net provisions for unearned premiums | 6,861 | 5,840 |
| Net provisions for outstanding claims | 27,048 | 24,263 |
| Other net provisions | 351 | 333 |
| **Property&Casualty insurance provisions** | **34,260** | **30,436** |
| of which Motor | 14,476 | 12,639 |
| of which Non Motor | 19,784 | 17,797 |

# ASSET MANAGEMENT SEGMENT

The Asset Management segment includes the activities of Asset Management companies operating within the Group.
This segment operates as a provider of products and services to both the insurance companies of the Generali Group and third-party clients. The products include equity and fixed income funds, as well as alternative products. The aim pursued by Asset Management is to identify investment opportunities and sources of growth for all of its clients, while managing risks. The segment includes companies specialised in institutional and retail clients, insurance companies and pension funds (liability-driven-investors), both on traditional strategies and on high conviction and alternative strategies (like, for example, on real assets).
Its scope includes, for example, companies in the Generali Investments group, Generali Real Estate, Generali Investments CEE, Generali Investments Switzerland, to which are added the other companies linked to the multi-boutique strategy and some companies operating in Asia.

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| Operating revenues | 1,136 | 993 | 14.3% |
| Operating expenses | -464 | -447 | 3.8% |
| Operating result | 672 | 546 | 22.9% |
| Net result | 504 | 386 | 30.4% |
| Cost/Income ratio | 41% | 45% | -4 p.p. |

| (€ billion) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| Total Assets Under Management | 575 | 561 | 2.5% |
| of which third-party Assets Under Management | 113 | 104 | 8.3% |

The Asset Management operating result stood at € 672 million, up by 22.9%.
This performance was partly thanks to higher operating revenues, which amounted to € 1,136 million (+14.3%), following the increase in Assets Under Management (AUM) - driven by positive net inflows - the good performance of financial markets and the growth in revenues of the companies which are part of the multi-boutique platform. The fee and commission component was influenced by increased recurring commissions following growth in AUM and by non-recurring commissions mainly related to real estate transactions, as well as by the good performance of Guotai (China). Performance fees decreased to € 57 million (€ 122 million at 31 December 2020).

Operating expenses increased by 3.8% to € 464 million, mainly due to investments to strengthen the operating machine. The cost/income ratio, calculated as the ratio of operating expenses to operating revenues, fell by 4.4 p.p. to 41% (45% at 31 December 2020).

The net result of the Asset Management segment stood at € 504 million (+30.4%).

Total Assets Under Management of the segment were € 575.3 billion (+2.5%).
Third-party Assets Under Management went from € 104.0 billion at 31 December 2020 to € 112.9 billion, thanks to net inflows of € 8.5 billion.

## Asset Management operating and non operating result

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Asset Management operating result** | **672** | **546** | **22.9%** |
| Acquisition and administration costs | -410 | -404 | 1.3% |
| Fee and commission income and income from financial service activities | 869 | 740 | 17.4% |
| Net operating income from financial instruments at fair value through profit or loss | 3 | -0 | n.m. |
| Net operating income from other financial instruments | 106 | 106 | 0.0% |
| Interests and other income | 125 | 97 | 29.6% |
| Net operating realized gains on other financial instruments and land and buildings (investment properties) | 1 | -0 | n.m. |
| Net operating impairment losses on other financial instruments and land and buildings (investment properties) | -0 | -11 | -99.8% |
| Interest expenses on liabilities linked to to operating activities | -2 | -3 | -54.2% |
| Other expenses from other financial instruments and land and buildings (investment properties) | -19 | 24 | n.m. |
| Net other operating expenses | 103 | 105 | -1.6% |
| **Asset Management non-operating result** | **-15** | **-43** | **-64.6%** |
| Net non-operating income from financial instruments at fair value through profit or loss | 0 | 0 | 0.0% |
| Net non-opeating income from other financial instruments | -0 | -0 | -46.1% |
| Net other non-operating expenses | -15 | -43 | -64.8% |
| **Asset Management segment earnings before taxes** | **656** | **503** | **30.4%** |

# HOLDING AND OTHER BUSINESSES SEGMENT

The Holding and other businesses segment includes the activities of the Group companies in the banking and asset management sectors, the costs incurred for the direction, coordination and financing activities, as well as other operations that the Group considers to be ancillary to the core insurance business.

The operating result of the aforementioned businesses is summarized in the table below.

### Holding and other businesses operating result by sector

| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Holding and other businesses operating result** | **561** | **130** | **n.m.** |
| Banca Generali (*) | 405 | 353 | 14.6% |
| Other businesses | 672 | 305 | n.m. |
| Holding operating expenses | -516 | -528 | -2.4% |

(*) Banca Generali's operating contribution as per Generali's view.

The operating result of the Holding and other businesses segment stood at € 561 million (€ 130 million at 31 December 2020). In particular, the result of Banca Generali was confirmed to be growing at € 405 million (+14.6%), also thanks to the development of performance fees. The increase was partially offset by the provision of € 80 million[42] in the first half of 2021 in order to protect its customers from a potential loss related to investments in securitization securities.

The contribution provided by Other businesses was also positive and fully driven by private equity result.

Holding operating expenses amounted to € -516 million (€ -528 million at 31 December 2020), reflecting the reduction in expenses, especially in the Parent Company and in Asset & Wealth Management.

### Holding and other business segment operating and non operating result

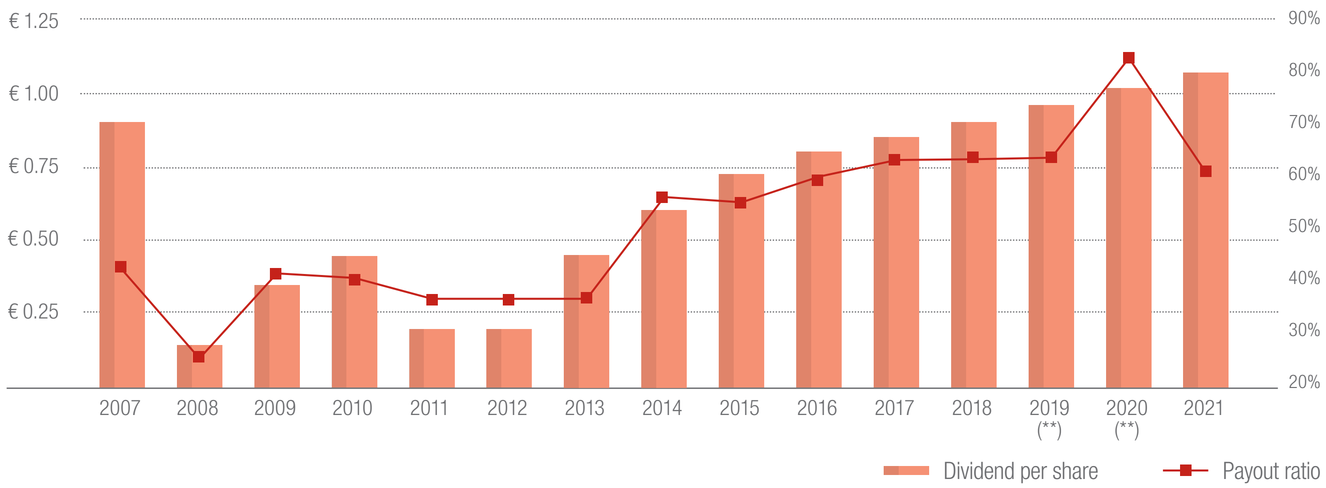
| (€ million) | 31/12/2021 | 31/12/2020 | Change |
|---|---|---|---|
| **Holding and other businesses segment operating result** | **561** | **130** | **n.m.** |
| Net earned premiums | 0 | 0 | 0.0% |
| Net insurance benefits and claims | 0 | -0 | -100.0% |
| Acquisition and administration costs | -310 | -297 | 4.4% |
| Fee and commission income and income from financial service activities | 729 | 596 | 22.5% |
| Net operating income from financial instruments at fair value through profit or loss | -133 | -31 | n.m. |
| Net operating income from other financial instruments | 1,074 | 481 | n.m. |
| Interests and other income | 1,394 | 837 | 66.6% |
| Net operating realized gains on other financial instruments and land and buildings (investment properties) | 129 | 57 | n.m. |
| Net operating impairment losses on other financial instruments and land and buildings (investment properties) | -49 | -52 | -5.1% |
| Interest expenses on liabilities linked to to operating activities | -92 | -88 | 4.3% |
| Other expenses from other financial instruments and land and buildings (investment properties) | -308 | -272 | 13.0% |
| Net other operating expenses | -283 | -91 | n.m. |
| Operating holding expenses | -516 | -528 | -2.4% |
| **Holding and other businesses non operating result** | **-637** | **-682** | **-6.6%** |
| Net non-operating income from financial instruments at fair value through profit or loss | 18 | -14 | n.m. |
| Holding and other businesses non-operating result | -655 | -668 | -1.9% |
| Net non-opeating income from other financial instruments | 53 | -103 | n.m. |
| Net non-operating realized gains on ither financial instruments and land and buildings (investment properties) | 70 | -96 | n.m. |
| Net non-operating impairment losses on other financial instruments and land and buildings (investment properties) | -17 | -7 | n.m. |
| Net other non-operating expenses | -118 | 14 | n.m. |
| Non operating holding expenses | -590 | -579 | 1.9% |
| Interest expenses on financial debt | -478 | -493 | -3.1% |
| Holding non recurring expenses | -112 | -86 | 30.2% |
| **Holding and other businesses segment earnings before taxes** | **-76** | **-552** | **-86.2%** |

42. This amount, net of taxes and minorities, was € 28 million.

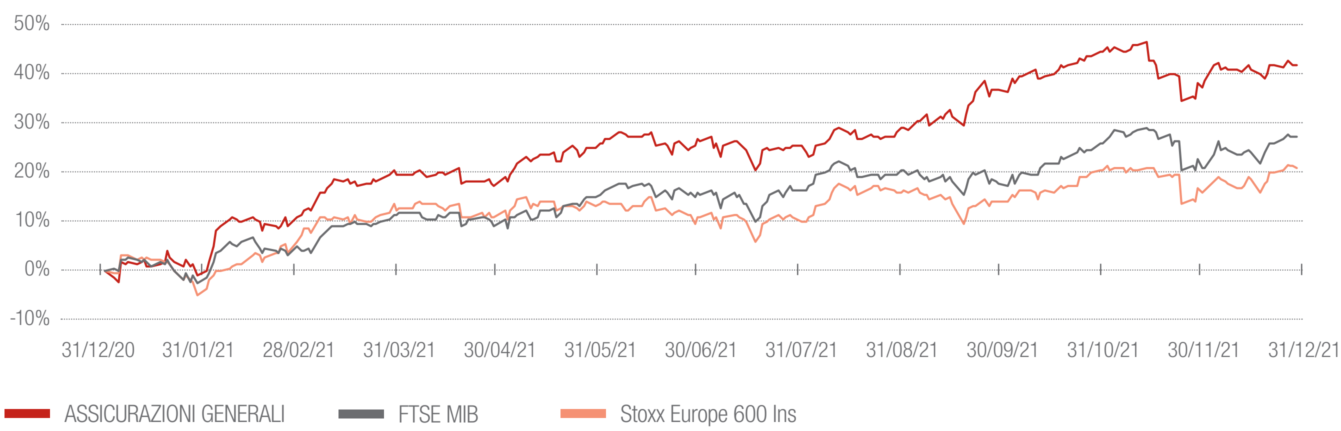
# SHARE PERFORMANCE

### KPI per share

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Earnings per share (EPS) | 1.81 | 1.11 |
| Adjusted net EPS (*) | 1.78 | 1.23 |
| Dividend per share (DPS) (**) | 1.07 | 1.01 |
| Total dividend (in € million) (**) | 1,691 | 1,591 |
| Adjusted payout ratio (***) | 60.5% | 82.6% |
| Share price | 18.63 | 14.26 |
| Minimum share price | 13.92 | 10.39 |
| Maximum share price | 19.24 | 18.88 |
| Average share price | 17.13 | 13.91 |
| Weighted average number of ordinary shares outstanding | 1,573,173,478 | 1,569,448,327 |
| Market capitalization (in € million) | 29,455 | 22,475 |
| Average daily number of traded shares | 4,835,633 | 5,544,326 |
| Total shareholders' return (TSR) (****) | 41.9% | -19.36% |




### 2021 total shareholders' return performance (***)




(*) The adjusted net result - defined as the net result without the impact of gains and losses related to acquisitions and disposals - was equal to € 2,795 million in 2021 and excluded € 52 million relating to the acquisition of the control of the Cattolica group and to related extraordinary costs (€ 1,926 million at 31 December 2020, which neutralised € 183 million resulting from the settlement agreement for the BSI disposal). In addition, excluding from the 2020 adjusted net result the € 77 million, net of taxes, one-off expense from the establishment of the Extraordinary International Fund for Covid-19 and the € 73 million, net of taxes, expense arising from the liability management transaction, the adjusted net result would have been € 2,076 million, with an adjusted net EPS equal to € 1.32.

(**) The dividend per share at 31 December 2020, equal to € 1.01 (totalling € 1,591 million), refers to the 2020 financial year and does not include the € 0.46 dividend per share (totalling € 724 million), which was paid in 2021 and which referred to the second tranche of the 2019 financial year.

(***) The adjusted payout ratio at 31 December 2020, equal to 82.6%, is calculated as the ratio of the € 1,591 million total dividend referred only to the 2020 financial year to the ajusted net result, which amounted to € 1,926 million. The adjusted payout ratio at 31 December 2020 would have been equal to 120.2%, if it had been calculated considering the total dividend paid in 2021 for an amount of € 2,315 million (including the second tranche of the 2019 dividend).

(****) The total shareholders' return (TSR) is the measure of performance which combines share price variation and dividends paid to show the total return to the shareholder expressed as an annualized percentage.

# Financial ratings

Ratings refer to a judgement of the credit rating and probability of default of an entity or the security to which the rating has been assigned. Every ratings agency uses a different method to compile its ratings.

| AGENCY | | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| Moody's | Rating | Baa1 | Baa1 |
| | Outlook | Stable | Stable |
| Fitch | Rating | A | A- |
| | Outlook | Positive | Stable |
| AM Best | Rating | A | A |
| | Outlook | Stable | Stable |

| AGENCY | | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| Moody's | Senior | Baa2 | Baa2 |
| | Subordinated | Baa3 | Baa3 |
| | Hybrid | Ba1 | Ba1 |
| | Outlook | Stable | Stable |
| Fitch | Senior | A- | BBB+ |
| | Subordinated | BBB (*) | BBB- (*) |
| | Hybrid | BBB | BBB- |
| | Outlook | Positive | Stable |
| AM Best | Senior | a | a |
| | Subordinated | a- | a- |
| | Hybrid | bbb+ (**) | bbb+ (**) |
| | Outlook | Stable | Stable |

(*) Generali's € 1 billion 4.125% subordinated note, issued on 29 April 2014, affirmed at BBB+.
(**) AM Best new methodology on debt, effective on 6 May 2014, introduced a different notching between senior and junior subordinated debt.

www.generali.com/investors/debt-ratings/ratings

# Sustainability indices

Over the years, the commitments and the results achieved by the Generali Group have improved the ratings assigned by the main agencies in the ESG (environmental, social and governance) performances and have led to the inclusion of the Group in important international sustainability indices.

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

FTSE4Good

MSCI

EURONEXT vigeo World 120

Member 2015/2016 STOXX ESG LEADERS INDICES

www.generali.com/our-responsibilities/performance/sustainability-indices-and-ratings

# RISK REPORT

# A. EXECUTIVE SUMMARY

The purpose of this section is to provide an overview of the Group's solvency position and risk profile, as well as its risk management framework. To this end a brief introduction on economic and regulatory environment is hereby provided.

The Group is mainly exposed, as the whole insurance sector, to vulnerabilities arising from financial markets and the macroeconomic landscape. Generali has proven to be resilient to both financial risks and credit risks. Nevertheless, financial instability and the persistently low interest rate environment, although with some inflation emerging in the final part of the year and expected interest rate increase, still represent the key challenges for the insurance sector and Generali Group as well, in a context of increasing uncertainty such as that observed with Covid-19 since 2020 and still persisting in 2022.

In fact, even after two years, the Covid-19 pandemic continues to have a strong impact on the global economy. Massive fiscal and monetary policies helped activities to recover swiftly from the shock. Many economies have already recovered pre-pandemic activity levels, though this bounce coincided with sharply rising prices. Global supply disruptions and bottlenecks have further contributed to rising costs for energy and commodity prices.

During 2021 vaccines have been released, leading to a reduction of severe cases and relieving pressure on health systems, despite the propagation of Covid-19 also with new variants. Medical progress in treating the disease, further vaccinations, and a gradual transformation of the pandemic into an endemic disease lead the way to a global recovery over 2022 and 2023, with a gradual normalisation of the most affected sectors.

Furthermore, given the current geopolitical context, at the time of the drafting of the report the Group pays particular attention to the recent developments of the ongoing conflict in Ukraine and the related humanitarian emergency, as well as its implications on international stability and macroeconomic impacts, with particular reference to the supply and prices of energy and commodities and to further risks of the international financial system.

In this context, the insurance industry has generally shown strong resilience to the crisis over the past two years. The solvency position has remained robust, with limited impacts also in 2021, due to the effective management of key vulnerabilities, mainly financial, through effective investment management policies and more generally asset liability management.

Insurance industry risk management system is focused on financial, underwriting, operational (among which Cyber and IT) and other risks, such as liquidity and strategic risks. At the same time, new vulnerabilities are recognized in emerging trends and future risks, such as the climate change, digitalization, geopolitical instability and demographic changes. While focusing on these risks, ESG (Environmental, Social and Governance) factors are increasingly recognized as relevant. In particular, among ESG related (or so-called sustainability) risks, climate change is prioritized as the most important of all for the financial sector.

Challenges and opportunities of the market context, p. 24, for more details on financial markets' developments, climate change, demographics and digitalization

Particular attention is dedicated to constant regulatory monitoring, both national and supranational, and to the identification of new regulatory trends that have affected, among other things, in the course of 2021, the broad proposal for the revision of the Solvency II Directive and the proposal for directive on crisis management of insurance and reinsurance companies, the safeguards in the field of IT security and ICT[1] governance, the proposal for a European regulation on the use of artificial intelligence, transparency and correctness of conduct towards customers, also through the proposal for the reform of information on PRIIPs[2], sustainable finance, including the proposal for the European regulation of the so-called green bonds, as well as the prevention of the use of our products and services for the purposes of money laundering and terrorist financing.

In terms of solvency position, the Group and all its European insurance subsidiaries comply with Solvency II regulation, which requires capital to be held for all quantifiable risks.

The Group uses its Partial Internal Model (PIM), which has been approved by the Supervisory Authority, to calculate capital requirements to better reflect its risk profile. The Group Solvency Capital Requirement (SCR) is calculated with the Internal Model (IM) for the legal entities which received the authorization, namely all the major Business Units in Italy, Germany, France, Austria, Switzerland, Czech Republic and Spain. During 2021 the Group has received approval from Supervisory Authority for the inclusion in the IM scope of the German entity Dialog Versicherung Aktiengesellschaft and other minor local model changes. Other insurance entities adopt the Standard Formula. Other financial regulated entities contribute to the SCR based on local sectoral regulatory requirements (mostly banks, pension funds, and asset managers).

Based on this, the Solvency ratio amounts to 227% as at 31 December 2021, confirming the strong capital position of the Group, well above the tolerances and within the operating target range defined in the Group Risk Appetite Framework.

During 2021, therefore, the Group capital position has confirmed to be solid, despite the ongoing pandemic. The impacts of the various lockdowns and other containment measures that took place in the first half of 2021 were only marginal given the Group low exposure to the most sensitive sectors, such as travel, business interruption and commodities. These impacts, although marginal, were more than offset in the second half of 2021 by the general recovery of the financial markets.

1. Information and Communication Technology .
2. Packaged Retail Investment and Insurance-based investments product.

Also in 2021, given the Covid-19 context, a monthly monitoring process of the Group and local solvency position was maintained, it was thus possible to provide timely and constant information on the solvency position with respect to the evolution of the financial markets resulting from the impact of the pandemic.
For risks not included in SCR calculation, additional assessment techniques are used. In particular, for liquidity risk, the Group has in place methodologies and models to grant a sound risk management in line with the Group risk strategy, defined in the Group Risk Appetite Framework.
Generali Group risk management system is based on a system of governance and structured risk management processes, defined within a set of risk policies in the broader Generali Internal Regulation System (GIRS).
Within the risk management system, the Own Risk and Solvency Assessment (ORSA) process represents a fundamental risk management tool, with the twofold purpose to provide a comprehensive risk reporting and supporting the Group risk strategy update.
In addition to ORSA, the Group also relies on a set of tools, such as the Recovery Plan, the Liquidity Risk Management Plan and the Systemic Risk Management Plan, defined following the Financial Stability Board (FSB) and the International Association of Insurance Supervisors (IAIS) standards[3] as well as the most recent Supervisory Authority requirements.

The Risk Report structure is the following:
- section B providing a brief oversight of the risk management system;
- section C providing the Group solvency position and the key elements of the capital management process, as well as the sensitivity analysis to main risks;
- section D providing a highlight on the Group risk profile.

More details on the solvency position and risk profile are then provided in the Solvency and Financial Condition Report (SFCR), available on Generali Group website.
Finally, Group rating assessment by external rating agencies is provided on the Group website in the section www.generali.com/it/investors/debt-ratings/ratings.

# B. GROUP RISK MANAGEMENT SYSTEM

## Risk Governance

Risk governance is a part of the broader Group system of governance.

The Group system of governance, which includes the internal control and risk management system, consists of the roles and responsibilities of the Administrative, Management or Supervisory Body (AMSB), of the Senior Management and of the Key Functions. It also consists of the policies, administrative and accounting procedures and organizational structures aimed at identifying, evaluating, measuring, managing and monitoring the main risks.
To ensure a consistent framework through the Group, the Parent Company sets Group Directives on the System of Governance, complemented by Group internal control and risk management policies.
The Group system of governance is founded on the establishment of an AMSB and of three lines of defence:
- the operating functions (risk owners), which represent the first line of defence and have ultimate responsibility for risks relating to their area of responsibility;
- Risk Management, Compliance, Actuarial and Anti Financial Crime Functions (where applicable), which represent the second line of defence;
- Internal Audit Function, which represents the third line of defence.

Internal Audit Function together with Risk Management, Compliance and Actuarial Functions represent the Key Functions. The Anti Financial Crime function is considered equivalent to the Key Functions.

Key roles within the internal control and risk management system are outlined below:
- the AMSB is the ultimate responsible for the system of governance and must ensure that the system of governance and internal control and risk management system are consistent with all the applicable regulations. To this end, the AMSB, supported by the Key Functions, reassesses the system of governance adequacy periodically and at least once a year. The AMSB approves the organizational set-up, establishes the Key Functions defining their mandate and reporting lines as well as, where appropriate, any support committee, adopts Group internal control and risk management policies, performs the duties related to the ORSA, risk concentration and intragroup transactions, approves the ORSA results and based on them defines the risk appetite;
- the Senior Management is responsible for the implementation, maintenance and monitoring of the system of internal controls and risk management, including risks arising from non-compliance with regulations, in accordance with the directives of the AMSB;
- Key Functions are established at Group level and within the Group legal entities:
  - the Risk Management Function supports the AMSB and Senior Management in ensuring the effectiveness of the

3. Generali Group is not included in the list of Global Systemically Important Insurers (GSIIs), issued by FSB.

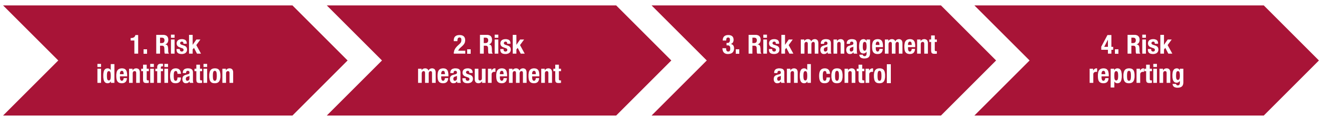
risk management system and provides advice and support to the main business decision-making processes;
- the Compliance Function grants that the organizational and the internal procedures are adequate to manage the risk to incur in administrative or judiciary fines, economic losses or reputational damages as a consequence of non-compliance with laws, regulations, provisions, and the risk deriving from unfavourable changes in the law or judicial orientation (compliance risk);
- the Actuarial Function coordinates the technical provisions calculation and grants the adequacy of underlying methodologies, models and assumptions, verifies the quality of the related data and expresses an opinion on the overall Underwriting Policy and on the adequacy of reinsurance arrangements;
- the Internal Audit Function verifies business processes and the adequacy and effectiveness of controls in place also proving support and advice.

• the Anti Financial Crime Function regularly verifies that the processes and procedures are consistent with the aim of preventing and counteracting the risks of money laundering, terrorist financing, bribery and international sanctions, as well as of confirming the adherence to FATCA requirements[4].

Heads of Key Functions and of Anti Financial Crime Function report to the AMSB.
Group Key Functions collaborate according to a pre-defined coordination model, in order to share information and create synergies. A strong Parent Company coordination and direction for Key Functions is granted by the so-called solid reporting lines model established between the head of the Group Key Function and heads of the respective functions within the legal entities.

# Risk Management System

The principles defining the Group risk management system, including strategies, processes and reporting procedures, are provided in the Risk Management Group Policy , which is the cornerstone of all risk-related policies and guidelines. The Risk Management Group Policy covers all risks, on a current and forward-looking basis, and is implemented in a consistent manner across the Group.
Generali Group's risk management process is defined in the following phases:




## 1. Risk identification

The purpose of the risk identification is to ensure that all material risks to which the Group is exposed are properly identified. To this end, the Risk Management Function interacts with the main business functions and Business Units in order to identify the main risks, assess their importance and ensure that adequate measures are taken to mitigate them, according to a sound governance process. The identified risks are divided into quantifiable risks in terms of capital (life and non-life underwriting risks, financial and credit risks and operational risks) and non-quantifiable (liquidity, strategic, reputational and contagion risks). At Group level, risks related to intra-group transactions, concentrations and interdependencies between risks are also considered within the scope of non-quantifiable risks.
Within this process also emerging risks[6] related to future risks and developing trends, characterized by uncertain evolution and often of systemic nature, are considered, as well as sustainability risks, or more simply risks related to so-called ESG (Environmental, Social and Governance[7]) factors, also subject to an analysis over a longer time horizon.
The Group main risks' identification process also considers the results of the local risk identification processes.

## 2. Risk measurement

Identified risks are then measured through their contribution to the SCR, complemented by other modelling techniques deemed appropriate and proportionate to better reflect the Group risk profile. Using the same metric for measuring the risks and the capital requirements ensures that each quantifiable risk is covered by an adequate amount of capital that could absorb the loss incurred if the risk materializes. For SCR calculation purposes 1 in 200 years events are considered.
The SCR is calculated by means of the IM for financial, credit,

4. The responsibles of the local Anti Financial Crime Functions has the responsibilities related to the above-mentioned topics with exceptions subject to approval by the Group Anti Financial Crime Function.
5. The Risk Management Group Policy covers all Solvency II risk categories and, in order to adequately deal with each specific risk category and the underlying business processes, is complemented by the following risk policies: Investment Governance Group Policy; P&C Underwriting and Reserving Group Policy; Life Underwriting and Reserving Group Policy; Operational Risk Management Group Policy; Liquidity Risk Management Group Policy, Tax Absorption Capacity of Deferred Taxes Group Policy; other risk-related policies, such as Capital Management Group Policy, Supervisory Reporting & Public Disclosure Group Policy, Risk Concentrations Management Group Policy, etc.
6. Major details on emerging risk definition are provided in section D. Risk Profile.
7. An ESG factor is defined as any aspect of an environmental, social or corporate governance nature that may have an impact on the achievement of Group's strategic objectives and on its organization or that, conversely, the Group may influence through its activities or choices.

life underwriting risk, non-life underwriting risk and, starting from 31 December 2020 also for operational risk, for what may concern the most relevant Group legal entities[8]. The IM provides an accurate representation of the main risks the Group is exposed to, measuring not only the impact of each risk taken individually but also their combined impact on the Group own funds.

Insurance and Re-Insurance entities not included in the IM scope calculate the capital requirement based on Standard Formula, while other financial services (e.g. banks, pension funds and asset manager) calculate the capital requirement based on their own specific sectoral regimes.

Group PIM methodology and governance are provided in the section C. Solvency Position.

For liquidity risk a Group model is used to calculate the metrics, as defined in section D. Liquidity Risk. Other risks are assessed by means of quantitative and qualitative techniques.

## 3. Risk management and control

The risks which the Group is exposed to are managed on the basis of the Group Risk Appetite Framework (Group RAF), defined by the Board of Directors of Assicurazioni Generali S.p.A. (hereafter, Board of Directors). The Group RAF defines the level of risk the Group is willing to accept in conducting business and thus provides the overall framework for embedding risk management into business processes. In particular, the Group RAF includes the statement of risk appetite, the risk preferences, the risk metrics, the tolerance and the target levels.

The purpose of the Group RAF is to set the desired level of risk on the basis of the Group strategy. The Group RAF statement is complemented by qualitative assertions (risk preferences) supporting the decision-making processes, by risk tolerances providing quantitative boundaries to limit excessive risk-taking, as well as by an operating target range to provide indications on the solvency level at which the Group aims to operate. Tolerance and target levels are referred to capital and liquidity metrics.

The Group RAF governance provides a framework for embedding risk management into day-to-day and extraordinary business operations, control mechanisms as well as escalation and reporting processes to be applied in case of risk tolerance breaches. Should an indicator approach or breach the defined tolerance levels, pre-defined escalation mechanisms are activated.

## 4. Risk reporting

The purpose of risk reporting is to keep business functions, Senior Management, AMSB and Supervisory Authority aware and informed on an ongoing basis on the development of the risk profile, the trends of single risks and the breaches of risk tolerances.

The ORSA process includes the reporting on the assessment of all risks, in a current and forward-looking view. For the purposes of the evaluations, both quantifiable risks and not quantifiable risks in terms of capital requirements are considered. Within the ORSA, stress tests, sensitivity analyses and reverse stress tests are also performed to assess the resilience of the solvency position and risk profile to changed market conditions or specific risk factors.

Generali Group applies a Group-wide process, which implies that each Group insurance legal entity is responsible for the preparation of its own ORSA Report and the Parent Company coordinates the Group ORSA reporting process. The other entities, other than insurance ones, set-up simplified reports by taking into account the principles of proportionality and/or reports prepared according to local sectoral regulations.

At Group level, the process is coordinated by the Risk Management Function, supported by other functions for what concerns own funds, technical provisions and other risks.

The purpose of the ORSA process is to provide the assessment of risks and of the overall solvency needs on a current and forward-looking basis. The ORSA process ensures an ongoing assessment of the solvency position based on the Strategic Plan and the Group Capital Management Plan.

The Group ORSA Report, documenting main results of this process, is produced on an annual basis. A non-regular ORSA Report can also be produced in case of significant changes of the risk profile.

8. The IM use for the SCR calculation at Group level has been approved for the insurance entities in Italy, Germany, France, Austria, Switzerland, for the biggest Czech company (Česká pojišťovna a.s.) and for Spanish entities (Generali España S.A. de Seguros y Reaseguros e Cajamar Vida S.A. de Seguros y Reaseguros). For the other entities, the Standard Formula is applied. Other financial regulated entities apply local sectoral requirements.

# C. SOLVENCY POSITION

## Solvency Capital Requirement coverage

Risk and capital management are closely integrated processes aimed at managing the Group solvency position and the Group risk profile.
The solvency position is defined as the ratio between Group Own Funds (GOF) and Solvency Capital Requirement (SCR).
The solvency position[9] is equal to 227% at 31 December 2021. The growth compared to the 2020 position (224%) is mainly driven by the strong normalised Own Funds generation (sustained by the further increase of Life new business profitability and the solid result from Non-Life segment) which, together with the favourable development of financial market conditions (characterized by the sharp increase in interest rates and the excellent performance of the equity sector), more than offsets the negative impacts stemming from regulatory changes, M&A operations and the dividend of the period.

**SCR coverage**

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| GOF | 50,624 | 44,428 |
| SCR | 22,288 | 19,850 |
| **Solvency Ratio** | **227%** | **224%** |

Based on last available information for 2021, official figures for 2020.

### 1. Group own funds

In compliance with the Solvency II regulatory requirements, Group own funds are defined as the sum of consolidated basic own funds (BOF) related to insurance entities, holdings and ancillary undertakings attributable to insurance activity and the own funds attributable to financial entities, defined according to their sectoral solvency regulatory regimes.
Basic own funds, can be further analysed as the sum of the following components:

- the excess of assets over liabilities as defined in accordance with art. 75 of Directive 2009/138/EC[10];
- plus subordinated debt eligible in basic own funds;
- less foreseeable dividends;
- plus additional own funds related to unrealised capital gains from French pension activities arising from the application of the IORP[11] transitory regime[12];
- less deductions for participations in financial entities;
- less deductions for Solo own funds items that are non-available for Group purposes;
- less restricted own fund items and shares of the parent company.

The contribution to the Group own funds of each element above listed is detailed in the following table:

**Group own funds components**

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Excess of assets over liabilities** | **47,506** | **40,734** |
| Subordinated debt eligible in basic own funds | 8,519 | 8,285 |
| Foreseeable dividend | -1,691 | -2,315 |
| Unrealised gains on French IORP business | 374 | 483 |
| Deductions for participations in financial entities | -3,448 | -2,732 |
| Impact of filter for non-availability & minorities and other deductions | -2,033 | -1,303 |
| **Basic own funds after deductions** | **49,226** | **43,152** |
| Contribution of financial entities | 1,399 | 1,276 |
| **GOF** | **50,624** | **44,428** |

Based on last available information for 2021, official figures for 2020.

9. The SCR, MCR and OF calculations disclosed are based on the last available information. More details on the Solvency Ratio will be disclosed in the Solvency and Financial Condition Report.
10. Net of minority interest for entities that are evaluated with the proportional consolidation method, according to article 335 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.
11. IORP stands for Institutions for Occupational Retirement Provisions.
12. These additional own funds are authorised by Supervisor for the years between 2016 and 2022, a period during which the proportion of the eligible unrealised capital gains will decrease gradually, remaining stable from 2020 onwards.

Commenting on the items contributing to the GOF, it can be noted that:

- the increase of the Excess of Assets over Liabilities (€ 6,772 million) mainly comes from the solid normalised own funds generation and the positive market variances;
- the higher contribution of subordinated debt eligible in Basic Own Funds (€ 234 million) derives from the increase in the outstanding subordinated debt (stemming from the acquisition of Cattolica group, only partially compensated by the redemption of the subordinated debt owned by the Slovenian company Generali Zavarovalnica), partially compensated by the impact of higher interest rates;
- the movement of the foreseeable dividend (from € -2,315 to € -1,691 million) is explained by the fact that the 2020 amount also included the second tranche (€ -722 million) of the dividend on 2019 results;
- the reduced contribution of the unrealised gains on IORP business stems from the lower level of unrealised gains deriving from the economic variances;
- the higher impact of deductions for participations in financial entities (€ -716 million) mainly comes from the higher value of the participation in Banca Generali, valued with the quoted market price of year-end 2021;
- the change of the impact of deductions for minorities and non-available items (€ -731 million) is explained by the deductions regarding the minorities in the newly acquired Cattolica group;
- the increased contribution of financial entities (€ 122 million) reflects the growth of the available capital of financial entities, defined in accordance with their sectoral solvency regulatory regime when applicable also for Solvency II purposes. This item is particularly relevant for Banca Generali and Group asset management business units.

## Reconciliation between IFRS equity and Solvency II excess of assets over liabilities

The Solvency II regulatory framework requires an economic, market-consistent approach for the valuation of assets and liabilities that must be valued at fair value in the balance sheet. Therefore, Solvency II Excess of Assets over Liabilities is valuated starting from IFRS shareholders' equity and by adjusting at fair value the consolidated assets and liabilities that are not already reported at fair value in compliance with Solvency II regulatory framework.

More precisely, these adjustments consist of:

- eliminating intangible assets (e.g. goodwill);
- revaluating investments not accounted at fair value, such as loans, held to maturity investments and real estate;
- revaluating at fair value not consolidated participations;
- accounting for the technical provisions according to Solvency II rules as a sum of Best Estimate of Labilities (BEL) and risk margin;
- including the Solvency II evaluation of financial liabilities and recognising material contingent liabilities;
- recalculating the impact of net deferred taxes on the above adjustments.

The following table presents the reconciliation between IFRS shareholders' equity and Solvency II Excess of Assets over Liabilities at year-end 2021 and, for comparative purposes, at year-end 2020.

In line with the contribution to Group Own Funds, minorities of entities proportionally consolidated for Solvency II purposes have been deducted from the IFRS shareholders' equity, thus previous year-end data (that originally excluded only minority related to China operations) have been restated accordingly.

**Reconciliation between IFRS shareholders' equity and Solvency II excess of assets over liabilities**

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **IFRS Shareholders' Equity (gross of minorities) *** | **30,583** | **30,612** |
| Intangibles | -11,520 | -11,074 |
| Mark-to-market of Assets | 11,517 | 8,868 |
| Mark-to-market of Liabilities | 24,504 | 18,601 |
| Impact of Net Deferred Taxes | -7,578 | -6,273 |
| **Excess of assets over liabilities** | **47,506** | **40,734** |

Based on last available information for 2021, official figures for 2020.

* IFRS Equity adjusted (for illustrative purpose) to exclude the minorities of the entities consolidated proportionally for Solvency II purposes.

The elements of reconciliation from the IFRS shareholders' equity (€ 30,583 million) to the Solvency II Excess of Assets over Liabilities (€ 47,506 million) are the following:

- Intangibles related to insurance operations (€ -11,520 million), that are not recognised under Solvency II;
- Mark-to-market of Assets: this adjustment (€ 11,517 million) is primarily due to the change to fair value of real estate assets;
- Mark-to-market of Liabilities: this adjustment (€ 24,504 million) is primarily due to net Technical Provisions (deriving from the difference between IFRS and Solvency II valuation);
- Impact of net deferred taxes (€ -7,578 million) is a consequence of the change to fair value of the items reported above.

## Group own funds tiering

According to Solvency II regulation, Group own funds items are classified into three tiers representing different level of quality, depending on the ability to absorb losses due to adverse business fluctuations on a going-concern basis and in the case of winding-up.

The Group's tiering is described below:

- Tier 1 unrestricted own funds includes the following items:
  - ordinary share capital and the related share premium account of the parent company Assicurazioni Generali;
  - available surplus funds (from German, Austrian and French business);
  - reconciliation reserve;
  - deductions for minorities and other not available own funds items;
  - additional own funds from French pension activities
  - available capital of financial entities.
- Tier 1 restricted own funds includes subordinated liabilities that benefit from grandfathering regime[13];
- Tier 2 own funds is composed of subordinated liabilities, including the remaining part of grandfathered[14] subordinated debts and the positions issued after the entry into force of Solvency II Directive;
- Tier 3 is composed by net deferred tax assets, which are characterised by lower capital quality being not immediately available to absorb losses.

The GOF split by tiers is reported in the following table:

**Group own funds by tiering**

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Tier 1 unrestricted | 41,802 | 36,048 |
| Tier 1 restricted | 1,896 | 2,142 |
| Tier 2 | 6,622 | 6,142 |
| Tier 3 | 303 | 95 |
| **GOF** | **50,624** | **44,428** |

Based on last available information for 2021, official figures for 2020.

2021 Group own funds remain composed by high-quality capital. Tier 1 counts for about 86.3% of the total (86.0% in 2020), Tier 2 represents 13.1% (13.8% in 2020) and Tier 3 only 0.6% of the total (0.2% in 2020).
No eligibility filters are triggered thanks to the high-quality of the capital-tiering.

# 2. Solvency Capital Requirement

The SCR covers underwriting, financial, credit and operational risks as follows:

**SCR split by risk**

| (€ million) | 31/12/2021 | | 31/12/2020 | |
|---|---|---|---|---|
| | Total | Impact (%) | Total | Impact (%) |
| **SCR before diversification** | **35,332** | **100%** | **32,327** | **100%** |
| Financial risk (1) | 15,868 | 45% | 13,660 | 42% |
| Credit risk (2) | 8,069 | 23% | 8,799 | 27% |
| Life underwriting risk | 3,445 | 10% | 2,975 | 9% |
| Health underwriting risks | 315 | 1% | 245 | 1% |
| Non-life underwriting risk | 5,031 | 14% | 4,307 | 13% |
| Intangible risk | - | - | - | - |
| Operational risk | 2,603 | 7% | 2,341 | 7% |
| Diversification benefit | -8,832 | | -8,599 | |
| **SCR after diversification** | **26,499** | | **23,729** | |
| Tax absorption | -5,453 | | -5,147 | |
| **SCR excl. other regimes** | **21,046** | | **18,582** | |
| Other regimes (3) | 1,242 | | 1,267 | |
| **SCR** | **22,288** | | **19,850** | |

Based on last available information for 2021, official figures for 2020.
(1) Financial risk includes spread risk for Standard Formula entities.
(2) Credit risk includes default risk, spread widening and rating migration risks for PIM entities.
(3) Within this category other regulated financial entities are included (e.g. IORP, banks etc.).

13. These items were issued before the entry into force of the Solvency II Directive and cover the Solvency margin up to 50% according to Solvency I regime.
14. Differently from Tier 1 restricted, these grandfathered items cover the Solvency margin up to 25% according to Solvency I regime.

The above SCR breakdown highlights that:

- financial and credit risks, account for the 68% of the total SCR before diversification, due to the predominance of traditional life business;
- life and non-life underwriting risks, accounting for respectively 10% and 14% of the total SCR before diversification;
- health underwriting risk deriving from Standard Formula based entities accounting for 1% of the total SCR before diversification;
- operational risks contribute to the Group SCR for 7%. This contribution is determined with the Internal Model starting from 31 December 2020.

Compared to the previous year, in terms of risk profile the following can be observed:

- a higher incidence of financial risks, mainly due to the increase in values of equity investments, consequent to market growth;
- a reduction of credit risks, due to the decrease in values of bond investments, consequent to the recovery of interest rates.

Finally, the acquisition of Cattolica contributed to the increase of financial and non-life underwriting risks, against other risk modules.

Each risk category is further detailed in the section D. Risk Profile.

# Minimum Capital Requirement coverage

In addition to SCR coverage, the Group calculates the Minimum Consolidated Group SCR (MCR) coverage. The MCR calculation is required to determine the minimum level of capital, under which the Group would be exposed to an unacceptable level of risk when allowed to continue its operations.

The Minimum Solvency ratio[15] stands at 254% as at 31 December 2021, with an increase of 11 p.p. in respect of previous year.

In the following table, the MCR coverage is reported.

**MCR Coverage**

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| GOF to meet the MCR | 45,914 | 40.229 |
| MCR | 18,069 | 16.569 |
| **Ratio of GOF to MCR** | **254%** | **243%** |

Based on last available information for 2021, official figures for 2020.

To define MCR coverage, stricter own fund eligibility rules are applied compared to the ones previously used for the SCR[16]. In the following table, the split by tiers of the own funds covering the MCR is reported:

**GOF to meet the MCR by tiering**

| (€ million) | 31/12/2021 | 31/12/20120 |
|---|---|---|
| Tier 1 unrestricted[17] | 40,404 | 34,772 |
| Tier 1 restricted | 1,896 | 2,142 |
| Tier 2 | 3,614 | 3,314 |
| **GOF to meet MCR** | **45,914** | **40,229** |

Based on last available information for 2021, official figures for 2020.

15. The SCR, MCR and OF calculations disclosed are based on the last available information. More details on the Solvency Ratio will be disclosed in the Solvency and Financial Condition Report.
16. The amounts of tier 2 and tier 3 items eligible to cover the MCR are subject to stricter quantitative limits. The eligible amount of tier 1 items shall be at least 80% of the MCR; the same limitation on subordinated liabilities and preference shares is set. The eligible amounts of tier 2 items shall not exceed 20% of the MCR. No tier 3 items are allowed to cover the Minimum Capital Requirement. No capital from financial entities is considered.
17. Tier 1 includes also the unrealised gains and losses on French Institutions for Occupational Retirement Provision (IORP) business as agreed with the Supervisory Authority.

# Sensitivity Analysis

In addition to the calculation of the Solvency Capital Requirement, the Group regularly performs sensitivity analyses of the variability of its Solvency ratio to changes in specific risk factors. The aim of these analyses is to assess the resilience of the Group capital position to the main risk drivers and evaluate the impact of a wide range of shocks.
For this purpose, several sensitivity analyses have been performed as at 31 December 2021, in particular:

- increase and decrease of interest rates by 50bps;
- increase of Italian government bonds spread (Buoni del Tesoro Poliennali - BTP) by 100bps;
- increase of corporate bonds spread by 50bps;
- increase and decrease of equity values by 25%.

The changes in terms of percentage points with respect to baseline scenario as at 31 December 2021 (Solvency ratio equal to 227%) are the following:

**Sensitivity Analysis**

| (€ million) | Interest rates +50bps | Interest rates -50bps | BTP spread +100bps | Corporate spread +50bps | Equity +25% | Equity -25% |
|---|---|---|---|---|---|---|
| **Delta on Solvency Ratio** | +9 p.p. | -10 p.p. | -13 p.p. | +2 p.p. | +4 p.p. | -6 p.p. |

Based on last available information for 2021.

During 2022, following EIOPA's review of the Solvency II risk free rates term structure, the UFR (Ultimate Forward Rate) will be further modified (for Euro, the UFR will be decreased by 15bps): the foreseen impact of such change as at 31 December 2021 Solvency ratio amounts to about -2 p.p..

# Group Partial Internal Model (Group PIM)[18]

The IM is considered to be the most appropriate way of assessing the Group risk profile. It represents the best way of capturing the risk profile of the entire Group and of the legal entities in scope in terms of granularity, calibration and correlation of the various risk factors.
The IM is structured around a Risk Map, which contains all quantifiable risks that Generali Group has identified as relevant to its business, allowing for the calculation of the SCR at single risk level and at higher aggregation levels.
At Group level, following the authorization received in December 2021, the Group Partial Internal Model[19] covers all quantifiable risks[20] of the Group.

## 1. Group PIM Methodology

In order to calculate PIM SCR, the Group combines the results of the IM with two additional components: Standard Formula and other sectoral regimes, in order to meet the regulatory requirements. To this extent Generali has decided to opt for the so called "Two-World Approach" to aggregate different regimes and methodologies. Under this approach, the overall Group PIM is calculated summing up Solvency Capital Requirements evaluated with the approved IM methodology, with the SCR of Group legal entities based on Standard Formula and those entities where a sectoral solvency regime is applicable.
In implementing the PIM, the Group has adopted, for the entities that received an IM approval, the so-called Monte-Carlo approach with proxy functions to determine the Probability Distribution Forecast (PDF) of the changes in the basic own funds over a one-year horizon.

## 2. Group PIM Governance

Governance and processes regarding the IM are defined in the Internal Model Governance Group Policy, ensuring that:

- models and components are appropriate for their purpose;
- procedures are in place to design, implement, use and validate new models and model changes;
- the appropriateness of models on an ongoing basis is confirmed.

To rule the activities related to the Internal Model developments necessary to ensure its appropriateness over time and, more in general, to support the Internal Model change process, the Internal Model Change Group Policy has been also defined with the aim to specify roles and responsibilities in the implementation of major and minor changes.

A dedicated committee, the Internal Model Committee, has been established to review Group IM calibrations, and evaluate the proposals on all model methodologies, assumptions used, parameters, results, documentation and all other model related elements in order to support the Group Chief Risk Officer (GCRO) in the decision-making process on IM developments or model changes and to control the full model lifecycle, assuring proper compliance with the Internal Model Governance Group Policy. This Committee is chaired

18. The Internal Model at Group level is defined as "Partial" because a limited number of entities still use the Standard Formula to determine the capital requirement.
19. Partial in terms of entities included in the scope of the Internal Model.
20. Main risks according to the Group Risk Map.

by the Model Design Authority, in the person of the Head of Group Enterprise Risk Management, responsible for ensuring the overall consistency and appropriateness of the IM. The members of the Internal Model Committee are all the Model Owners and the Model Design Authority and possibly further participants required by the Model Design Authority.
The GCRO defines the processes and controls to ensure the ongoing appropriateness of the design and operations of the IM, so that it continues to appropriately reflect the Group risk profile. The GCRO is also responsible for defining the methodology of each model component, based on the Group Internal Model Committee's proposals, as well as for the results' production and ultimately for submitting the relevant Internal Model reporting to the Board of Directors and to the Risk and Control Committee.
The Board of Directors, assisted by the Risk and Control Committee, ensures the ongoing appropriateness of the design and operations, the ongoing compliance of the IM and also that the IM continues to appropriately reflect the risk profile of the Group.
These roles are generally mirrored within the organizational structure of each Group legal entity within IM scope

## 3. Group PIM Validation

The IM is subject to validation review on an ongoing basis, which aims to gain independent assurance of the completeness, robustness and reliability of the processes and results of the IM as well as their compliance with the Solvency II regulatory requirements.
The validation process follows the principles and procedures defined within the Internal Model Validation Group Policy and related guidelines.
The validation outputs are designed to support Senior Management and Board of Directors in understanding the appropriateness of the IM, including areas of weaknesses and limitations, especially with regards to its use.
To ensure an adequate level of independence, the resources performing the validation activities are not involved in the development or operation of the IM.
Within the validation process, also results obtained during previous validation exercises are considered, as well as developments within internal and external business environment, financial market trends and IM changes. The Internal Model validation process excludes those aspects covered by the assurance work of the Group Actuarial Function (i.e. technical provisions and related IT systems, actuarial platforms and their governance).
Furthermore, the validation process also serves as an incentive mechanism to ensure timely and accurate incorporation of modelling refinements.
In order to warrant the appropriateness of the array of elements contained within the IM, the validation covers both the quantitative and qualitative aspects of the Internal Model and is therefore not limited to the calculation engine and methodology. Other important items such as data quality, documentation and uses of the Internal Model are validated accordingly.
The validation process is carried out on regular annual basis and when requested by the Senior Management or Board of Directors.

# D. RISK PROFILE

## Life Underwriting Risk

Life underwriting risks derive from the Group's core insurance business in the life and health segments. The major part of the business and the related risks derive from direct portfolio underwritten by the Group. Health business represents a minor component of the portfolio.

Management report, Our performance by country indicators, by premium volume and related geographic breakdown

Notes, Detailed information on insurance and investment contracts, for Group's life underwriting business key figures

The life portfolio consists of traditional business, which mainly includes insurance with profit participation, and unit-linked products. The prevailing component of traditional business includes products with insurance coverages linked to the policyholders' life and health. It also includes pure risk covers, with related mortality risk, and some annuity portfolios, with the presence of longevity risk. The vast majority of the insurance coverages include legal or contractual policyholder rights to fully or partly terminate, surrender, decrease, restrict or suspend the insurance cover or permit the insurance policy to lapse, or to fully or partially establish, renew, increase, extend or resume the insurance or reinsurance cover. For these reasons, the products are subject to lapse risk.

Life and health underwriting risks can be distinguished in biometric and operating risks embedded in the life and health insurance policies. Biometric risks derive from the uncertainty in the assumptions regarding mortality, longevity, health, morbidity and disability rates taken into account in the insurance liability valuations. Operating risks derive from the uncertainty regarding the amount of expenses and the adverse exercise of contractual options by policyholders. Policy lapse is the main contractual option held by the policyholders, together with the possibility to reduce, suspend or partially surrender the insurance coverage.
Life and health underwriting risks are:

- mortality risk, defined as the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in mortality rates, where an increase in mortality rates leads to an increase in the value of insurance liabilities. Mortality risk also includes mortality catastrophe risk, resulting from the significant uncertainty of pricing and provisioning

assumptions related to extreme or irregular events;
- longevity risk, similarly to mortality, is defined as the risk resulting from changes in mortality rates, where a decrease in mortality rates leads to an increase in the value of insurance liabilities;
- disability and morbidity risks derive from changes in the disability, sickness, morbidity and recovery rates;
- lapse risk is linked to the loss or adverse change in liabilities due to a change in the expected exercise rates of policyholder options. The relevant options are all legal or contractual policyholder rights to fully or partly terminate, surrender, decrease, restrict or suspend insurance cover or permit the insurance policy to lapse. Mass lapse events are also considered;
- expense risk results from changes in the expenses incurred in servicing insurance or reinsurance contracts;
- health risk results from changes in health claims and also includes health catastrophe risk (for IM entities).

In addition to the risks above, the Group Risk Map includes also the going concern reserve risk, a German business specific risk that refers to misestimate of new business assumptions.

The approach underlying the life underwriting risk measurement is based on the calculation of the loss resulting from unexpected changes in biometric and/or operating assumptions. Capital requirements for life underwriting risks are calculated on the basis of the difference between the insurance liabilities before and after the application of the stress.

Life underwriting risks are measured by means of the PIM[21].

The SCR for life underwriting risk amounts to € 3,455 million before diversification (equal to 10% of total SCR before diversification). This is mainly given by expense[22] risk, followed by lapse and longevity risks. In terms of contribution to the risk profile, it is to be noted that life underwriting risks are well diversified with other risk categories. The overall contribution to the risk profile therefore remains limited.

Life underwriting risk management is embedded in the key underwriting processes being:
- product development and accurate pricing;
- ex-ante selection of risks through underwriting;
- setting and monitoring of operative underwriting limits;
- portfolio management and monitoring.

Product pricing consists in setting product features and assumptions regarding expenses, financial, biometric and policyholders' behaviour to allow the Group legal entities to withstand any adverse development in the realization of these assumptions.

For savings business, this is mainly achieved through profit testing, while for protection and health business with a biometric component, it is achieved by setting prudent assumptions.

Lapse risk, related to voluntary withdrawal from the contract, and expense risk, related to the uncertainty around the expenses that the Group expects to incur in the future, are evaluated in a prudential manner in the pricing of new products. This evaluation is taken into account in the construction and profit testing of a new tariff, considering the underlying assumptions derived from the Group's experience.

For insurance portfolios with a biometric risk component, comprehensive reviews of the mortality experience are compared with expected mortality of the portfolio, determined according to the most up-to-date mortality tables available in each market. To this end, mortality by sex, age, policy year, sum assured, and other underwriting criteria are taken into consideration to ensure mortality assumptions remain adequate and avoid the risk of misestimating for the next underwriting years.

The same annual assessment of the adequacy of the mortality tables used in the pricing is performed for longevity risk. In this case, not only biometric risks are considered but also the financial risks related to the minimum interest rate guarantee and any potential mismatch between the liabilities and the corresponding assets.

For the purpose of long-term health insurance pricing, the monitoring of health-related market claims and corresponding indexing mechanisms is performed.

As part of the underwriting process, Generali Group adopts underwriting guidelines. The Risk Management Function reviews implications of new lines of business/products on the Group risk profile.

Moreover, a particular emphasis is placed on the underwriting of new contracts with reference to medical, financial and moral hazard risks. The Group has defined clear underwriting standards through manuals, forms, medical and financial underwriting requirements. For insurance riders, which are most exposed to moral hazard, maximum insurability levels are also set, lower than those applied for death covers. In order to mitigate these risks, policy exclusions are also defined.

Regular risk exposure monitoring and adherence to the operative limits, reporting and escalation processes are also in place, allowing for potential remediation actions to be undertaken.

During 2021, due to Covid-19, the strengthened monitoring process has been maintained to ensure the collection and analysis of the data related to premiums, lapses and the impact of the pandemic on mortality, morbidity and health claims. Despite the negative effects of the economic-health crisis due to Covid-19, the pandemic impacts observed during 2020 in specific countries and businesses within Generali Group have been more than recovered during 2021, demonstrating a strong resilience from a Group perspective.

Furthermore, in addition to the regular sensitivities performed during the year, specific sensitivity analysis on a forward-looking perspective of Life underwriting risks have been

21. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.
22. Including also the *Going Concern reserve*.

introduced to anticipate potential issues given by the unexpected consequences of the pandemic.

Finally, reinsurance represents the main risk mitigation technique. The Parent Company acts as core reinsurer for the Group legal entities and cedes or retrocedes part of the underwritten risks to external reinsurers.
The Group reinsurance strategy is developed consistently with the risk appetite and with the risk preferences defined in the Group RAF, and with the reinsurance market cycle. The reinsurance process and the definition of reinsurance arrangements are managed by Group Reinsurance Function in constant interaction with Risk Management and Actuarial Functions.

# Non-Life Underwriting Risk

Non-life underwriting risks arise from the Group's insurance business in the P&C segment.

Management Report, Our performance by country indicators, by premium volume and related geographic breakdown

Notes, Detailed information on insurance and investment contracts, for technical provisions

Non-life underwriting risks include the risk of underestimating the frequency and/or severity of the claims in defining pricing and reserves (respectively pricing risk and reserving risk), the risk of losses arising from extreme or exceptional events (catastrophe risk) and the risk of policyholder lapses from P&C insurance contracts (lapse risk). In particular:
- pricing and catastrophe risks derive from the possibility that premiums are not sufficient to cover future claims, also in connection with extremely volatile events and contract expenses;
- reserving risk relates to the uncertainty of the claims reserves (in a one-year time horizon);
- non-life lapse risk arises from the uncertainty of the underwriting profits recognised in the premium provisions.

Non-life underwriting risks are measured by means of the PIM[23]. For the majority of risks assessed through the PIM, the valuations are based on in-house developed models and external models that are primarily used to assess the catastrophic events, for which broad market experience is considered beneficial.

The capital requirement for non-life underwriting risk amounts to € 5,031 million before diversification (equal to 14% of total SCR before diversification). This is mainly given by reserve and pricing risks, followed by CAT risk. Non-life lapse risk contributes only for a marginal amount to the risk profile.

Moreover, the Group uses additional indicators for risk concentrations. This is specifically the case for catastrophe risks and Corporate & Commercial risks, which are both coordinated at central level as they generally represent a key source of concentration.
In terms of CAT risk, the Group's largest exposures are earthquakes in Italy, European floods and European windstorms. Less material catastrophe risks are also taken into account and assessed by means of additional scenario analysis.
At the same time, there is a constant on-going improvement to consider risk adjusted KPIs in decision making processes.

Based on the Group RAF, P&C risk selection starts with an overall proposal in terms of underwriting strategy and corresponding business selection criteria. During the strategic planning process, targets are established and translated into underwriting limits to ensure business is underwritten according to the plan. Underwriting limits define the maximum size of risks and classes of business that Group legal entities shall be allowed to write without seeking any additional or prior approval. The limits may be set based on value, risk type, product exposure or class of occupancy. The purpose of these limits is to attain a coherent and profitable book of business founded on the expertise of each legal entity.
Additional indicators such as relevant exposures, risk concentration and risk capital figures are used for the purpose of P&C underwriting risk monitoring. The indicators are calculated at least on a half-yearly basis to ensure alignment with the Group RAF.

During 2021, due to Covid-19, the strengthened monitoring process put in place during 2020 has been maintained to ensure that the premium collection, frequency and severity of claims and the consequent impact on the Combined ratio are continuously updated, in particular for the sectors mostly exposed to pandemic.
The impacts of the economic-health crisis due to Covid-19 pandemic, observed in specific countries and on specific risks such as Business Interruption, have been confirmed to be limited and only referred to the first pandemic wave of 2020, whereas no significant impacts have been observed during 2021.
In addition, Group entities have introduced modifications to the contractual conditions of P&C policies, in order to reduce the exposure to Pandemics and/or events similar to Covid-19.

Reinsurance is the key mitigation technique for balancing the P&C portfolio. It aims to optimize the use of risk capital by ceding part of the underwriting risk to selected counterparties, whilst simultaneously minimizing the credit risk associated with such operations.
The P&C Group Reinsurance Strategy is developed consistently with the risk appetite and the risk preferences defined in the Group RAF on one side and taking into account the reinsurance market on the other.
The Group has historically preferred traditional reinsurance as a tool for mitigating catastrophe risk resulting from its

23. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.

P&C portfolio, adopting a centralized approach where the placement of reinsurance towards the market is managed through a central Group Reinsurance Function.
The Group aims at diversifying its cessions to reinsurers to avoid excessive concentrations, to optimize its reinsurance purchases, including from a pricing perspective, and to continuously develop know-how in the most innovative risk transfer techniques. For this reason, part of the Italian earthquake and European windstorm exposures are carved out from the traditional catastrophe reinsurance program and placed in the Insurance Linked Securities (ILS) market.

# Financial Risk and Credit Risk

The Group invests collected premiums in a wide variety of financial assets, with the purpose of honouring future obligations to policyholders and generating value for its shareholders.
As a result, the Group is exposed to the financial risks driven by either:

- invested assets not performing as expected because of falling or volatile market prices;
- reinvested proceeds of existing assets being exposed to unfavourable market conditions, typically as lower interest rates.

Generali Group traditional life savings business is long-term in nature; therefore, the Group holds mostly long-term investments which can withstand short-term decreases and fluctuations in the market value of assets.
Nonetheless, the Group manages its investments in a prudent way according to the so-called Prudent Person Principle[24], and strives to optimize the return of its assets while minimizing the negative impact of short-term market fluctuations on its solvency position.
Under Solvency II, the Group is also required to hold a capital buffer, with the purpose of maintaining a sound solvency position even in the circumstances of adverse market movements.

To ensure a comprehensive management of the impact of financial and credit risks on assets and liabilities, the Group Strategic Asset Allocation (SAA) process needs to be liability-driven and strongly interdependent with insurance-specific targets and constraints. For this reason, the Group has integrated the Asset Liability Management (ALM) and the Strategic Asset Allocation (SAA) within the same process.
The aim of the ALM&SAA process is to define the most efficient combination of asset classes which, according to the Prudent Person Principle, maximizes the investment contribution to value creation, considering solvency, actuarial and accounting indicators. The aim is not just to mitigate risks but also to define an optimal risk-return profile that satisfies both the return target and the risk appetite of the Group over the business planning period.

The assets' selection is performed by taking into consideration the risk profile of the held liabilities so to ensure that they are covered by appropriate and sufficient assets. This selection process aims at guaranteeing the security, quality, profitability and liquidity of the overall portfolio, providing an adequate diversification of the investments.
The asset portfolio is then invested and rebalanced according to the asset class and duration weights. The main risk mitigation techniques used by the Group are liability-driven management of the assets and regular use of rebalancing.
The liability driven investment helps granting a comprehensive management of assets whilst taking into account the liability structure; while, at the same time, the regular rebalancing redefines target weights for the different asset classes and durations, alongside the related tolerance ranges defined as investment limits. This technique contributes to an appropriate mitigation of financial risks.
ALM&SAA activities aim at ensuring the Group holds sufficient and adequate assets to reach defined targets and meet liability obligations. For this purpose, analyses of the asset-liability relationship under a range of market scenarios and expected/stressed investment conditions are undertaken.
The Group works to ensure a close interaction between the Investment, Finance (incl. Treasury), Actuarial and Risk Management Functions to secure that the ALM&SAA process remains consistent with the Group RAF, the strategic planning and the capital allocation mechanisms. The annual SAA proposal:

- defines target exposure and limits for each relevant asset class, in terms of minimum and maximum exposure allowed;
- embeds the asset and liabilities duration mismatches permitted and potential mitigation actions that can be enabled on the investment side.

Regarding specific asset classes such as (i) private equity, (ii) alternative fixed income, (iii) hedge funds, (iv) derivatives and structured products, the Group has mainly centralized their management and monitoring. These kinds of investments are subject to accurate due diligence in order to assess their quality, the level of risk related to the investment and its consistency with the approved liability-driven SAA.

The Group also uses derivatives with the aim of mitigating the risk present in the asset and/or liability portfolios. The derivatives help the Group to improve the quality, liquidity and profitability of the portfolio, according to the business planning targets. Operations in derivatives are likewise subject to a regular monitoring and reporting process.

Given the 2020 landscape, financial and credit risk mitigation measures have been put in place on exposures to the sectors most affected by Covid-19.
In particular:

- for equity exposures, mitigating actions have been implemented on the sectors most impacted by the pandemic through disinvestments, hedging strategies, and reallocation of investments to sectors and instruments of a defensive nature

24 The Prudent Person Principle set out in Article 132 of Directive 2009/138/EC requires the company to only invest in assets and instruments whose risks can be identified, measured, monitored, controlled and reported as well as taken into account in the company overall solvency needs. The adoption of this principle is ruled in the Group Investment Governance Policy (GIGP).

- with regard to the bond component, in order to monitor any acceleration in the deterioration of creditworthiness, a weekly reporting was prepared on issuers subject to a rating deterioration or a spreads widening that might suggest an increased probability of default.

In addition to the risk tolerance limits set on the Group solvency position within the Group RAF, the current Group risk monitoring process is also integrated by the application of the Investments Risk Group Guidelines (IRGG). The IRGG include general principles, quantitative risk limits (with a strong focus on credit and market concentration), authorization processes and prohibitions that Group entities need to comply with.

# Financial Risk

Within the life business, the Group assumes a considerable financial risk related to guarantees to policyholders with a minimum return on the accumulated capital over a potentially long period. If the yields generated by the financial investments are lower than the guaranteed return during this period, then the Group shall compensate the shortfall for those contractual guarantees. In addition, independently on the achieved asset returns, the Group has to secure that the value of the financial investments backing the insurance contracts remains sufficient to meet the value of its obligations.

Unit-linked business typically does not represent a source of financial risk for insurers (except when there are guarantees embedded in the contracts), although market fluctuations typically have profitability implications.

Regarding P&C business, the Group has to ensure that the benefits can be paid on a timely basis when claims occur.

In more detail, the Group is exposed to the following generic financial risk types:

- equity risk deriving from the risk of adverse changes in the market value of the assets or in the value of liabilities due to changes in the level of equity market prices which can lead to financial losses;
- equity volatility risk deriving from changes in the volatility of equity markets. Exposure to equity volatility is typically related to equity option contracts or to insurance products sold with embedded guarantees whose market consistent value is sensitive to the level of equity volatility;
- interest rate risk, defined as the risk of adverse changes in the market value of the assets or in the value of liabilities due to changes in the level of interest rates in the market. The Group is mostly exposed to downward changes in interest rates as lower interest rates increase the present value of the promises made to policyholders more than the value of the assets backing those promises. As a result, it may become increasingly costly for the Group to maintain its promises, thereby leading to financial losses;
- interest rate volatility risk derives from changes in the level of interest rate implied volatilities. This comes, for example, from insurance products sold with embedded minimum interest rate guarantees whose market consistent value is sensitive to the level of interest rates volatility;
- property risk deriving from changes in the level of property market prices. Exposure to property risk arises from property asset positions;
- currency risk deriving from adverse changes in exchange rates;
- concentration risk deriving from asset portfolio concentration to a small number of counterparties.

Notes, Investments, for further details on the Group's key figures and financial assets

Financial risks are measured by means of the PIM[25].

In particular:

- equity risk is modelled by associating each equity exposure to a market index representative of its industrial sector and/or geography. Potential changes in market value of the equities are then estimated based on past shocks observed for the selected indices;
- equity volatility risk models the impact that changes in the equity implied volatility can have on the market value of derivatives;
- interest rate risk models the changes in the term structure of the interest rates for various currencies and the impact of these changes on any interest rate sensitive asset and on the value of future liability cash-flows;
- interest rate volatility risk models the impact that the variability in interest rate curves can have on both the market value of derivatives and the value of liabilities sensitive to interest rate volatility assumptions (such as minimum pension guarantees);
- property risk models the returns on a selection of property investment indices and the associated impact on the value of the Group's property assets. These are mapped to various indices based on property location and type of use;
- for currency risk, the plausible movements in exchange rate of the reporting currency of the Group in respect to foreign currencies are modelled, as well as the consequent impact on the value of asset holdings not denominated in the domestic currency;
- for concentration risk the extent of additional risk borne by the Group due to insufficient diversification in its equity, property and bond portfolios is assessed.

Risk measurement by means of the Internal Model also applies to complex and/or illiquid financial instruments, ensuring their correct valuation within the modules included in the Group Risk Map.

The SCR for financial risk amounts to € 15,868 million before diversification (equal to 45% of total SCR before diversification). This risk is mainly driven by equity risk, followed by interest rate, property and currency risk.

During 2021, financial markets showed a positive trend by recovering from the negative effects observed in the initial phase of the Covid-19 pandemic. This resulted in a reduction

25. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.

of the observed volatility and in the recovery of the markets. It should be noted that the negative events produced by the pandemic during 2020 have shown a level of severity already considered within the assumptions underlying the Internal Model, which has thus confirmed its ability to model unforeseen market events

## Credit Risk

The Group is exposed to credit risks related to invested assets and those arising from other counterparties (e.g. cash, reinsurance).

Credit risks include the following two categories:

- spread widening risk, defined as the risk of adverse changes in the market value of debt security assets. Spread widening can be linked either to the market's assessment of the creditworthiness of the specific obligor (often implying also a decrease in rating) or to a market-wide systemic reduction in the price of credit assets;
- default risk, defined as the risk of incurring in losses because of the inability of a counterparty to honour its financial obligations.

Notes, Investments, for the overall volume of assets subject to credit risk please refer to the volumes of bonds and receivables (including reinsurance recoverable)

Credit risks are measured by means of the PIM[26].

In particular:

- credit spread risk models the possible movement of the credit spread levels for bond exposures of different rating, industrial sector and geography based on the historical analysis of a set of representative bond indices. Spread-sensitive assets held by the Group are associated with specific indices based on the characteristics of their issuer and currency;
- default risk models the impact of default of bond issuers or counterparties to derivatives, reinsurance and other transactions on the value of the Group's assets. Distinct modelling approaches have been implemented to model default risk for the bond portfolio (i.e. credit default risk) and the risk arising from the default of counterparties in cash deposits, risk mitigation contracts (such as reinsurance), and other types of exposures (i.e. counterparty default risk).

Risk measurement by means of the Internal Model also applies to complex and/or illiquid financial instruments, ensuring their correct valuation within the modules included in the Group Risk Map.

The IM credit risk model evaluates spread risk and default risk also for sovereign bond exposures. This approach is more prudent than the Standard Formula, which treats bonds issued by EU Central Governments and denominated in domestic currency as exempt from credit risk.

The SCR for credit risk amounts to € 8,069 million before diversification (equal to 23% of total SCR before diversification). Credit risk is mostly driven by spread risk on fixed income securities, while the contribution to SCR of the counterparty risk (including reinsurer's default) remains more limited.

Similarly to what has been observed for financial risk, during 2021, financial markets showed a positive trend by recovering from the negative effects observed in the initial phase of the Covid-19 pandemic. This resulted in a reduction of the observed volatility and in the recovery of the markets. The negative events produced by the pandemic during 2020 have shown a level of severity already considered within the assumptions underlying the Internal Model, which has thus confirmed its ability to model unforeseen market events.

In addition to that, since the onset of the pandemic, credit risk monitoring tools have been strengthened, in particular, the continuous monitoring of the potential downgrades, with the target of assessing their impact on the solvency and driving any mitigation actions.

The credit risk assessment is based on the credit rating assigned to counterparties and financial instruments. To limit the reliance on external rating assessments provided by rating agencies, an internal credit rating assignment framework has been set within the Risk Management Group Policy.

Within this framework additional rating assessments can be performed at counterparty and/or financial instrument level and ratings need to be renewed at least annually. This process applies even where an external rating is available. Moreover, additional assessments shall be performed each time the parties involved in the process possess any information, coming from reliable sources, that may affect the creditworthiness of the issuer/issues.

The internal credit rating assignment system at counterparty level is based on the evaluation of quantitative metrics and qualitative elements. The risk elements that are considered, among others, are referred to the assessment of the riskiness of the sector to which the counterparties belong, of the country in which their activities are carried out, and of the controlling group, where present. At financial instrument level, instead, the risk of the issuer is one of the main elements considered, together with the peculiarities of the instrument itself.

The most important strategy for the mitigation of credit risk used by the Group is the application of a liability-driven SAA, which can limit the impact of the market spread volatility. In addition, the Group is actively mitigating counterparty default risk by using, where feasible like e.g. for derivative transactions, collateralisation strategies mitigating the losses the Group might suffer as a result of the default of one or more of its counterparties.

26. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.

# Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. The definition includes the compliance risk and financial reporting risk while strategic and reputational risks are excluded.
The operational risks to which Generali Group is exposed are identified and detailed within the Risk Map defined in the Risk Management Group Policy and in the Operational Risk Management Group Policy.

Operational risks are measured by means of the PIM[27]. In particular, the operational risk capital is calculated using a scenario-based approach carried out by means of expert judgement: risk owners and experts provide estimates for frequency and severity for each operational risk category. Only material operational risks are then considered as input for the Internal Model calibration. The probability distributions of losses over one-year horizon are thus derived, which are subsequently aggregated in order to obtain the annual loss distribution allowing to determine the capital requirement at a confidence level of 99.5% (as per Solvency II principles).
This approach allows to better reflect Group risk profile capturing its specificities. The SCR for operational risk amounts to € 2,603 million before diversification (equal to 7% of total SCR before diversification).

On the basis of the most recent assessments carried out, the most relevant risks for the Group are linked to cyber-attacks and to the customer data protection, followed by other IT risks such as dysfunctions of IT infrastructures and applications, the risks of non-compliance with anti-money laundering regulations and international sanctions (also in relation to the attention of regulators and the consequent continuous updating of the relevant regulation) as well as the risks of product flaws, distribution and relationship management with clients (also in light of the issue of local secondary regulations implementing the Insurance Distribution Directive, which are beginning to be associated with regulatory requirements related to sustainability).

During 2021, the continuation of the Covid-19 pandemic kept the focus on monitoring exposure to risks related to people (management of employee relations and workplace environment), processes (business continuity, management of outsourced activities) and IT systems (cyber-attacks, IT infrastructures and applications dysfunctions). The Group continued to carry out the action plans structured in the previous year (remote working, mitigations for the possible increase in cyber risk, employees support, extraordinary measures for workplace safety, adaptation of IT infrastructures), which allowed to effectively mitigate the effect of the pandemic on operational risks. For the future, for the so-called Next Normal, the Generali Group intends to continue implementing hybrid working models. The employee survey, conducted in 2021, revealed positive employee opinions on remote working and the hybrid working model. During the year, important training program was also launched to develop the leadership skills needed to guide organisations through the hybrid scenario and support the cultural transformation, a fundamental condition for the hybrid model to be sustainable and activate a more effective and efficient organisation.
As a result of these measures, the assessments used in the Internal Model with regard to the pandemic risk have seen a reduction in the economic impact estimates in 2021, in line with the actual losses incurred by the Company. Conversely, the frequency estimates have increased slightly, considering the potential continuation of the phenomenon due to the possible appearance of new variants of the virus.

In terms of governance, the ultimate responsibility for managing the risk sits in the first line, the so-called risk owners, whereas the Risk Management Function with its methodologies and processes ensures an early identification of the most severe threats across the Group. In this way, management at all levels is guaranteed with a holistic view of the broad operational risk spectrum that is essential for prioritizing actions and allocating resources in most risk related critical areas.
The target is achieved by adopting methodologies and tools in line with industry best practices and by establishing a strong dialogue with the first line of defence.

To further strengthen the risk management system and in addition to the usual risk owners' responsibilities, the Group has established specialised units within the first line of defence with the aim of dealing with specific risks (relating, for example, to cyber-attacks, fraud events and financial reporting risk) acting as a key partner for the Risk Management Function.
An example is the creation of a dedicated unit for the management and coordination of the Group-wide IT Security (cyber risk) that steers the evolution of the IT security strategy and operating model, ensuring a timely detection and resolution of the vulnerabilities that may affect the business.

Finally, it should be noted that Generali Group exchanges operational risk data, properly anonymized, through the Operational Risk data eXchange Association (ORX), a global association of operational risk practitioners where main banking and insurance players at global level participate. The aim is to use the data to improve the risk management and to anticipate emerging trends. In addition, since losses are collected by the first line, the process contributes to create awareness among the risk owners upon risks that could impact the Group. In this sense, a primary role is played by forward-looking assessments that aim to estimate the evolution of the operational risk exposure in a given time horizon, supporting in the anticipation of potential threats, the efficient allocation of resources and the definition of related initiatives.
The loss data collection integrates the previously mentioned scenario analysis (forward-looking perspective) with a backward perspective, thus allowing for a comprehensive assessment of operational risks.

27. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.

# Other Material Risks

## Liquidity Risk

Liquidity risk is defined as the uncertainty, related to business operations, investment or financing activities, over the ability of the Group and its legal entities to meet payment obligations in a full and timely manner, in a current or stressed environment.
The Group is exposed to liquidity risk from its insurance and reinsurance operating activity, due to the potential mismatches between the cash inflows and the cash outflows deriving from the business.
Liquidity risk can also stem from investing activity, due to potential liquidity gaps deriving from the management of the asset portfolio as well as from a potentially insufficient level of liquidity in case of disposals (e.g. capacity to sell adequate amounts at a fair price and within a reasonable timeframe).
Liquidity risk from financing activity is related to the potential difficulties in accessing external funding or in paying excessive financing costs.
The Group can be also exposed to liquidity outflows related to issued guarantees, commitments, derivative contract margin calls or regulatory constraints.

The Group liquidity risk management framework relies on projecting cash obligations and available cash resources over a 12-month time horizon, to monitor that available liquid resources are at all times sufficient to cover cash obligations that will become due in the same horizon.
A liquidity risk metric (liquidity indicator) has been defined to monitor the liquidity situation of each Group insurance legal entity on a regular basis. Such metric is forward-looking, i.e. it is based on projections of cash flows, stemming both from assets and liabilities and on the assessment of the level of liquidity and ability to sell of the asset portfolio at the beginning of period.
The metric is calculated under both the so-called base scenario, in which the values of cash flows and assets correspond to those projected according to each legal entity's Strategic Plan scenario, and the so-called liquidity stress scenario, in which the projected cash inflows and outflows and the market price of assets are calculated to take into account unlikely but plausible circumstances that would adversely impact the liquidity of each Group insurance legal entity.
Liquidity risk limits have been defined in terms of value of the above-mentioned liquidity indicator. The limit framework is designed to ensure that each Group legal entity holds an adequate buffer of liquidity in excess of the amount required to withstand the adverse circumstances described in the stress scenario.

The Group has defined a metric to measure liquidity risk at Group level, based on the liquidity metric calculated at legal entity level. The Group manages expected cash inflows and outflows to maintain a sufficient available level of liquid resources to meet its medium-term needs. The Group metric is forward-looking and is calculated under both the base and liquidity stress scenario; liquidity risk limits have been defined in terms of value of the above-mentioned Group liquidity risk indicator.

The Group has established clear governance for liquidity risk management, including specific limit setting and the escalation process in case of limit breaches or other liquidity issues.
The principles for liquidity risk management designed at Group level are fully embedded in strategic and business processes, including investments and product development.
Since the Group explicitly identifies liquidity risk as one of the main risks connected to investments, indicators as cash flow duration mismatch are embedded in the SAA process. In addition, investment limits are set to ensure that the share of illiquid assets (including also complex financial instruments) remains within a level that does not impair the Group asset liquidity. These limits are subject to a regular monitoring at Group and Business Unit level.

The Group has defined in its Life and P&C Underwriting and Reserving Group Policies the principles to be applied to mitigate the impact on liquidity from surrenders in life business and claims in non-life business.
Despite Covid-19 external context, all the expected 2021 Group cash remittances have been secured, contributing to the Parent Company's significant cash position.

Management Report, Debt and Liquidity, p.99 for further details on the management of financial liabilities and of the related maturities, including exhaustive analysis on liabilities linked to financial activities and on available liquidity in terms of cash and cash equivalents

Notes, Detailed information on insurance and investments contracts for the management of insurance liabilities

## Concentration Risk

Concentration risk stems from all risk exposures with a potential loss which is large enough to threaten the solvency or the financial position.
The Group identifies three categories of exposures in terms of main sources of concentration risk for the Group:
- investment exposures stemming from investment activities;
- exposures to reinsurance counterparty default risk stemming from ceded reinsurance;
- non-life underwriting exposures, specifically natural disasters or man-made catastrophes.

Investment concentrations at Group level are managed through the Risk Concentrations Management Group Policy - Investment Exposures. This policy defines a comprehensive framework for managing concentrations arising from investments.
In particular, the framework defines the categories against

which the concentration must be measured: ultimate, geography, industry sector and currency.

The metrics for measuring concentrations related to investments are based on both market value and Risk Based Exposure (Risk Based Exposure is calculated by multiplying the market value by a stress coefficient identified in coherence with the Internal Model considering the risk profile of each individual position in terms of rating, country of issue, asset type and industry sector).

The exposure is subject to specific concentration limits (above which the Board of Directors approval is needed) and concentration reporting thresholds (above which the exposure is reported to the Board of Directors for informative purposes). The concentration limits are set to prevent exposures that could endanger the solvency or liquidity position of the Group, substantially change the Group risk profile or undermine the interests of policyholders and/or those entitled to insurance benefits.

Alongside the limits defined in terms of market value and Risk Based Exposure, the Policy also defines further limits set for bonds in terms of incidence of exposure with respect to the issuer's total debt, and for shares in terms of voting rights. The concentrations on investments are monitored on a quarterly basis and in any case positions exceeding the reporting thresholds are reported on half yearly basis to the Board of Directors.

The Group has developed a specific framework for identifying, measuring, monitoring, managing and reporting Group risk concentrations stemming from exposures to reinsurance counterparties and non-life underwriting exposures, within the Risk Concentrations Management Group Policy - Reinsurance and Underwriting Exposures.

## Reputational, Emerging and ESG Risk

Although not included in the calculation of SCR, the following risks are also taken into account:

- reputational risk referring to potential losses arising from deterioration or a negative perception of the Group among its customers and other stakeholders. Within the Reputational Risk Group Guideline, reputational risks are mostly considered second order risks, directly referred to ESG[28] related transactions or consequent to operational risks;
- emerging risks arising from new trends or evolving risks which are difficult to perceive and quantify, although typically systemic. The most important are the environmental trends and climate change, technological changes and digitalization, geopolitical developments and demographics and social changes. For the identification and the assessment of these risks and to raise the awareness on the implications of the emerging trends, the Risk Management Function engages with a dedicated network, including specialists from business functions (e.g. Group Life & Health Insurance, Group P&C, Group Reinsurance, Group Investments, Asset & Wealth Management, Group Strategic Planning & Control, Group Data & Digital, Group Integrated Reporting, Group Chief Marketing & Customer Officer, Group Strategy and Group Sustainability & Social Responsibility given the relevant interrelation with ESG factors).

The Group also participates to the Emerging Risk Initiative (ERI), a dedicated working group of the CRO Forum, which involves the CROs of the main European groups. Within ERI risks common to the insurance industry are discussed and published in the ERI Radar as well as specific studies (Position Papers) on selected emerging risks. During 2021, the Group participated in the update of the ERI Radar, in which links to ESG trends were strengthened, and in the publication of the CRO Forum Paper on risks arising from mental distress conditions (Mental Health - The Hidden Crisis), both available on the CRO Forum website.

During 2021, the Climate Change Risk project also continued with the aim of implementing a climate risk management framework with a dual perspective of incurred risk (outside-in) focused on the impacts that climate change produces on the Group and generated risk (inside-out) resulting from the impacts that the Group itself produces on climate change.

Challenges and opportunities of the market context, p. 24, for more details on climate change, including the Climate Change Risk project, demographics and digitalization.

www.generali.com/what-we-do/emerging-risks for more details on emerging risks

28. ESG stands for Environmental, Social and Governance.

# OUTLOOK


GENERALI
#Generali190

Thanks to the widespread distribution of vaccines and the gradual end of the pandemic phase, a recovery of the global economy is expected in 2022.

In particular, the growth of GDP in the Eurozone should stand at 3.3% in 2022, sustained by the overcoming of the negative effects on supply chains and by the consequent resumption of production processes. High confidence and continued surplus savings should drive consumers to increase spending. In March, the ECB will terminate its Pandemic Emergency Purchase Programme (PEPP), which supports the economies of member countries and, as inflation will continue to be high for a long time, it will increase interest rates in the second half of 2022.

In the United States, the interruption to supplies, which rendered growth weaker, fuelling inflation, should gradually subside during the first half of 2022. Growth forecasts are 3.4% in 2022. In March, the FED will terminate the asset purchase programme and then begin the quantitative tightening; it will increase interest rates, more aggressively than the ECB.

With regard to the financial markets, 2022 should be characterised by an increase of core government rates, by a modest widening of the BTP-Bund spread and by a limited narrowing envisaged for European investment grade spreads. The stock market should, albeit moderately, report positive earnings in both the United States and Europe.

The recent Russian-Ukrainian conflict has generated a context of greater uncertainty and volatility, with an increase of downside risks. To date, the development of the conflict remains unpredictable and consequently it is not possible to make a reasonable estimate of the effect of the crisis on the markets and the insurance business.

With regard to the insurance sector as a whole, growth prospects are still positive, albeit at a slower pace than those of 2021. The pandemic has highlighted the need to better protect households from situations of economic uncertainty; even the progressive ageing of the population will lead to a lower demand for savings products and a higher demand for income products and those related to self-sufficiency. Renewed interest is expected in Life protection policies (pension, Long Term Care policies, critical illness, health assistance and death coverage policies, not related to the granting of mortgage loans, loans or salary-backed loans) and P&C (income protection and creditor protection policies).

In this context, the Group confirms and continues with its strategy to rebalance the Life portfolio in order to further increase its profitability and with a more efficient capital allocation, also backed by an in-depth analysis of existing portfolios. Simplification and innovation will continue to be key, with the introduction of a range of modular product solutions, designed for the specific requirements and new needs of customers, and marketed through the most suitable, efficient and modern distribution channels. The Generali's objective to be a Lifetime Partner to its customers will be the priority underpinning all Life and Health business development processes.

This strategic direction is a perfect fit with the approach adopted for new business growth through the selective development of business lines such as protection and health, as well as of capital-light savings and investment insurance solutions. The development of these lines aims to offer a wide range of insurance solutions adapted to risk and investment profiles for the benefit of both the policyholders and the Group. In particular, for products in the protection line, we aim to offer modular solutions in which traditional risk coverage is combined with substantial service packages to provide even better prevention, information, management and resolution of the critical areas subject to coverage. Amongst the capital-light products, unit-linked products are increasingly characterized by financial mechanisms that are able to handle potential market contractions (e.g. protected funds and guided investment management options). Greater attention will be paid to the development of insurance solutions that include ESG sustainable features, which play an increasingly greater role in the choices of customers who are particularly interested in socio-environmental issues, but also wish to get good returns on their investments; this trend will be further accelerated by the gradual application of the European regulation on sustainable finance (Sustainable Finance Disclosure Regulation or SFDR) and the related transparency commitments towards customers. Thanks to asset management capabilities at Group level, it is also possible to offer innovative investment solutions based on private and real assets, which allow customers to get higher returns than the average market ones and the Group to increase the assets under management.

With regard to in-force business, efforts will continue to strengthen relations with existing customers on the basis of an updated analysis of current insurance needs.

Premium trends will continue to reflect the Group's common goals, driven by a focus on the central importance of the customer's interests and by a prudent underwriting policy consistent with the Risk Appetite Framework, which is focused on continuous value creation through its products.

With regard to the Property & Casualty insurance segment, the Group recorded an increase in premiums, at the same time maintaining the already excellent technical profitability. The objective for the mature insurance markets in which the Group operates is to maximize growth in each of the respective economic contexts and, in parallel, gain ground in high growth potential markets by expanding our presence and offer in the territory.

In the motor line, there is strong pressure on premiums and in keeping the average premium due to the competitiveness of the market. Generali's objective of developing innovative insurance solutions that guarantee a competitive edge and the business line's profitability is confirmed.

In line with the strategic priorities for profitable growth and to become a Lifetime Partner to our customers, the development of the non-motor line focused on modular insurance solutions designed to meet the specific requirements and the new needs of customers, expanding the offer of innovative services, prevention and assistance with the support of digital

tools and platforms (such as the coverage of cyber risks, which became extremely important in the lockdown period due to the extensive adoption of smart working). Growth in this segment will also be supported by taking advantage of the opportunities offered by demographic and social changes, new markets and moving forward with distribution channel and partnership initiatives. The Group is always very careful to combine the opportunities present on the market with a disciplined approach in underwriting and portfolio optimization - pricing, selection and profitability - and careful assessments of the customer's new requirements, which are placed at the heart of product development.
The P&C segment's management - also considering the low level of capital absorption of these products - will therefore continue to be a cornerstone for the implementation of the Group's strategy, whose objective is to maintain its leadership role in the European insurance market for private individuals, professionals and SMEs.

The global reinsurance market continues to show sufficient capitalization to meet the needs of ceding insurance companies, despite the fact that reinsurers have not been able to adequately remunerate the capital employed in recent years. In turn, this situation triggered an upward trend in hedging costs that was evident as early as the end of 2020, and continuing into 2021, the year in which the reinsurance market had to pay substantial claims caused by natural events in Europe and the United States, in addition to recurring devastating forest fires.
The negotiations for the renewal of reinsurance contracts were strongly affected by the weight of claims relating to the storms and floods that hit Europe in the summer, as well as by the evolution of the Covid-19 claims during 2021, which experienced great increases particularly in the Life segment. In addition to cost, much attention was also paid by reinsurers to the extent of coverage with the introduction of exclusions related to cyber risk and other limitations intended to more accurately define the scope of coverage.
The frequency and intensity of claims in geographical areas where the Group is quite active have resulted in significant gross impacts, but the reinsurance structure in place has proven effective in containing the volatility of the result. Notwithstanding a reinsurance market that tends to increase costs, Generali deemed it appropriate to keep the retention levels substantially unchanged and in line with its risk appetite, adjusting them only in those rare cases in which the costs would have otherwise proved excessive. The result was a renewal of reinsurance coverage with cost increases that were nonetheless contained compared to market trends, thanks to the technical quality of the portfolio and the good performance of previous years.

With regard to the Asset Management segment, activities identified for the new plan will continue in 2022 in order to extend the product catalogue in terms of real assets & private assets, high conviction and multi-asset strategies. The Asset Management platform, which is at present mainly based in Europe, aims to become global with a consequent increase in revenues and assets under management (AUM) from external customers.

With reference to the investment policy, the Group will continue to pursue an asset allocation strategy aimed at consolidating current returns and ensuring consistency with liabilities to policyholders.
As regards the strategy for fixed-income investments, in order to efficiently manage the matching between assets and liabilities, the Group will continue to mainly use long-term government bonds with high credit ratings to ensure effective coverage of long-term liabilities. A balanced approach will be maintained with investments in corporate bonds that contribute to improving the portfolio profitability, also in light of the increase in yields and positive expectations on the economy and corporate fundamentals.
Alternative investments and investments in real assets continue to be an important part of the strategy due to their contribution to portfolio diversification and return, particularly in the persistent context of low interest rates. The Group continues to develop a multi-boutique insurance asset manager platform to enhance the investment ability in these market sectors and better monitor their management in terms of complexity and liquidity.
The equity investments are managed with particular attention to periods of volatility, in order to seize opportunities offered by the market and ensure greater portfolio diversification.
In the real estate sector, the controlled investment fund strategy will focus on the most resilient European markets (France, Germany, UK and CEE) and on indirect investments in Asia.
In all asset classes, the Group's policy is focused on ESG and sustainability aspects, prioritizing investments that are consistent with green energy policies to reduce climate change risk.

In line with the *Lifetime Partner 24: Driving Growth* strategic plan, in the next three years, the Group is committed to deliver strong financial performance, best-in-class customer experience and an even greater social and environmental impact, thanks to our empowered people.
Specifically, it intends to pursue sustainable growth, enhance its earnings profile and lead innovation in order to achieve a compound annual growth rate in earnings per share[1] between 6% and 8% in the period 2021-2024, to generate net holding cash flow[2] exceeding € 8.5 billion in the period 2022-2024 and to distribute cumulative dividend[3] to shareholders for an amount between € 5.2 billion and € 5.6 billion in the period 2022-2024, with ratchet policy on dividend per share.
Sustainability commitments are also embedded within the *Lifetime Partner 24: Driving Growth* strategic plan, including growing premiums from sustainable solutions, by 5%-7% CAGR in the period 2022-2024 and a climate-neutral insurance portfolio by 2050 as well as the full integration[4] of ESG criteria into direct investments by 2024 and new green and sustainable investments worth between € 8.5 and € 9.5 billion in the period 2021-2025. With the aim of making also the investment

1. 3 year CAGR; adjusted for impact of gains and losses related to acquisitions and disposals. Target based on current IFRS accounting standards.
2. Net holding cash flow and dividend expressed in cash view.
3. Subject to regulatory recommendations.
4. General account - Direct investments (corporate bond and equity, sovereign bond).

portfolio climate neutral by 2050, the Group is committed to the 25% reduction in the carbon footprint of listed equities and corporate bonds by 2024[5]. A roadmap is also defined for the complete exclusion of investments and underwriting activities in the thermal coal sector in OECD countries by 2030 and in the rest of the world later; the commitment to no longer insure upstream oil and gas is confirmed.

The Group will continue to invest in its people to ensure they are engaged with the successful delivery of the new strategic plan, while fostering a sustainable work environment. It will then focus on enhancing its customer-centric culture, based on meritocracy and developing competencies, including the 70% employees' upskilling with new digital and strategic skills. Generali's people will continue to be supported by fair processes and equal opportunities, considering diversity in all its components as a value and aiming, in particular, to have 40% women in leadership positions[6]. The Group is also committed to embrace new sustainable and balanced hybrid work models in all its entities, delivering important benefits to its employees and stakeholders in the Next Normal.

*The Report contains statements concerning events, estimates, forecasts and future expectations based on the current knowledge of the Group's management. Such statements are generally preceded by expressions such as "a decrease/increase is expected", "is forecast", "should grow", "we believe it may decline" or other similar wording. Please note that these forward-looking statements should not be considered forecasts of the Group's actual results or of factors outside the Group. Generali assumes no obligation to update or revise such forecasts, even after new information, future events or other elements come to light, unless required by law.*

5. Reduction in terms of GHG intensity per invested amount. Baseline: 2019.
6. Group Management Committee, Generali Leadership Group and their first reporting line.

# LIFETIME PARTNER 24: DRIVING GROWTH

**DRIVE SUSTAINABLE GROWTH**

- BOOST P&C REVENUES AND MAINTAIN BEST-IN-CLASS TECHNICAL MARGINS
- GROW CAPITAL LIGHT BUSINESS, TECHNICAL PROFITS AND ESG PRODUCT RANGE
- UNDERPIN GROWTH WITH EFFECTIVE COST MANAGEMENT

**ENHANCE EARNINGS PROFILE**

- IMPROVE LIFE BUSINESS PROFILE AND PROFITABILITY
- REDEPLOY CAPITAL TO PROFITABLE GROWTH INITIATIVES
- DEVELOP ASSET MANAGEMENT FRANCHISE FURTHER

**LEAD INNOVATION**

- INCREASE CUSTOMER VALUE THROUGH LIFETIME PARTNER ADVISORY MODEL
- ACCELERATE INNOVATION AS A DATA-DRIVEN COMPANY
- ACHIEVE ADDITIONAL OPERATING EFFICIENCY BY SCALING AUTOMATION AND TECHNOLOGY

DELIVER **STRONG FINANCIAL PERFORMANCE, BEST-IN-CLASS CUSTOMER EXPERIENCE** AND **EVEN GREATER SOCIAL AND ENVIRONMENTAL IMPACT**,

**DELIVER A POSITIVE SOCIAL, ENVIRONMENTAL AND STAKEHOLDER IMPACT**

**RESPONSIBLE INVESTOR**

- **FULL ESG INTEGRATION**[12] BY 2024
- 2050 **CARBON NEUTRAL** INVESTMENT PORTFOLIO, WITH AN INTERIM GOAL OF 25%[13] CARBON FOOTPRINT REDUCTION BY 2024
- **€ 8.5-9.5 billion** NEW GREEN & SUSTAINABLE INVESTMENTS 2021-2025
- **€ 3.5 billion** INVESTMENT PLAN BY 2025 TO SUPPORT THE EU RECOVERY

**RESPONSIBLE INSURER**

- **+5-7%** SUSTAINABLE SOLUTIONS GROSS WRITTEN PREMIUMS CAGR 2022-2024
- 2050 **CARBON NEUTRAL** INSURANCE PORTFOLIO
- FOSTER SUSTAINABLE TRANSITION FOR SMES THROUGH **ENTERPRIZE** PROJECT

**RESPONSIBLE EMPLOYER**

- **SUSTAINABILITY WITHIN** ALL PEOPLE PROCESSES, ENABLED BY A PEOPLE STRATEGY FOCUSED ON CULTURE, DIVERSITY, COMPETENCE UPSKILLING AND NEW WAY OF WORKING
- **CHANGE MANAGEMENT** PROGRAM ON SUSTAINABILITY, TARGETING GROUP LEADERSHIP AND ALL EMPLOYEES
- **GOVERNANCE OF SUSTAINABILITY** TO MIRROR AND MONITOR OUR AMBITION

*THE HUMAN SAFETY NET* - A social innovation hub powered by Generali's skills, networks and solutions to create social impact, supporting the most vulnerable groups in unlocking their potential

**>4%**
P&C NON MOTOR GWP CAGR 2021-2024

**€ 2.3-2.5 billion**
LIFE NEW BUSINESS VALUE AT 2024

**COST SAVINGS** TO COUNTERBALANCE INFLATION IN INSURANCE EUROPE[7]

Up to **€ 1.5 billion**
POTENTIAL SOLVENCY II CAPITAL REQUIREMENT REDUCTION

**€ 2.5 - 3 billion**
CUMULATIVE DISCRETIONARY AVAILABLE FREE CASH FLOW

**+ € 100 million**
ASSET MANAGEMENT THIRD PARTY REVENUES

**RELATIONSHIP NPS**
MAINTAIN THE LEADERSHIP AMONG OUR EUROPEAN INTERNATIONAL PEERS

**€ 1.1 billion**
CUMULATIVE INVESTMENTS IN DIGITAL AND TECHNOLOGY

**2.5 - 3 p.p.**
COST/INCOME RATIO[8] IMPROVEMENT

**STRONG EARNINGS PER SHARE GROWTH**

**6 - 8%**
EPS CAGR RANGE[9] 2021-2024

**INCREASED CASH GENERATION**

**> € 8.5 billion**
CUMULATIVE NET HOLDING CASH FLOW[10] 2022-2024

**HIGHER DIVIDEND[11]**

**€ 5.2 - 5.6 billion**
CUMULATIVE DIVIDEND[10] 2022-2024, WITH RATCHET POLICY ON DIVIDEND PER SHARE

## THANKS TO **OUR EMPOWERED PEOPLE.**

**ENGAGED PEOPLE AS A CORE ASSET TO SUCCESSFULLY DELIVER THE NEW PLAN**

**BUILD A DIVERSE AND INCLUSIVE ENVIRONMENT ENSURING EQUAL OPPORTUNITIES**

**40%**
WOMEN IN LEADERSHIP POSITIONS[14]

**INVEST IN DIGITAL AND STRATEGIC SKILLS PLACING PEOPLE AT THE HEART OF OUR TRANSFORMATION**

**70%**
EMPLOYEES UPSKILLED

**ENABLE AN EFFICIENT AND AGILE ORGANIZATION EMBRACING A SUSTAINABLE HYBRID WORK MODEL ROOTED ON DIGITAL**

**100%**
ENTITIES WORKING HYBRID

**ENHANCE CUSTOMER-CENTRIC, SUSTAINABLE AND MERITOCRATIC CULTURE**

ENGAGEMENT INDEX > EXTERNAL MARKET BENCHMARK[15]

7. Excluding sales-force cost.
8. Income defined as the sum of general expenses, operating result and non-operating result (excluding non-operating investments result and interest on financial debt); insurance perimeter (total Group excluding A&WM and EA). Target based on current IFRS accounting standards.
9. 3 year CAGR; adjusted for impact of gains and losses related to acquisitions and disposals. Target based on current IFRS accounting standards.
10. Net holding cash flow and dividend expressed in cash view.
11. Subject to regulatory recommendations.
12. General account - Direct investments (corporate bond and equity, sovereign bond).
13. General account - Listed equity and corporate bond portfolios. Carbon footprint in terms of GHG intensity per invested amount. Baseline: 2019.
14. Group Management Committee, Generali Leadership Group and their first reporting line.
15. Willis Tower Watson Europe HQ Financial Services Norm.

# CONSOLIDATED NON-FINANCIAL STATEMENT

pursuant to legislative decree of 30 December 2016, no. 254 as amended

NFS

**The Annual Integrated Report of the Generali Group includes non-financial information in compliance with the provisions of legislative decree of 30 December 2016, no. 254 (leg. decree 254/2016), in implementation of European directive 2014/95. In line with the approach adopted, this information is clearly identified through a specific infographic to improve accessibility to the information itself.**

Information relating to environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters - which is relevant to the activities and characteristics of the Group - is reported to the extent necessary for an understanding of the Group development, performance, position and impact of its activity. It comprises a description of the:
- organization and management model, including direct and indirect impact (p. 22-23). The main operating companies based in Italy have adopted models, pursuant to art. 6, paragraph 1, letter a), of legislative decree of 8 June 2001, no. 231. These models aim at mitigating risks connected to offences that are relevant also to leg. decree 254/2016;

Corporate Governance and Share Ownership Report 2021, p. 115 for the organization and management model of the Parent Company

- policies applied (p. 24-36; 66-69);
- non-financial key performance indicators (p. 13, 40-65 and in *Our performance*, where indicated through the infographic);
- principal risks related to the matters mentioned above, as reported in the table below, and their management.

The Report also complies with art. 8 of Regulation EU 2020/852 (known as EU Taxonomy Regulation) on transparency of undertakings in non-financial statements and Delegated Regulation EU 2021/2178, specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation. Furthermore, the disclosure drafted in compliance with the aforementioned Regulations is based on the description of the economic activities included in Annexes I and II of the Delegated Regulation EU 2021/2139, which establish the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. We also took into account the reporting guidelines published by the European Commission in December 2021 and February 2022[1].
The Report applies the International <IR> Framework issued by the International Integrated Reporting Council (IIRC)[2] and adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 the Consolidated Set of GRI Sustainability Reporting Standards, issued by the GRI-Global Reporting Initiative (GRI-Referenced claims), with reference to selected GRI Standards and indicators of the GRI G4 Financial Services Sector Disclosures, as well as indicators defined by a proprietary methodology.
The Report is in line with the 2021 priorities on non-financial information by ESMA[4] and considers the TCFD[3] recommendations and the Guidelines on non-financial reporting of the European Commission[5] as for the material environmental matters.

Notes to the Management Report, p. 180 for the criteria of the International <IR> Framework and selected indicators

In 2019, we developed the materiality analysis process methodology by concentrating our efforts on the identification of the mega trends, i.e. the large social, environmental and governance transformations, which is expected to be able to change the world of enterprises, society and the natural environment significantly over a ten-year horizon, and this entails risks and opportunities for Generali, its value chain and its stakeholders. We intend to focus strategies, actions and reporting on these priorities to support the Group's ability to create lasting value over time.
The Statement reflects this analysis: it focuses on the most material mega trends identified and describes the management tools in place to mitigate risks and seize opportunities related to them.
The following activities were carried out to identify the material aspects:
- identification of the potentially material mega trends in connection with the Group's activities, strategy and countries which were identified based on public scenario analysis documents and sustainable development research drawn up by international non-government institutions and associations, think tanks, trade associations and forums in the industry;
- assessment of the mega trends, aggregating[6] the viewpoint of the internal and external stakeholders, with which it was asked to order by priority the identified mega trends, considering both their potential impact on Generali and the possibility that they are influenced by us, also through our value chain, consistent with the perspective of the double materiality. This perspective, that considers both the financial materiality and the social and environmental materiality for each mega trend, was introduced by the non-binding Guidelines on reporting non-financial information adopted by the European Commission and afterwards

1. *FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act? and Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets*.
2. The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs.
3. The document *European common enforcement priorities for 2021 annual financial reports* is available on www.esma.europa.eu.
4. The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) with the aim to formulate a set of recommendations on reporting climate-change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors.
5. *Guidelines on non-financial reporting: supplement on reporting climate-related information* (C/2019/4490) were published in June 2019. They are available on eur-lex.europa.eu.
6. The assessment was made using an approach based on the consolidation of the results of multiple repetitive analysis cycles conducted with groups of experts (the so-called Delphi method).

picked up by ESMA. Over 120 top managers at the Group Head Office and business unit levels were involved internally through interviews and focus groups. To guarantee adequate consideration of the risk component of the identified mega trends, the internal assessment considered the results of the Group Own Risk and Solvency Assessment process.

Risk Report, p. 139 of the Annual Integrated Report and Consolidated Financial Statements 2021

The assessment of the external stakeholders[7] was supplemented by the analysis of the investment policies of 20 large SRI and traditional investors, the results of opinion polls conducted by Eurobarometer involving a sample of over 114,000 people in Europe, and the analysis of a survey conducted with the sustainability managers of roughly 190 multinational companies. Furthermore, about 1,700 company reports, 2,600 rules and bills of law, 4,000 articles published online and over 108 million tweets published between April and October 2019 were analysed using Artificial Intelligence technology and computational linguistics with the support of a specialised provider;

- processing of the Group materiality matrix, previously discussed by the Governance and Sustainability Committee and the Board of Statutory Auditors, and then approved by the Board of Directors

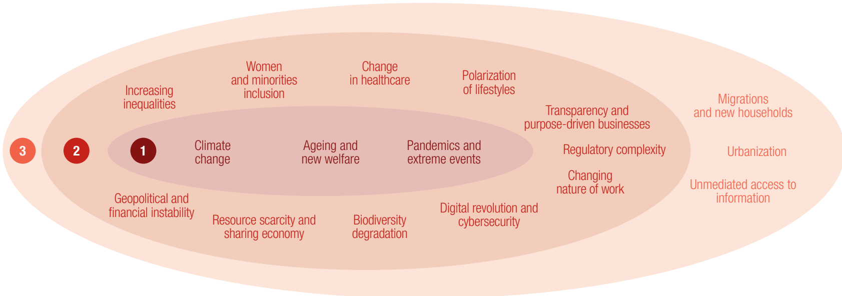
Considered the context changed following the crisis triggered by the Covid-19 pandemic, in 2020 the Generali top management reviewed the current relevance of mega trends that were resulted from the materiality analysis carried out the year before. It confirmed that materiality analysis, still considering it an effective synthesis of the priority corporate and social challenges for the years to come. There was just a limited number of changes compared to the results from the analysis carried out in 2019: the mega trend *Pandemics and extreme events* was moved to cluster 1, that currently includes two other priorities for the benefit of a greater focus: *Climate change and Ageing and new welfare*. The mega trends *Digital revolution and cybersecurity* and *Geopolitical and financial instability* were moved to cluster 2, as well as the mega trend Biodiversity degradation due to its increasing relevance. In November 2020, the Board of Directors approved these updates together with a more immediate representation of the materiality analysis, that gives better evidence to the distribution of the mega trends within the three priority clusters, that determine the Group's approach for their management. We confirmed mega trends also for 2021, taking into account the perspective of the double materiality: we assessed the potential impact each mega trend can have on the Group and how megatrend can be influenced by the Group, also through its value chain. Belonging to one of the three priority clusters determines the Group's approach for its management and reporting.

**1** Central cluster that identifies the material mega trends on which the strategic initiatives common to the Group are focused and the disclosure of which is included in this Report

**2** Intermediate cluster that groups the mega trends of considerable relevance, which are addressed by specific business units or functions

**3** External cluster that groups the mega trends to be monitored, which are of minor relevance compared to the other factors analysed

Glossary available at the end of this document




The material information pursuant to the decree[8] was identified taking the mega trends belonging to the first 2 clusters into consideration. Confirming the approach adopted in the previous Statement, the material mega trends specified above are reported in this Report using indicators announced through the Generali 2021 strategic plan and monitored in the planning and control processes. The scope of reporting for these indicators is the consolidated one, unless otherwise specified[9]. A comparison is offered with the previous period, where feasible.

In order to monitor processes for the non-financial information collection and data quality, we have implemented an integrated internal control system. This model, that is modular and constantly evolving, leverages the approach adopted for the financial reporting to the market, and the broader Data Quality framework. A non-financial information reporting manual has been drawn up for some years. It includes indicators, calculation methods and reporting flows, as well as a standard catalogue of control objectives applicable to the processes at both the Group Head Office and each contributing company level. The integrated internal control model currently used is therefore based on a streamlined approach that allows the control activities implemented to be identified and assessed compared to expected control objectives and applicable risks. For monitoring purposes, specific activities aimed at verifying processes and controls are also carried out, where necessary, by an independent advisor.

7. The opinions of the external stakeholders - 50 opinion leaders representing the major stakeholder categories, such as customers, investors, employees, representatives of the Group's workers (European Works Council), regulatory institutions and authorities, enterprises and trade associations in the industry, universities and research centres, NGOs and future generations - were collected both through direct engagement activities and indirectly with the use of Artificial Intelligence technology and computational linguistics for the quantitative analysis of a large number of document sources.
8. The following matters envisaged by leg. decree 254/2016, art. 3, paragraph 2 are not material: water use, air pollutant emissions and impact on health and safety.
9. The non-financial indicators in the NFS referred to consolidated line-by-line companies, unless otherwise reported in the chapters dedicated to them. Except for the number of employees and the breakdown by gender as well as for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations, all non-financial indicators excluded from their scope the information of the companies of the Cattolica group, the acquisition of which was completed in November 2021. As envisaged by the relevant legislation, such exclusion was based on the timing of the transaction that did not allow adequate harmonization of procedures and criteria, adopted by the Group, for the recognition and measurement of their non-financial information.

NFS

The following table connects the material mega trends and those of considerable relevance as mentioned above to the five matters envisaged by leg. decree 254/2016, including the related main risk categories and pages of the Report in which they are reported. It also highlights our support for the Sustainable Development Goals of the United Nations.

| MATTERS ex leg. decree 254/2016 | MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE ex 2021 materiality matrix | MAIN RISK CATEGORIES[10] |
|---|---|---|
| 1. ENVIRONMENTAL MATTERS | CLIMATE CHANGE [11] | **Emerging risks with foreseeable developments on underwriting, financial, operational and reputational risks** (Clients and products: *Product flaws; Damage to physical assets: Accidents and natural disasters, Human caused events*) |
| | RESOURCE SCARCITY AND SHARING ECONOMY | |
| | BIODIVERSITY DEGRADATION | |
| | TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES | **Operational risks**[12] (Clients and products: *Suitability, disclosure and fiduciary duties, Improper business or market practices, Selection, sponsorship and exposure*) |
| 2. SOCIAL MATTERS | PANDEMICS AND EXTREME EVENTS[13] | **Operational risks** (External fraud: *System security (from external attack)*; Employment practices: *Employee relations, Workplace safety*) **with possible impact in terms of strategic and underwriting risks** |
| | DIGITAL REVOLUTION AND CYBERSECURITY | **Operational risks** (External fraud: *System security (from external attack)*; Employment practices: *Employee relations, Workplace safety, Workplace discrimination*) |
| | TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES | |
| | AGEING AND NEW WELFARE | **Emerging risks with foreseeable developments on strategic, underwriting and operational risks** (Clients and products: *Product flaws, Selection, sponsorship and exposure, Advisory activities*; Employment practices: *Workplace discrimination*; Damage to physical assets: *Human caused events*) |
| | CHANGE IN HEALTHCARE | |
| | POLARIZATION OF LIFESTYLES | |
| | INCREASING INEQUALITIES | |
| 3. EMPLOYEE-RELATED MATTERS | TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES | **Operational risks** (Employment practices: *Employee relations, Workplace safety, Workplace discrimination*) |
| | CHANGING NATURE OF WORK | |
| | WOMEN AND MINORITIES INCLUSION | |
| 4. RESPECT FOR HUMAN RIGHTS MATTERS | TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES | **Operational risks**[12] (Employment practices: *Employee relations, Workplace safety, Workplace discrimination*; Clients and products: Product flaws, Selection, sponsorship and exposure, *Advisory Activities*) |
| 5. ANTI-CORRUPTION AND BRIBERY MATTERS | TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES | **Operational risks** (Internal fraud: *Unauthorised activity*; Clients and products: *Improper business or market practices*) |
| | REGULATORY COMPLEXITY | |

10 Categories are defined in accordance with the provisions of the European directive 2009/138 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II). See the Risk Report chapter in the Annual Integrated Report and Consolidated Financial Statements 2021 for their specific management. As for operational risks, the taxonomy is in line with the provisions of Solvency II Directive/Basel III.
11. The mega trend *Climate change* also includes extreme events.
12. Limited to possible risks of non-compliance with laws.
13. Extreme events are illustrated in the mega trend *Climate change*.

| | KEY PERFORMANCE INDICATORS | PAGES OF THE REPORT | SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|
| | • Total GHG emissions from direct operations<br>• Carbon footprint of the portfolio of Group's listed equities and corporate bonds<br>• Premiums from environmental products<br>• New green and sustainable investments<br>• Insurance exposure to fossil fuel sector<br>• Engagement activities with companies of the coal sector<br>• Renewable energy purchased<br>• Direct investments by the Group's insurance companies subject to RIG<br>• Mandates and investments managed ex art. 8/9 SFDR<br>• Engagement activities | p. 13, 31-35, 61-62, 66, 82-83, 91-96<br>p. 31-35, 62<br>p. 66-67, 93<br>p. 13, 91-96 | 7 AFFORDABLE AND CLEAN ENERGY<br>11 SUSTAINABLE CITIES AND COMMUNITIES<br>12 RESPONSIBLE CONSUMPTION AND PRODUCTION<br>13 CLIMATE ACTION |
| | • Fenice 190<br>• Investments in internal strategic initiatives<br>• Our customers<br>• Our agents<br>• Change in Relationship NPS<br>• Direct investments by the Group's insurance companies subject to RIG<br>• Mandates and investments managed ex art. 8/9 SFDR<br>• Engagement activities<br>• Premiums from social products<br>• Active countries and partners of The Human Safety Net | p. 25-28, 95<br>p. 28-30, 46-50<br>p. 13, 48-49, 60, 91-96<br>p. 13, 36-37, 82-83<br>p. 13, 36-37, 82-83<br>p. 13, 36-37, 82-83<br>p. 13, 64-65, 103-117 | 3 GOOD HEALTH AND WELL-BEING<br>4 QUALITY EDUCATION<br>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE<br>10 REDUCED INEQUALITIES<br>12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| | • Engagement and participation in Generali Global Engagement Survey<br>• Reskilled employees<br>• Trained employees<br>• Per capita training<br>• Training investment<br>• Our people<br>• Organizational entities with smart working policy<br>• Female employees<br>• Diversity and Inclusion Index<br>• Equal pay gap<br>• Gender pay gap<br>• Accessibility gap to variable remuneration between females and males | p. 13, 53, 55-57<br>p. 13, 51, 58<br>p. 13, 51, 53-55 | 5 GENDER EQUALITY<br>8 DECENT WORK AND ECONOMIC GROWTH<br>10 REDUCED INEQUALITIES<br>12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| | • Direct investments by the Group's insurance companies subject to RIG<br>• Mandates and investments managed ex art. 8/9 SFDR<br>• Engagement activities | p. 13, 66-67, 91-96 | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| | • Direct investments by the Group's insurance companies subject to RIG<br>• Mandates and investments managed ex art. 8/9 SFDR<br>• Engagement activities<br>• Employees trained in the Code of Conduct<br>• Managed reports on to the Code of Conduct | p. 13, 66, 68-69, 91-96<br>p. 66, 68-69 | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION<br>16 PEACE, JUSTICE AND STRONG INSTITUTIONS |

Pursuant to art. 5 of the Consob Regulation of 18 January 2018, no. 20267, the Generali Group assigned the auditing firm KPMG S.p.A. - the current external auditor for the financial statements - with the task of performing the limited assurance activity on this Statement, except for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations in line with the guidelines issued by Assonime and Assirevi. The Report drafted by KPMG S.p.A. is attached to this document.

Milan, 14 March 2022
*The Board of Directors*

# APPENDICES TO THE MANAGEMENT REPORT

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# NOTES TO THE MANAGEMENT REPORT

The Annual Integrated Report and Consolidated Financial Statements 2021 is drafted in compliance with currently effective regulations and it applies the IAS/IFRS international accounting standards as well as the International <IR> Framework.

Annual Integrated Report and Consolidated Financial Statements 2021, p. 204 for further details on the basis of presentation and accounting principles

The Group used the option provided for under art. 70, paragraph 8, and art. 71, paragraph 1-bis of Issuers' Regulation to waive the obligation to publish the information documents provided for in relation to significant mergers, de-mergers or capital increases by contribution of assets, acquisitions and disposals.

The Report is drawn up in euro, i.e. the functional currency used by the entity that prepares the Annual Integrated Report and Consolidated Financial Statements. The amounts are shown in million and rounded to the first decimal, unless otherwise reported. Therefore, the sum of each rounded amounts may sometimes differ from the rounded total.

The details by geographical area highlighted in this document reflect the Group's managerial structure in place since March 2021, made up of:

- Italy;
- France;
- Germany;
- ACEER: Austria, Central Eastern Europe (CEE) countries - Czech Republic, Poland, Hungary, Slovakia, Serbia, Montenegro, Romania, Slovenia, Bulgaria and Croatia - and Russia. The area will be called ACEE starting from March 2022, following the Group's decision to close its Moscow representative office, resign from positions held on the board of the Russian insurer Ingosstrakh and wind down Europ Assistance business in Russia;
- International, consisting of Spain, Switzerland, Americas and Southern Europe, and Asia;
- Asset & Wealth Management, which includes the main Group entities operating in investment advisory, asset management and financial planning;
- Group holdings and other companies, which consists of the Parent Company's management and coordination activities, including Group reinsurance, as well as Cattolica Group, Europ Assistance, Global Corporate & Commercial, Generali Employee Benefits and other financial holding companies and suppliers of international services not included in the previous geographical areas.

Our main markets: positioning and performance, p. 103

At 31 December 2021, the consolidation area increased from 484 to 505 companies, of which 445 were consolidated line-by-line and 60 measured with the equity method.

## Transactions with related parties

Information on transactions with related parties is available in the chapter *Transactions with related parties* in the *Notes* in the Annual Integrated Report and Consolidated Financial Statements.

Annual Integrated Report and Consolidated Financial Statements 2021, p. 244

## Report and International <IR> Framework

The Report is drafted in line with the International <IR> Framework issued by the International Integrated Reporting Council (IIRC): each chapter of the Report meets one or more Content Elements envisaged by the Framework.

| Group Annual Integrated Report | | Content Elements of the International <IR> Framework |
|---|---|---|
| **WE, GENERALI** | | |
| GROUP'S HIGHLIGHTS | › | Performance |
| 2021 AND 2022 KEY FACTS | › | Organisational overview and external environment |
| THE VALUE CREATION PROCESS | › | Organisational overview and external environment |
| CHALLENGES AND OPPORTUNITIES OF THE MARKET CONTEXT | › | Risks and opportunities |
| THE GENERALI 2021 STRATEGY | › | Strategy<br>Performance<br>Risks and opportunities |
| OUR RULES FOR RUNNING BUSINESS WITH INTEGRITY | › | Organisational overview and external environment<br>Risks and opportunities |
| OUR GOVERNANCE AND REMUNERATION POLICY | › | Governance |
| **OUR PERFORMANCE** | › | Performance |
| **OUTLOOK** | › | Outlook |

The Report is drafted also applying the Guiding Principles of the Framework.

The strategy together with our vaue creation process remains at the heart of our story. The strategic focus and future orientation principle is, in fact, applied in the whole document.

The key forms of connectivity of information used by Generali include the connectivity between qualitative and quantitative information, financial and non-financial information, present and future information, that is coherent with the information included in other communication tools in accordance with the Core&More reporting approach. Other elements that improve the connectivity of information and the overall usefulness of the Report are the cross-referencing , the graphic component and a glossary at the end of this document to use in case of insurance sector's terminology.

Generali maintains stakeholder relationships in order to understand and meet their needs, especially their information and dialogue needs.
We regularly engage with investors, analysts and rating agencies. We meet them every quarter following our results' presentation and in specific occasions, thus sharing the reporting required. We organise roadshows and we participate in sector conferences. Some of the main annual recurring occasions for interaction between the financial community and the Company's top management are the annual Shareholders' Meeting, events on the strategic plan (Investor Day) and the main presentation of the financial results. During 2021 we came into contact with more than 450 people based in the main financial centres of Europe and North America, with virtual individual and small group meetings. We successfully continued our dialogue with relevant stakeholders on virtual platforms - used since 2020 following the Covid-19 pandemic - while maintaining high quality standards.


We regularly interact with regulators and the European and international Institutions to maintain good relationships and share authoritative and updated information in order to properly interpret and apply new regulations. We are committed to transparency in our relations with European public authorities: in 2014 the Group joined the Transparency Register, a joint initiative of the European Parliament and the European Commission with the aim of informing the public about how Generali represents its interests. We also offer our skills and contribute to public consultations for the definition of new laws and regulations in the sector, by providing, in view of the Group's direct experience, concrete indications in order to safeguard the specificities of the Group and the insurance industry. To this purpose, we collaborate with several trade organizations and associations in the sector. Our active presence in these organizations allows us also to expand our knowledge of the different regulations and potential impacts. We engage customers, agents and Group employees with a view to continuous improvement.

The Generali 2021 strategy, p. 38

www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement for different methods of dialogue with stakeholders

The materiality approach is presented in the Consolidated Non-Financial Statement.

Consolidated Non-Financial Statement, p. 167

1. The Report includes links to web pages that might not exist in the future.

The conciseness principle is met through the issue of the Group Annual Integrated Report. The diagram below shows the shift from the Group Annual Integrated Report, drafted in accordance with the materiality principle, to the Annual Integrated Report and Consolidated Financial Statements, compliant with regulations.

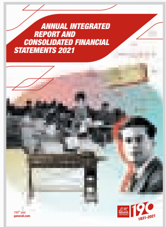

**Group Annual Integrated Report**

**Additional management information on segments**

**Risk Report**

**Further financial statements and Notes**

**Management Report**




**Annual Integrated Report and Consolidated Financial Statements**

Reliability and completeness are supported by a structured information system, built for the drafting of the Report and processing financial and non-financial information while ensuring their homogeneity and reliability. They are also supported by a specific integrated internal control system, which monitors information generation and collection processes as well as data quality. The performance indicators are those used in the business management in line with the strategic plan. They refer to the whole Group, unless otherwise indicated .

The integrated internal control system covers the consistency and comparability principle, too. The Report includes information that is consistent with the previous year, unless otherwise indicated.

NFS

# Report and Consolidated Non-Financial Statement

The Report adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 the Consolidated Set of GRI Sustainability Reporting Standards, issued by the GRI-Global Reporting Initiative (GRI-Referenced claims), with reference to selected GRI Standards - in accordance with the provision of GRI 101: Foundation, paragraph 3, in addition to GRI 103: Management Approach - and indicators of the GRI G4 Financial Services Sector Disclosures.

| **GRI STANDARDS AND G4 FINANCIAL SERVICES SECTOR DISCLOSURES** | **MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE** ex 2021 materiality matrix |
|---|---|
| **GRI 102: General Disclosures**<br>102-9 Supply chain (a) | Transparency and purpose-driven businesses |
| **GRI 102: General Disclosures**<br>102-43 Approach to stakeholder engagement (a) | Transparency and purpose-driven businesses |
| **GRI 205: Anti-corruption**<br>205-2 Communication and training about anti-corruption policies and procedures (e, aggregated data) | Regulatory complexity<br>Transparency and purpose-driven businesses |
| **GRI 302: Energy**<br>302-1 Energy consumption within the organization (a, b) | Resource scarcity and sharing economy |
| **GRI 305: Emissions**<br>305-1 Direct (Scope 1) GHG emissions (a, b, d, g)<br>305-2 Energy indirect (Scope 2) GHG emissions (a, c, d, g)<br>305-3 Other indirect (Scope 3) GHG emissions (a, b, d, e)<br>305-4 GHG emissions intensity | Climate change |
| **GRI 404: Training and Education**<br>404-1 Average hours of training per year per employees (a, aggregated data)<br>404-2 Programs for upgrading employee skills and transition assistance programs (a) | Transparency and purpose-driven businesses |

2. The non-financial indicators in the NFS referred to consolidated line-by-line companies, unless otherwise reported in the chapters dedicated to them. Except for the number of employees and the breakdown by gender as well as for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations, all non-financial indicators excluded from their scope the information of the companies of the Cattolica group, the acquisition of which was completed in November 2021. As envisaged by the relevant legislation, such exclusion was based on the timing of the transaction that did not allow adequate harmonization of procedures and criteria, adopted by the Group, for the recognition and measurement of their non-financial information.

| | |
|---|---|
| **GRI 405: Diversity and equal opportunity**<br>405-02 Ratio of the basic salary and remuneration of women to men for each employee category | Women and minorities inclusion |
| **GRI 413: Local communities**<br>Management approach disclosures | Increasing inequalities |
| **Product portfolio**<br>G4 FS7: Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose | Ageing and new welfare<br>Change in healthcare<br>Polarization of lifestyles |
| **Product portfolio**<br>G4 FS8: Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose | Climate change |
| **Active ownership**<br>G4 FS10: percentage and number of companies held in the insitution's portfolio with which the reporting organization has interacted on environmental or social issues | Climate change<br>Transparency and purpose-driven businesses |
| **Active ownership**<br>G4 FS11: Percentage of assets subject to positive and negative environmental or social screening | Climate change<br>Biodiversity degradation<br>Transparency and purpose-driven businesses |

We use key performance indicators in accordance with a proprietary disclosure methodology for material and relevant mega trends. They are not envisaged by the standard adopted but they are representative of our business and, in line with our strategy, they are monitored in the planning and control processes.

| INDICATORS IN ACCORDANCE WITH A PROPRIETARY METHODOLOGY | MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE<br>ex 2021 materiality matrix |
|---|---|
| Insurance exposure to fossil fuel sector | Climate change |
| Fenice 190 | Pandemics and extreme events |
| Investments in internal strategic initiatives | Digital revolution and cybersecurity |
| Our clients | Transparency and purpose-driven businesses |
| Trained employees | Transparency and purpose-driven businesses<br>Changing nature of work |
| Training investments | Transparency and purpose-driven businesses<br>Changing nature of work |
| Our people | Changing nature of work |
| Organizational entities with smart working policy | Changing nature of work |
| Female employees | Women and minorities inclusion |
| Diversity and Inclusion Index | Women and minorities inclusion |
| Gender pay gap | Women and minorities inclusion |
| Accessibility gap to variable remuneration between females and males | Women and minorities inclusion |
| Managed reports on the Code of Conduct | Regulatory complexity |

Glossary available at the end of this document

The reporting process and methodologies to calculate all indicators are included in a specific manual, shared at both the Group Head Office and each contributing company level.

Consolidated Non-Financial Statement, p. 167

# METHODOLOGICAL NOTES ON ALTERNATIVE PERFORMANCE MEASURES

In order to help the assessment of the quality and sustainability of the net result of the Generali Group in the various business segments and territorial areas, the Management Report includes the following alternative performance measures.

## Gross written premiums

Gross written premiums in the Management Report differ from gross earned premiums in the Income Statement, since they include premiums related to investment contracts as to better present the insurance turnover of the Group and they exclude changes in the provisions for unearned premiums.

## Operating result

The operating result cannot replace earnings before taxes calculated in accordance with IAS/IFRS. In addition, it should be read with the financial information and related notes on the accounts which are included in the audited financial statements.
The operating result is drawn up by reclassifying items of earnings before taxes for each segment on the basis of the management characteristics of each segment and taking into consideration the recurring holding expenses.
Specifically, the operating result represents earnings before taxes, gross of interest expense on financial debt, specific net income from investments and non-recurring income and expenses.

In the Life segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:
- net realized gains and net impairment losses that do not affect both the local technical reserves, but only the deferred liabilities towards policyholders for the amount not attributable to the policyholders, and the free assets;
- net other non-operating expenses that mainly include results of the run-off activities, company restructuring costs, amortization of the value of the portfolios acquired directly or through acquisition of control of insurance companies (Value Of Business Acquired, VOBA) and net other non-recurring expenses.

In particular, the Life non-operating result in Germany and Austria is net of the entire estimated amount attributable to the policyholders in order to consider the specific calculation method of the policyholders' profit sharing based on the net result of the period in these countries.
Furthermore, where a new fiscal law or other non-recurring fiscal impacts materially affects the operating result of the countries where the policyholders' profit sharing is based on the net result of the period, the estimated amount of non-recurring effects mentioned above is accounted for in the operating result.

In the Property & Casualty segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:
- realized gains and losses, unrealized gains and losses, net impairment losses on investments, including gains and losses on foreign currencies;
- net other non-operating expenses that mainly include results of both real estate development activities and run-off activities, impairment losses on self-used properties, company restructuring costs and amortization of the value of the portfolios acquired directly or through the acquisition of control of insurance companies (Value Of Business Acquired, VOBA) and net other non-recurring expenses.

In the Asset Management segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:
- net other non-operating expenses that mainly include project costs, including consulting, and severances.

The Holding and other businesses segment includes activities in the banking and asset management sectors, expenses for management, coordination and financing activities, as well as all the other operations that the Group considers to be ancillary to the core insurance business. All profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:
- non-recurring realized gains and losses and net impairment losses;
- net other non-operating expenses that mainly include results of the run-off activities, company restructuring costs, amortization of the value of the portfolios acquired directly or through acquisition of control of companies operating in the banking and asset management sectors (Value Of Business Acquired, VOBA) and net other non-recurring expenses.

As for holding expenses, general expenses incurred for management and coordination by the Parent Company and territorial sub-holdings are considered as operating items. Non-operating holding expenses include:
- interest expenses on financial debt[3];
- company restructuring costs and other non-recurring expenses incurred for management and coordination activities;
- costs arising from the assignment of stock options and stock grants by the Group.

The operating result and non-operating result of the Group are equivalent to the sum of the operating result and the non-operating result of the abovementioned segments and related consolidation adjustments.

In accordance with the approach described above, the operating result in the main countries where the Group operates is reported for the Life and Property & Casualty segments and the consolidated figures. In order to provide a management view of the operating result by geographical area, the disclosure by business segment and geographical area allows measurement of the result of each geographical area from a country viewpoint instead of as a contribution to the Group's results.
Within the context of the Life and Property & Casualty operating result of each country, reinsurance operations between Group companies in different countries are considered as transactions concluded with external reinsurers. This representation of the Life and Property & Casualty operating result by geographical area makes this performance indicator more consistent with both the risk management policies implemented by each company and the other indicators measuring the technical profitability of the Group's companies.

The following table reconciles the operating and non-operating result with the corresponding items in the income statement:

| Operating and non-operating result | Profit and loss account |
|---|---|
| Net earned premiums | 1.1 |
| Net insurance benefits and claims | 2.1 |
| Acquisition and administration costs | 2.5.1 - 2.5.3 |
| Net fee and commission income and net income from financial service activities | 1.2 - 2.2 |
| Net operating income from financial instruments at fair value through profit or loss | 1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2 |
| Net operating income from other financial instruments | 1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2 |
| Net non-operating income from financial instruments at fair value through profit or loss | 1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2 |
| Net non-operating income from investments | 1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2 |
| Net other and holding operating expenses | 1.6 - 2.6 |
| Net other and holding non-operating expenses | 1.6 - 2.6 |

The following reclassifications are made in the calculation of the operating result with respect to the corresponding items in the income statement:
- investment management expenses and investment property management expenses are reclassified from acquisition and administration costs to net operating income from other financial instruments, more specifically to other expenses from financial instruments and land and buildings (investment properties);
- income and expenses related to real estate development activities are classified under other non-operating income and expenses, in accordance with the management model adopted that provides for sale at completion;
- in the Life and Holding and other businesses segments, gains and losses on foreign currencies are reclassified from net operating income to net operating income from financial instruments at fair value through profit or loss. In the Property & Casualty segment, they are reclassified from net operating income to net non-operating income from financial instruments at fair value through profit or loss. The classification for each segment is consistent with the related classification of the derivative

3. Please refer to the paragraph *Debt* in the chapter *Group's financial position* for further details on the definition of financial debt.

transaction drawn up in order to hedge the Group's equity exposure to the changes in the main currencies of operations. Net operating and non-operating income from other financial instruments are therefore not subject to financial market volatility;
- net other operating expenses are adjusted for operating taxes and for non-recurring taxes that significantly affect the operating result of the countries where the policyholders' profit sharing is determined by taking the taxes for the period into account. These adjustments are included in the calculation of the operating result and are excluded from the income taxes item;
- in net operating income from other financial instruments, interest expenses on deposits and current accounts under reinsurance business are not included among interest expenses related to liabilities linked to operating activities but are deducted from the related interest income. Moreover, the interest expenses related to the abovementioned real estate development activities are not included in interest expenses related to liabilities linked to operating activities but are classified under other non-operating income and expenses in accordance with the management model adopted that provides for sale at completion.

# Operating result by margins

The operating result of the various segments are reported also in accordance with a margin-based view which shows the operating trends of the changes occurred in each segment performance more clearly.
The Life operating result is made up of the technical margin excluding insurance expenses, the net investment result and the component that includes acquisition and administration costs related to the insurance business and other net operating expenses. Specifically, the technical margin includes loadings, technical result and other components, and unit- and index-linked fees. The net investment result comprises operating income from investments, net of the portion attributable to the policyholders. Finally, the insurance management and other net operating components are indicated separately.
The Property & Casualty operating result is made up of the technical result, the financial result and other operating items. Specifically, the technical result represents the insurance activity result, i.e. the difference between premiums and claims, acquisition and administration costs and other net technical income. The investment result comprises current income from investments and other operating net financial expenses, like expenses on investment management and interest expenses on operating debt. Finally, other operating items mainly include acquisition and administration costs related to the insurance business, depreciation of tangible assets and amortization of long-term costs, provisions for recurring risks and other taxes.

# Adjusted net profit

The adjusted net profit is the profit adjusted for impact of gains and losses related to acquisitions and disposals.

# Return on investments

The indicators for the return on investments are:
- net current return calculated as the ratio of:
  - interest and other income, including income from financial instruments at fair value through profit and loss (excluding income from financial instruments related to linked contracts) net of depreciation on real estate investments; to
  - average investments (calculated on book value);
- harvesting rate calculated as the ratio of:
  - net realized gains, net impairment losses and realized and unrealized gains and losses from financial instruments at fair value through profit and loss (excluding those from financial instruments related to linked contracts); to
  - average investments (calculated on book value).

The profit and loss return is the sum of the net current return and the harvesting rate net of investment management expenses as well as gains and losses on foreign currencies.

The average investments (calculated on book value) include: land and buildings (investment properties), investments in subsidiaries, associated companies and joint ventures, loans and receivables, cash and cash equivalents, available for sale financial assets, financial assets at fair value through profit or loss excluding those related to linked contracts. Total investments are adjusted for both derivative instruments classified as financial liabilities at fair value through profit of loss and REPOs classified as other financial liabilities. The average is calculated on the average investment base of each quarter of the reporting period.

The indicators for the return on investments described above are presented for the Group and for Life and Property & Casualty segments.

## Consolidated investments

In order to provide a presentation of investments that is consistent with the calculation of the return on investments, the Group's investments in the Management Report differ from those reported in the balance sheet items since:
- Investment Fund Units (IFU) are split by nature in equity, bond and investment property instruments as well as cash equivalents;
- derivatives are presented on a net basis, thus including derivative liabilities. Moreover, hedging derivatives are classified in the respective asset class hedged;
- reverse REPOs (Repurchase Agreements) are reclassified from other fixed income instruments to cash and cash equivalents in accordance with their nature of short-term liquidity commitments; and
- REPOs classified as liabilities are presented in cash and cash equivalents.

Investments by segment are presented in accordance with the methods described in the chapter *Segment reporting* in the *Notes*.

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# Consolidated Financial Statements

Company **ASSICURAZIONI GENERALI S.p.A.**

CONSOLIDATED STATEMENTS

**Consolidated financial statements**

as at **31 December 2021**

(Amount in € million)

# BALANCE SHEET

## Assets

| References: | (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| | **1 INTANGIBLE ASSETS** | **9,970** | **9,612** |
| 4 | 1.1 Goodwill | 7,607 | 7,537 |
| 18 | 1.2 Other intangible assets | 2,363 | 2,075 |
| | **2 TANGIBLE ASSETS** | **3,990** | **3,804** |
| 19 | 2.1 Land and buildings (self used) | 2,965 | 2,764 |
| 19 | 2.2 Other tangible assets | 1,025 | 1,040 |
| 13 | **3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS** | **6,646** | **5,107** |
| 38, 39, 40, 41 | **4 INVESTMENTS** | **527,904** | **492,522** |
| 10 | 4.1 Land and buildings (investment properties) | 16,867 | 15,124 |
| 3 | 4.2 Investments in subsidiaries, associated companies and joint ventures | 2,353 | 2,107 |
| 6 | 4.3 Held to maturity investments | 1,687 | 1,983 |
| 7 | 4.4 Loans and receivables | 31,420 | 30,856 |
| 8 | 4.5 Available for sale financial assets | 348,572 | 337,005 |
| 9 | 4.6 Financial assets at fair value through profit or loss | 127,006 | 105,447 |
| | of which financial assets where the investment risk is borne by the policyholders and related to pension funds | 107,243 | 84,914 |
| 20 | **5 RECEIVABLES** | **13,912** | **12,101** |
| | 5.1 Receivables arising out of direct insurance operations | 7,686 | 7,524 |
| | 5.2 Receivables arising out of reinsurance operations | 1,999 | 1,905 |
| | 5.3 Other receivables | 4,228 | 2,672 |
| 21 | **6 OTHER ASSETS** | **15,326** | **13,664** |
| | 6.1 Non-current assets or disposal groups classified as held for sale | 0 | 0 |
| 14 | 6.2 Deferred acquisition costs | 2,198 | 2,117 |
| | 6.3 Deferred tax assets | 3,633 | 2,785 |
| | 6.4 Tax receivables | 3,747 | 3,291 |
| | 6.5 Other assets | 5,748 | 5,471 |
| 11 | **7 CASH AND CASH EQUIVALENTS** | **8,476** | **7,900** |
| | **TOTAL ASSETS** | **586,225** | **544,710** |

## Equity and liabilities

| References: | (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| 15 | **1 SHAREHOLDERS' EQUITY** | **31,875** | **31,794** |
| | **1.1 Shareholders' equity attributable to the Group** | **29,308** | **30,029** |
| | 1.1.1 Share capital | 1,581 | 1,576 |
| | 1.1.2 Other equity instruments | 0 | 0 |
| | 1.1.3 Capital reserves | 7,107 | 7,107 |
| | 1.1.4 Revenue reserves and other reserves | 12,292 | 12,848 |
| | 1.1.5 (Own shares) | -82 | -80 |
| | 1.1.6 Reserve for currency translation differences | -93 | -549 |
| | 1.1.7 Reserve for unrealized gains and losses on available for sale financial assets | 6,841 | 8,764 |
| | 1.1.8 Reserve for other unrealized gains and losses through equity | -1,185 | -1,379 |
| | 1.1.9 Result of the period attributable to the Group | 2,847 | 1,744 |
| | **1.2 Shareholders' equity attributable to minority interests** | **2,568** | **1,765** |
| | 1.2.1 Share capital and reserves | 1,933 | 1,295 |
| | 1.2.2 Reserve for unrealized gains and losses through equity | 286 | 181 |
| | 1.2.3 Result of the period attributable to minority interests | 348 | 289 |
| 22 | **2 OTHER PROVISIONS** | **2,424** | **1,772** |
| 12 | **3 INSURANCE PROVISIONS** | **479,449** | **442,330** |
| | of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds | 102,481 | 80,370 |
| | **4 FINANCIAL LIABILITIES** | **47,713** | **44,068** |
| 16 | 4.1 Financial liabilities at fair value through profit or loss | 9,317 | 7,198 |
| | of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds | 6,038 | 5,281 |
| 17 | 4.2 Other financial liabilities | 38,396 | 36,871 |
| | of which subordinated liabilities | 8,760 | 7,681 |
| 23 | **5 PAYABLES** | **13,250** | **13,184** |
| | 5.1 Payables arising out of direct insurance operations | 5,502 | 5,080 |
| | 5.2 Payables arising out of reinsurance operations | 1,460 | 1,254 |
| | 5.3 Other payables | 6,288 | 6,851 |
| 24 | **6 OTHER LIABILITIES** | **11,512** | **11,561** |
| | 6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale | 0 | 0 |
| | 6.2 Deferred tax liabilities | 3,815 | 3,871 |
| | 6.3 Tax payables | 2,134 | 1,768 |
| | 6.4 Other liabilities | 5,564 | 5,921 |
| | **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **586,225** | **544,710** |

# INCOME STATEMENT

| References: | (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| 25 | 1.1 Net earned premiums | 70,684 | 64,468 |
| | 1.1.1 Gross earned premiums | 73,985 | 67,393 |
| | 1.1.2 Earned premiums ceded | -3,301 | -2,926 |
| 26 | 1.2 Fee and commission income and income from financial service activities | 1,953 | 1,504 |
| 27 | 1.3 Net income from financial instruments at fair value through profit or loss | 8,834 | 1,778 |
| | of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds | 9,222 | 1,614 |
| 28 | 1.4 Income from subsidiaries, associated companies and joint ventures | 245 | 143 |
| 29 | 1.5 Income from other financial instruments and land and buildings (investment properties) | 13,164 | 13,679 |
| | 1.5.1 Interest income | 7,449 | 7,713 |
| | 1.5.2 Other income | 3,221 | 2,458 |
| | 1.5.3 Realized gains | 2,409 | 3,378 |
| | 1.5.4 Unrealized gains and reversal of impairment losses | 86 | 129 |
| 30 | 1.6 Other income | 4,209 | 3,670 |
| | **1 TOTAL INCOME** | **99,088** | **85,242** |
| 31 | 2.1 Net insurance benefits and claims | -72,971 | -60,011 |
| | 2.1.1 Claims paid and change in insurance provisions | -75,779 | -62,056 |
| | 2.1.2 Reinsurers' share | 2,808 | 2,045 |
| 32 | 2.2 Fee and commission expenses and expenses from financial service activities | -784 | -677 |
| 33 | 2.3 Expenses from subsidiaries, associated companies and joint ventures | -10 | -102 |
| 34 | 2.4 Expenses from other financial instruments and land and buildings (investment properties) | -2,203 | -3,887 |
| | 2.4.1 Interest expense | -736 | -837 |
| | 2.4.2 Other expenses | -455 | -411 |
| | 2.4.3 Realized losses | -476 | -1,458 |
| | 2.4.4 Unrealized losses and impairment losses | -536 | -1,181 |
| 35 | 2.5 Acquisition and administration costs | -12,658 | -11,643 |
| | 2.5.1 Commissions and other acquisition costs | -9,520 | -8,734 |
| | 2.5.2 Investment management expenses | -304 | -167 |
| | 2.5.3 Other administration costs | -2,835 | -2,742 |
| 36 | 2.6 Other expenses | -5,883 | -5,534 |
| | **2 TOTAL EXPENSES** | **-94,509** | **-81,852** |
| | **EARNINGS BEFORE TAXES** | **4,580** | **3,390** |
| 37 | **3 Income taxes** | **-1,384** | **-1,175** |
| | **EARNINGS AFTER TAXES** | **3,195** | **2,215** |
| | **4 RESULT OF DISCONTINUED OPERATIONS** | **0** | **-183** |
| | **CONSOLIDATED RESULT OF THE PERIOD** | **3,195** | **2,032** |
| | Result of the period attributable to the Group | 2,847 | 1,744 |
| | Result of the period attributable to minority interests | 348 | 289 |
| 15 | EARNINGS PER SHARE: | | |
| | Earnings per share (in €) | 1.81 | 1.11 |
| | From continuing operation | 1.81 | 1.23 |
| | Diluted earnings per share (in €) | 1.78 | 1.09 |
| | From continuing operation | 1.78 | 1.21 |

# STATEMENT OF COMPREHENSIVE INCOME

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| 1 CONSOLIDATED RESULT OF THE PERIOD | 3,195 | 2,032 |
| Items that may be reclassified to profit and loss in future periods | | |
| 2.1 Foreign currency translation differences | 555 | -549 |
| 2.2 Net unrealized gains and losses on investments available for sale | -1,915 | 1,406 |
| 2.3 Net unrealized gains and losses on cash flows hedging derivatives | -76 | 29 |
| 2.4 Net unrealized gains and losses on hedge of a net investment in foreign operations | -81 | 13 |
| 2.5 Share of other comprehensive income of associates | -19 | 0 |
| 2.8 Result of discontinued operations | 3 | 0 |
| 2.10 Other | | 0 |
| Subtotal | -1,533 | 898 |
| Items that may not be reclassified to profit and loss in future periods | | 0 |
| 2.5 Share of other comprehensive income of associates | -0 | 0 |
| 2.8 Result of discontinued operations | 0 | 0 |
| 2.6 Reserve for revaluation model on intangible assets | | |
| 2.7 Reserve for revaluation model on tangible assets | | |
| 2.9 Actuarial gains or losses arising from defined benefit plans | 366 | -180 |
| Subtotal | 366 | -180 |
| 2 OTHER COMPREHENSIVE INCOME | -1,167 | 718 |
| 3 TOTAL COMPREHENSIVE INCOME | 2,028 | 2,751 |
| attributable to the Group | 1,574 | 2,390 |
| attributable to minority interests | 454 | 361 |
| Earnings per share (in €) | 1.00 | 1.52 |
| Diluted earnings per share (in €) | 0.99 | 1.50 |

# STATEMENT OF CHANGES IN EQUITY

| | | Amounts at 31/12/2019 | Changes in amounts | Allocation | Transfer to profit and loss account | Other transfer | Change in owhership interest | Amounts at 31/12/2020 |
|---|---|---|---|---|---|---|---|---|
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP | Share Capital | 1,570 | 0 | 6 | 0 | 0 | 0 | 1,576 |
| | Other equity instruments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Capital reserves | 7,107 | 0 | 0 | 0 | 0 | 0 | 7,107 |
| | Revenue reserves and other reserves | 10,831 | 0 | 2,787 | 0 | -785 | 15 | 12,848 |
| | (Own shares) | -7 | 0 | -73 | 0 | 0 | 0 | -80 |
| | Result of the period | 2,670 | 0 | -927 | 0 | 0 | 0 | 1,744 |
| | Other comprehensive income | 6,190 | 0 | 327 | 319 | 0 | 0 | 6,836 |
| | **Total shareholders' equity attributable to the group** | **28,360** | **0** | **2,121** | **319** | **-785** | **15** | **30,029** |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS | Share capital and reserves | 1,114 | 0 | 285 | 0 | -104 | 0 | 1,295 |
| | Result of the period | 269 | 0 | 20 | 0 | 0 | 0 | 289 |
| | Other comprehensive income | 108 | 0 | 154 | -82 | 0 | 0 | 181 |
| | **Total shareholders' equity attributable to minority interests** | **1,491** | **0** | **459** | **-82** | **-104** | **0** | **1,765** |
| **TOTAL** | | **29,851** | **0** | **2,580** | **237** | **-889** | **15** | **31,794** |

| Amounts at 31/12/2020 | Changes in amounts | Allocation | Transfer to profit and loss account | Other transfer | Change in owhership interest | Amounts at 31/12/2021 |
|---|---|---|---|---|---|---|
| 1,576 | 0 | 5 | 0 | 0 | 0 | 1,581 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7,107 | 0 | 0 | 0 | 0 | 0 | 7,107 |
| 12,848 | 0 | 1,821 | 0 | -2,315 | -61 | 12,292 |
| -80 | 0 | -2 | 0 | 0 | 0 | -82 |
| 1,744 | 0 | 1,103 | 0 | 0 | 0 | 2,847 |
| 6,836 | 0 | -1,428 | 155 | 0 | 0 | 5,563 |
| **30,029** | **0** | **1,500** | **155** | **-2,315** | **-61** | **29,308** |
| 1,295 | 0 | 893 | 0 | -261 | 6 | 1,933 |
| 289 | 0 | 59 | 0 | 0 | 0 | 348 |
| 181 | 0 | 117 | -11 | 0 | 0 | 286 |
| **1,765** | **0** | **1,069** | **-11** | **-261** | **6** | **2,568** |
| **31,794** | **0** | **2,569** | **144** | **-2,577** | **-55** | **31,875** |

# STATEMENT OF CASH FLOWS (INDIRECT METHOD)

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Earnings before taxes** | **4,580** | **3,390** |
| **Changes in non-cash items** | **14,156** | **12,615** |
| Change in the provisions for unearned premiums and for unexpired risks for non-life segment | 230 | 2 |
| Change in the provisions for outstanding claims and other insurance provisions for non-life segment | 528 | -28 |
| Change in the mathematical provisions and other insurance provisions for life segment | 22,602 | 13,922 |
| Change in deferred acquisition costs | 3 | 43 |
| Change in other provisions | 707 | 233 |
| Other non-cash expenses and revenues arising out of financial instruments, investment properties and investments in subsidiaries, associated companies and joint ventures | -7,712 | -635 |
| Other changes | -2,203 | -924 |
| **Change in receivables and payables from operating activities** | **-2,831** | **1,956** |
| Change in receivables and payables arising out of direct insurance and reinsurance operations | 398 | 1,012 |
| Change in other receivables and payables | -3,229 | 945 |
| **Income taxes paid** | **-1,176** | **-1,366** |
| **Net cash flows from cash items related to investing or financing activities** | **2,752** | **2,748** |
| Financial liabilities related to investment contracts | 317 | 1,829 |
| Payables to banks and customers | 2,753 | 1,113 |
| Loans and receivables from banks and customers | -317 | -194 |
| Other financial instruments at fair value through profit or loss | 0 | 0 |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **17,480** | **19,343** |
| Net cash flows from investment properties | 333 | -706 |
| Net cash flows from investments in subsidiaries, associated companies and joint ventures (***) | -1,100 | -812 |
| Net cash flows from loans and receivables | 1,941 | 1,642 |
| Net cash flows from held to maturity investments | 436 | 183 |
| Net cash flows from available for sale financial assets | -11,322 | -9,404 |
| Net cash flows from tangible and intangible assets | 334 | -335 |
| Net cash flows from other investing activities | -6,916 | -6,548 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | **-16,295** | **-15,981** |
| Net cash flows from shareholders' equity attributable to the Group | 0 | 0 |
| Net cash flows from own shares | 0 | -73 |
| Dividends payment | -2,310 | -783 |
| Net cash flows from shareholders' equity attributable to minority interests (****) | -261 | -249 |
| Net cash flows from subordinated liabilities and other similar liabilities | 374 | -74 |
| Net cash flows from other financial liabilities | 1,520 | -1,085 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **-677** | **-2,265** |
| Effect of exchange rate changes on cash and cash equivalents | 49 | -59 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (*) | 7,821 | 6,783 |
| CHANGES IN CASH AND CASH EQUIVALENTS | 556 | 1,039 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (**) | 8,377 | 7,821 |

(*) Cash and cash equivalents at the end of the period include cash and cash equivalents (€ 7,900 million), liabilities to banks payables on demand (€ -79 million), bank overdrafts (€ -0.4 million).

(**) Cash and cash equivalents at the beginning of the period include cash and cash equivalents (€ 8,476 million), liabilities to banks payables on demand (€ -98 million) and bank overdrafts (€ -0.9 million).

(***) Includes mainly the consideration paid for the acquisition of Cattolica Assicurazioni S.p.A. (€ 937 million) and AXA Greece (€ 179 million).

(****) It refers entirely to dividends attributable to minority interests.

# Notes

# BASIS OF PRESENTATION AND ACCOUNTING PRINCIPLES

## Basis of presentation

This document is the consolidated financial statements of Generali Group, registered under number 026 of the Insurance Groups Register, whose Parent Company is Assicurazioni Generali S.p.A., a company established in Trieste in 1831 with a share capital of € 1,581,069,241 fully paid up.
The registered office of the Group and the Parent Company is established in Trieste, Piazza Duca degli Abruzzi, 2 and is registered under the number 1,00003 of the register of insurance and reinsurance companies.
The Generali Group's consolidated financial statements at 31 December 2021 were drawn up in accordance with the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606 of 19 July 2002 and the Legislative Decree No. 58/1998, as subsequently amended.
The Legislative Decree No. 209/2005 empowered ISVAP (now IVASS) to give further instructions for financial statements and chart of accounts in compliance with the international accounting standards.
In this yearly report the Generali Group prepared its consolidated financial statements and Notes in conformity with the ISVAP (now IVASS) Regulation No. 7 of 13 July 2007, as subsequently amended, and information of the Consob Communication No. 6064293 of 28 July 2006.
As allowed by the aforementioned Regulation, the Generali Group believed it appropriate to supplement its consolidated financial statements with detailed items and to provide further details in the Notes.
The consolidated financial statements at 31 December 2021 were approved by the Board of Directors on 14 March 2022.
The consolidated financial statements at 31 December 2021 are subject to audit by the firm KPMG S.p.A., which was assigned the statutory audit assignment for the period 2021-29.

## Consolidated financial statements

The set of the consolidated financial statements is made up of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, as required by the ISVAP Regulation No. 7 of 13 July 2007, as subsequently amended.
The financial statements also include special items that are considered significant for the Group.
The Notes, which are mandatory as minimum content established by IVASS, are presented in the appendices to the notes to this report.
This yearly report is drawn up in euro (the functional currency used by the entity that prepared the financial statements) and the amounts are shown in millions, unless otherwise stated, the rounded amounts may not add to the rounded total in all cases.

## Consolidation methods

Investments in subsidiaries are consolidated line by line, whereas investments in associated companies and interests in joint ventures are accounted for using the equity method.
The balance sheet items of the financial statements denominated in foreign currencies are translated into euro based on the exchange rates at the end of the year.
The profit and loss account items are translated based on the average exchange rates of the year. They reasonably approximate the exchange rates at the dates of the transactions.
The exchange rate differences arising from the translation of the statements expressed in foreign currencies are accounted for in equity in an appropriate reserve and recognized in the profit and loss account only at the time of the disposal of the investments.
For what concerns the accounting criterion for the translation of the financial statements of subsidiaries operating in countries subject to hyperinflation, please refer to a subsequent section.
Exchange rates used for the translation in euro of specifically relevant currencies for Generali Group are disclosed below:

Exchange rates of the balance sheet

| Currency | Exchange rate at the end of the period (€) | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| US dollar | 1,137 | 1,224 |
| Swiss franc | 1,036 | 1,082 |
| British pound | 0,840 | 0,895 |
| Argentine peso | 116,781 | 102,864 |
| Czech Koruna | 24,850 | 26,262 |
| Chinese renmimbi | 7,248 | 8,002 |

Exchange rates of the income statement

| Currency | Average exchange rate (€) | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| US dollar | 1,183 | 1,141 |
| Swiss franc | 1,081 | 1,070 |
| British pound | 0,860 | 0,889 |
| Argentine peso* | 112,369 | 80,845 |
| Czech Koruna | 25,645 | 26,458 |
| Chinese renmimbi | 7,634 | 7,870 |

(*) in accordance with IAS 29, the items of profit or loss has been restated at the exchange rate at the end of the period.

# Basis of consolidation

The consolidated financial statements of the Group include the financial statements of Assicurazioni Generali S.p.A. (Parent Company) and its subsidiaries.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing not merely protective rights that give it the current ability to direct the relevant activities of the investee, that impact meaningfully the returns of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- Group voting rights and potential voting rights.

The Group reviews periodically and systematically if there was a variation of one or more elements of control, based on the analysis of the facts and the essential circumstances.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

In preparing the consolidated financial statements:

- the financial statements of the Parent Company and its subsidiaries are consolidated line by line through specific reporting packages, which contribute to the consistent application of the Group's accounting policies. For consolidation purposes, if the financial year-end date of a company differs from that of the Parent Company, the former prepares anyhow for the financial period the financial statements closed at 31 December of each financial year;
- all intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation process (intra-group losses are eliminated, except to the extent that the underlying asset is impaired);
- the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of the shareholder's equity of each subsidiary are eliminated at the date of acquisition;
- profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The non-controlling interests, together with their share of profit are shown as separate items

The impact of the changes in the ownership interest of a subsidiary, without a change of control, is accounted for as

an equity transaction. Consequently, no additional goodwill or badwill is recognized.
If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in the profit or loss. Any retained investment is recognized at fair value.
Investment funds managed by the Group in which the Group holds an interest and that are not managed in the primary interest of the policyholders are consolidated based on the substance of the economic relationship and whether the conditions of control stated by IFRS 10 are satisfied. On consolidation of an investment fund, a liability is recognized to the extent that the Group is legally obliged to buy back participations held by third parties. Where this is not the case, other participations held by third parties are presented as non-controlling interests in equity.

## Business combination and goodwill

Business combinations are acquisitions of assets and liabilities that constitutes a business and are accounted for by applying the so-called acquisition method. The acquisition cost is measured as the sum of the consideration transferred measured at its acquisition date fair value, including contingent consideration, liabilities assumed towards the previous owners and the amount of any non-controlling interests. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the administrative expenses.
If in a business combination achieved in stages, the acquirer's previously held equity interests in the acquiree are re-measured at its acquisition date fair value and any resulting gain or loss is recognized in the profit or loss.
Any contingent consideration to be transferred or received by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change in the other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within the shareholder's equity.
The assets acquired and liabilities deriving from a business combination are initially recognized at fair value at the acquisition date.
Goodwill is initially measured at cost being the excess of the aggregate acquisition cost over the net value of the identifiable assets acquired and liabilities assumed. If this amount is greater than acquisition cost, difference is recognized in profit and loss (badwill).

## Investments in associates and joint ventures

The investments in associates and joint ventures are consolidated trough the equity method.
An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. If an investor holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee, it is presumed that the investor has significant influence.
In general, joint arrangements are contractual agreements whereby the Group undertakes with other parties an economic activity that is subject to joint control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control exists when it is contractually agreed to share control of an economic activity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Generali Group has assessed the nature of its current joint arrangements and determined them to be joint ventures.
The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. Investments in associates and joint ventures are accounted for using the equity method and they are initially recognized at cost, which includes goodwill arising on acquisition. Goodwill is not separately tested for impairment. Any excess between the share of interest in the net fair value of the identifiable assets and liabilities of the investee compared to the initial cost is recognized in the income statement at the date of acquisition. The carrying amount of the investment is subsequently adjusted to recognize changes in the Group's share of the net assets of the associate or joint venture since the acquisition date. The income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. Dividends receivable from associates are recognized as a reduction in the carrying amount of the investment.
At each reporting date, after application of the equity method the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as share of losses of an associate in the income statement. Where the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture the Group measures and recognizes the retained investment at its fair value. Any difference between the net proceeds and the fair value of the retained interest and the carrying amount is recognized in the income statement and gains and losses previously recorded directly through OCI are reversed and recorded through the income statement.

## Significant judgements in determining control, joint control and significant influence over an entity

The control is normally ensured by the full ownership of the voting rights, having thus the ability to direct the relevant activities and consequently being exposed to the variability of results arising from those activities.
The Group controls all the companies for which holds more than half of the voting rights. The Group controls one subsidiary having less than the majority of voting rights and does not control any entity even though it holds half of the voting rights, except in three cases in which the Group controls the company owning half of the voting rights, being exposed to the variability of returns that depend on the operating policies that the Group, in substance, has the power to direct.
To a minor extent, the Group holds interests in associates and joint ventures. The agreements under which the Group has joint control of a separate vehicle are qualified as joint ventures where they give rights to the net assets.
In three cases, the Group has no significant influence on a subject for which it holds more than 20% of the voting rights as the government structure is such that the Group, in substance, does not have the power to participate in financial and operating policies of the investee.
Regardless of the legal form of the investment, the evaluation of the control is made considering the real power on the investee and the practical ability to influence relevant activities, regardless of the voting rights held by the parent company or its subsidiaries.
In the Annexes to the consolidated financial statements the complete list of subsidiaries, associates and joint ventures included in the consolidated financial statements at 31 December 2021 is presented. Unless otherwise stated, the annex shows the share capital of each consolidated entity and the proportion of ownership interest held by the Group equals the voting rights of the Group.
The qualitative and quantitative disclosures required by IFRS 12 are provided in the chapter *Information on consolidation area and Group companies* in the Notes.

## Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

## IAS 29 - Financial Reporting in Hyperinflationary Economies application on the Argentine companies

At 31 December 2021, as in the previous year, the IAS 29 - Financial Reporting in Hyperinflationary Economies to the financial statement values of the Argentine companies of the Group, Caja de Seguros S.A, Europ Assistance Argentina S.A, Caja de Ahorro y Seguro S.A., Ritenere S.A. is required, in particular the cumulative inflation rate over three years exceeds 100%.
The financial statements items of the abovementioned Argentine companies have been restated, applying the Argentine Consumer Price Index, which reflects the change of general purchasing power. In particular, the following items have been restated at the unit current at the end of the reporting period:

- non-monetary assets and liabilities;
- all items of comprehensive income, applying the change of the general price index from the date when income and expenses were initially registered in the financial statements;

- the items of the income statement have been restated at the closing exchange rate;
- restatement in the first period of application of the standard of the components of owners' equity, except retained earnings and any revaluation surplus, applying the Consumer Price Index from the dates the components were contributed. Restated retained earnings derive from the restatement of assets and liabilities;
- restatement at the end of the period of the components of owner's equity, applying the Consumer Price Index at the beginning of the period.

The effects of reassessment until 31 December 2020 are included in the opening balance of shareholder's equity. The impacts at consolidated level are not material and do not require the presentation of the statements of Argentine companies.

# Accounting principles

The accounting standards adopted in preparing the consolidated financial statements, and the contents of the items in the financial statements are presented in this section.

## New accounting principles, changes in the accounting rules and in the financial statements

Following the endorsement of the European Union, as from the 1 January 2021 new amendments shall be applied. The most relevant changes for the Group with respect to the consolidated financial statements at 31 December 2020 are described below. In addition, the main documents issued by the International Accounting Standard Board, that could be relevant for the Group, but not yet effective, are described.

## New accounting principles, amendments and interpretations that shall be applied from 1 January 2021

The most significant new amendments to existing standards, effective from 1 January are illustrated below. Anyhow, there is not material impact for the Group.

### Amendments to IFRS 16 Covid-19 Related Rent Concessions (Amendments to IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021)

The IASB published on 31 March 2021 the Amendment to IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021, that extends, by one year, the possibility to account for Covid-19 related contract changes as if they were not lease modifications, and not to proceed, under specific conditions, to re-measure the lease liabilities, for payments originally due on or before 30 June 2022.
The effective date is 1 April 2021. The Amendment has been endorsed on 30 August 2021.
There are not significant impacts on the accounting treatment and classification of current leases because the Group and its subsidiaries did not receive significant rent concessions requiring the application of this amendment.

### Interest Rates Reform - IBOR (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2)

As part of the *IBOR Reform and its Effects on Financial Reporting* project, it is noted that the IASB has completed the second phase of the project, aimed at managing the impacts in the period following the entry into force of the new benchmark rates. On 25 August 2020, the IASB published the amendment Interest Rate Benchmark Reform phase 2; the new amendments confirm that there is no termination of the accounting hedging relationships due to the interest rate reform and regulates the modification of the contractual cash flows of financial instruments deriving from the reform. This change does not entail the accounting elimination of the financial instrument, but only the updating of the effective interest rate to reflect the change in the benchmark rate.
The amendment is effective from 1 January 2021. The Amendment has been endorsed on 13 January 2021.
From the analysis carried out by the Group, through a specific assessment project, no significant impacts have been highlighted to date as regards assets and liabilities related to these reference rates, pricing of derivatives and hedging relationships in place.

# New accounting principles and amendments not yet applicable

## IFRS 9 – Financial Instruments

IFRS 9 replaces IAS 39 - Financial Instruments: Classification and Measurement and includes a principle-based model for the classification and measurement of financial instruments, an impairment model based on expected losses and a hedge accounting approach more in line with risk management strategies.

### Classification and measurement

IFRS 9 introduces an approach to the classification of debt instruments that is based on contractual cash flows characteristics and models through which financial instruments are managed (business model).
In particular, the classification of financial instruments is driven by the business model through which the company manages its investments and the contractual terms of their cash flows.
A financial asset is measured at amortized cost if both of the following conditions are met:
- the asset is held to collect cash flows (business model assessment);
- the contractual cash flows represent only payments of principal and interest (solely payments of principal and interest–SPPI).

Considering to the contractual characteristics, a financial instrument is eligible for measurement at amortized cost if it consists in a basic lending agreement. The entity shall make its own assessment on the single financial instrument to assess if the nature of the contractual cash flows characteristics exclusively consists in payments of principal and interest (SPPI). If a modification of the time value of the interest results in cash flows that are significantly different than those of a basic lending agreement, then the instrument must be classified and measured at fair value through profit or loss.
If the business model (assessed on portfolio basis) has the objective to collect the cash flows from the investments and to sell financial assets and the contractual cash flows characteristics represent only payments of principal and interest, the financial instrument under assessment shall be measured at fair value through other comprehensive income with recycling to profit or loss when the instrument is realized.
As in the current IAS 39 - Financial Instruments: classification and measurement the entity has the ability at initial recognition, to designate a financial instrument at fair value through profit or loss if that would eliminate or significantly reduce the accounting mismatch in the measurement of assets or liabilities or recognition of gains and losses related to them.
The equity instruments shall be classified and measured at fair value through profit or loss. The entity has the irrevocable option at initial recognition to present changes in the fair value of the equity instruments that are not held for the purpose of trading at fair value recorded in other comprehensive income, with no recycling in the income statement except dividends.
In other cases, the financial instruments are classified and measured at fair value through profit or loss.
For further information see the following paragraph Implementation of the standard and the chapter *Disclosure regarding the deferred application of IFRS 9 - Financial Instruments*.

### Impairment

IFRS 9 introduced a new impairment approach for debt instruments measured at amortized cost or fair value recorded in other comprehensive income, which is based on expected losses. In particular, such new standard outlines an approach for the impairment in three stages based on the assessment of credit quality from the date of initial recognition at each balance sheet date:
- Stage 1 includes the financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date (investment grade). For these assets expected losses (ECL) over the next 12 months (12-month expected credit losses - losses expected in view of the possible occurrence of events of default in the next 12 months) are recognized in the profit or loss account. Interest is calculated on the gross carrying amount (i.e. without deduction of the loss allowance);
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised in a capital reserve (loss allowance), and in the profit or loss account, but interest revenue is still calculated on the gross carrying amount of the asset. (i.e. without deduction of the loss allowance);
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised in a capital reserve (loss allowance), and in the profit or loss account. Interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

The model also introduces a simplified approach to trade receivables and leases for which it is not necessary to calculate the 12-month expected credit losses but are always recognized the lifetime expected credit losses.

### Hedge accounting

IFRS 9 introduces a model substantially reformed for hedge accounting that allows better than in IAS 39 to reflect in financial statements the hedging activities undertaken by risk management.

In particular there is a significant simplification of the effectiveness test. There are no more predetermined thresholds of coverage to achieve effective hedge (i.e. 80-125% in the current IAS 39), but it is sufficient that:

- there is an economic relationship between the hedging instrument and the hedged item; and
- credit risk should not be the key component of the hedged risk (i.e. the change in fair value of the hedging relationship must not be dominated by the component of credit risk).

A transitional provision allows continuing to apply IAS 39 for all hedging transactions until completion of the macrohedging project.

### Implementation of the standard

The principle has been endorsed by the European Union by the EU Regulation 2016/1905.

The Group has opted for a deferred implementation in application of the amendment to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 - Insurance Contracts.
The quantitative criteria for the purpose of adopting the deferral and the disclosure required to entities that apply IFRS 9 in arrears are included in the chapter Information relating to the deferred application of IFRS 9.

The implementation of IFRS 9 by the Group aims to ensure the correct and consistent application of the new accounting standard in conjunction with the entry into force of IFRS 17, the future standard on insurance contracts. The Group expects impacts that may be material with reference to the classification and measurement of financial instruments and consisting of a larger part of the portfolio of the financial investments measured at fair value through profit or loss. It should be noted that, as a partial mitigation of the phenomenon, the Group intends to apply the irrevocable option of presenting the fair value changes in equity instruments that are not held for trading at fair value through other comprehensive income, if these instruments are held in portfolios other than those covering contracts entailing direct participation of the policyholders in the Company's financial and/or insurance results.
With regard to impairment, the Group has assessed that the new Expected Credit Losses model should have limited impacts on the Financial Statements, reflecting the creditworthiness of the debt securities portfolio held by the Group.

## IFRS 17 – Insurance Contracts

On 18 May 2017, the IASB published Standard IFRS 17 - Insurance Contracts, which replaces the current IFRS 4 - Insurance Contracts. The new standard introduces a new model for measuring insurance contracts, structured on a Building Block Approach based on the expected value of future cash flows, weighted by the probability of occurrence (Present Value of Future Cash Flows – PVFC), on an adjustment for non-financial risk (Risk Adjustment - RA) and on the expected value of the unearned for the services provided (Contractual Service Margin - CSM). The adoption of a simplified approach (Premium Allocation Approach - PAA) is allowed if the contractual coverage period is less than one year or if the model used for the measurement provides a reasonable approximation with respect to the Building Block approach. The simplification applies to the measurement of the Liability for Remaining Coverage (LRC), which does not have to be broken down into PVFCF, RA and CSM, but is essentially based on the premium received net of acquisition costs. As it pertains to the Liability for Incurred Claims (LIC), it is consistently measured by means of the General Measurement Model (GMM), for which all the claims occurred are subject to discounting and the calculation of the Risk Adjustment is executed accordingly.

The Variable Fee Approach (VFA) is envisaged for contracts entailing the direct participation of policyholders in the Company's financial and/or insurance results; this is an alternative model to GMM, which provides for a different treatment of changes in cash flows linked to financial variables whose impact is reported in the CSM rather than directly in the statement of comprehensive income.

The IFRS 17 will also affect the presentation of revenues from insurance contracts, which will no longer include the collection of the premium issued and, in particular, the deposit components included in the premium. In addition, insurance revenues and costs for insurance services gross of reinsurance will be presented with the reinsurance result included in the costs of the insurance service. Pursuant to the IFRS 17, insurance liabilities are subject to discounting; the periodic unwinding of discounting will be a financial charge included in the financial result.
The European Union has officially approved the IFRS17 standard through Regulation (EU) 2021/2036, published in the Official Journal of the EU of 23 November 2021, and provided for an exception concerning the application of annual cohorts to contracts entailing the mutuality of intergenerational cash flows classified according to the VFA model, as well as to contracts entailing cash flow matching ("Matching Adjustment"), as defined in Directive 2009/138/EC.
Generali Group will apply the exemption envisaged by the approval process to most of its profit-sharing contracts valued according to the VFA model, and which are characterised by mutuality among the cash flows of the different generations of policyholders. This exemption addresses the critical issues reported by many operators in the insurance sector as it pertains to the application of the annual cohort criterion to these types of contracts, and which concern: i) the inconsistency of the requirement with the economic elements of the contracts; ii) the excessive level of operational complexity compared to the information benefits for users; iii) the potential pro-cyclical effects and incentives intended to change insurance coverage.

On 9 December 2021, the IASB published a limited amendment to the transition requirements of IFRS 17, as regards the application of the requirements of IFRS 9 to the comparative periods. The proposed amendment allows for a better alignment of the presentation of comparative information pursuant to IFRS 17 and IFRS 9, by means of a “classification overlay”, which effectively applies to all financial instruments, including assets sold in 2022, the rules envisaged by IFRS 9 for purposes of classification and measurement. The Group intends to restate the comparative period to the first application of IFRS 9 and envisages the application of this amendment to all financial instruments, in order to produce 2022 comparative information consistent with the IFRS 17 and IFRS 9 requirements, in line with the financial information from 1 January 2023 onwards.

### Implementation of the standard

The Group expects a significant change in the financial statement information both in terms of evaluation of the technical provisions and in the representation of the economic performance and the notes to the financial statements. In light of the significance of the changes introduced by the standard, very significant impacts are also reported in terms of resources, processes and information systems to support the assessment framework.
In order to adopt IFRS 17 in the Group’s consolidated financial statements, a global finance transformation program is in place since 2017. This program involves various central and local functions and has the objective of implementing IFRS 17 and IFRS 9 consistently at Group level. In particular, the program includes functional workstream dedicated to developing the methodological and interpretative aspects of the standard in coherence with the market practices of the sector and implementation workstream dedicated to the implementation of the operating model and architecture of the target information systems. During 2021, the focus of the project was mainly upon the implementation and testing of the new model, while in 2022 the main objective will be the transition to the new standard, which provides for the determination of the new opening balances as at 1.1.2022 and the construction of comparative information preparatory to entry into force.

The Group is assessing the impacts of the joint application of IFRS 17 and IFRS 9 on the consolidated financial statements through regular quantitative impact exercises.
The Group expects that most of its non-life insurance contracts and reinsurance contracts in place at the transition date may be eligible for the application of the premium allocation approach (PAA) and intends to apply the simplified approach thereto, pursuant to the IFRS 17. With regard to the life segment, the Group also expects that a significant portion of its insurance liabilities (e.g., those relating to profit-sharing contracts and unit-linked contracts) will qualify as direct participation contracts pursuant to the IFRS 17 (VFA). For most of its existing insurance and reinsurance contracts, the Group intends to apply the option offered by the IFRS 17 to disaggregate (re)insurance financial income or expense between Income Statement and OCI. On the basis of this option, as regards the claims provisions of the non-life classes and the contracts valued with the General Measurement Model (GMM); the capitalisation of the interest in the Income Statement is based on locked-in discount rates, and the difference between the valuation at current rates and locked-in rates due to changes in discount rates is presented in the OCI. Accordingly, the Group expects that most of the debt instruments held will be recognised at fair value with changes in fair value recognized in the OCI.

As of 31 December 2021, it is not possible to quantify the expected final impact on the financial position and economic results of the Group deriving from the combined adoption of the new standards IFRS 17 and IFRS 9.

# Balance sheet - Assets

## Intangible assets

In accordance with IAS 38, an intangible asset is recognised if, and only if, it is identifiable and controllable, and it is probable that the expected future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably.
This category includes goodwill and other intangible assets, such as goodwill recognised in the separate financial statements of the consolidated companies, software and purchased insurance portfolio.
This item also includes leased assets which are allocated to the individual macro-items in the financial statements on the basis of the nature of the assets.

### Goodwill

Goodwill is the sum of future benefits not separately identifiable acquired in a business combination. At the date of acquisition, the goodwill is equal to the excess between the sum of the consideration transferred, including contingent consideration, liabilities assumed towards the previous owners the fair value of non-controlling interests as well as, in a business combination achieved in stages, the fair value of the acquirer’s previously held equity interest in the acquiree and the fair value (present value) of net amount of the separately identifiable assets and liabilities acquired.
After initial recognition, goodwill is measured at cost less any impairment losses and it is no longer amortised. According to

IAS 36, goodwill is not subject to amortization. Realized gains and losses on investments in subsidiaries include the related goodwill. Goodwill is tested at least annually in order to identify any impairment losses.

The purpose of the impairment test on goodwill is to identify the existence of any impairment losses on the carrying amount recognised as intangible asset. In this context, cash-generating units to which the goodwill is allocated are identified and tested for impairment. Cash-generating units (CGU) units usually represent the consolidated units within the same primary segment in each country. Any impairment is equal to the difference, if negative, between the carrying amount and the recoverable amount, which is the higher between the fair value of the cash-generating unit and its value in use, i.e. the present value of the future cash flows expected to be derived from the cash-generating units. The fair value of the CGU is determined on the basis of current market quotation or usually adopted valuation techniques (mainly Dividend Discount Model - DDM or alternatively Market Value Balance Sheet or appraisal value). The Dividend Discount Model is a variant of the Cash flows method. In particular the Dividend Discount Model, in the excess capital methodology, states that the economic value of an entity is equal to the discounted dividends flow, together with any excess capital quota, calculated considering the capital requirements consistent with the Risk Appetite Framework (RAF) defined by the Group for specific CGU. Such models are based on the projections on budgets/forecasts approved by management or conservative or prudential assumptions covering a maximum period of five years. Cash flow projections for a period longer than five years are extrapolated using estimated among others growth rates. The discount rates reflect the free risk rate, adjusted to take into account specific risks. Should any previous impairment losses no longer exist, they cannot be reversed.

For further details see section *Information on Consolidation perimeter and Group companies* in the Notes.

## Other intangible assets

Intangible assets with finite useful life are measured at acquisition or production cost less any accumulated amortisation and impairment losses. The amortisation is based on the useful life and begins when the asset is available for use. Specifically, the purchased software expenses are capitalised on the basis of the cost for purchase and usage.

The costs related to their development and maintenance are charged to the profit and loss account of the period in which they are incurred.

Other intangible assets with indefinite useful life are not subject to amortization. They are periodically tested for impairment.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is de-recognised.

Other intangible assets include the right of use of leased assets and is subject to the recoverability test, carried out with a view to the overall cash generating unit, as illustrated in the dedicated paragraphs.

## Contractual relations with customers - insurance contracts acquired in a business combination or portfolio transfer

In case of acquisition of life and non-life insurance contract portfolios in a business combination or portfolio transfer, the Group recognises any intangible assets related to the value of the acquired contractual relationships. This intangible asset represents the present value of the pre-tax future profit arising from the renewals of contracts in force at the purchase date, until extinction. The related deferred taxes are accounted for as liabilities in the consolidated balance sheet.

Moreover, the difference between the fair value of the insurance liabilities acquired in a business combination or a portfolio transfer, and the value of such liabilities measured in accordance with the acquirer's accounting policies for the insurance contracts that it issues, is recognised on balance sheet, if positive, as intangible asset (Value of Business Acquired - VOBA) or, if negative, as an adjustment to the insurance provisions.

Intangible assets related to the acquisition of a portfolio are amortised over the effective life of the contracts acquired, by using an amortization pattern reflecting the expected future profit recognition. Assumptions used in the development of the amortization pattern are consistent with the ones applied in its initial measurement. The amortization pattern is reviewed on a yearly basis to assess its reliability and, if applicable, to verify the consistency with the assumptions used in the valuation of the corresponding insurance provisions.

The Generali Group applies this accounting treatment to the insurance liabilities assumed in the acquisition of life and non-life insurance portfolios.

The future VOBA recoverable amount is nonetheless tested on yearly basis.

As for as the life and non-life portfolios, the recoverable amount of the value of the in-force business acquired is carried out through the liability adequacy test (LAT) of the insurance provisions — mentioned in the paragraph related to life and non-life insurance provisions— taking into account, if any, the deferred acquisition costs recognised in the balance sheet. If any, the impairment losses are recognised in the profit or loss account and cannot be reversed in a subsequent period.

Similar criteria are applied for the initial recognition, the amortization and the impairment test of other contractual relationships arising from customer lists of asset management sector, acquired in a business combination where the acquiree belongs to the financial segment.

# Tangible assets

This item comprises land and buildings used for own activities and other tangible assets.

## Land and buildings (Self-Used)

In accordance with IAS 16, this item includes land and buildings used for own activities.
Land and buildings (self-used) are measured applying the cost model set out by IAS 16. The cost of the self-used property comprises purchase price and any directly attributable expenditure.
The depreciation is systematically calculated applying specific economic/technical rates which are determined locally in accordance with the residual value over the useful economic life of each individual component of the property
Land and buildings (self-used) are measured at cost less any accumulated depreciation and impairment losses. Land and agricultural properties are not depreciated but periodically tested for impairment losses. Costs, which determine an increase in value, in the functionality or in the expected useful life of the asset, are directly charged to the assets to which they refer and depreciated in accordance with the residual value over the assets' useful economic life. Cost of the day-to-day servicing are charged to the profit and loss account.
Leases of land and buildings are accounted for according to IFRS 16. For further information please refer to chapter *Leasing*.

## Other Tangible Assets

Property, plant, equipment, furniture and property inventories are classified in this item as property inventory. In particular, property, plant, equipment and furniture, as provided by IAS 16, are initially measured at cost and subsequently recognised net of any accumulated depreciation and any impairment losses. They are systematically depreciated on the basis of economic/technical rates determined in accordance with their residual value over their useful economic life. In particular the inventories, as stated by IAS 2, are measured at the lower of cost (including cost of purchase, cost of conversion and cost incurred the inventories to their present location and condition) and net realizable value, i.e. the estimated selling price in the ordinary course of business less the estimated cost of completion and costs to sell.
An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
This item also includes leased assets that are allocated to the specific balance sheet items based on the nature of the assets.

# Reinsurance provisions

The item comprises amounts ceded to reinsurers from insurance provisions that fall under IFRS 4 scope. They are accounted for in accordance with the accounting principles applied to direct insurance contracts.

# Investments

## Land and Buildings (Investment Properties)

In accordance with IAS 40, this item includes land and buildings held to earn rentals or for capital appreciation or both. Land and buildings for own activities and property inventories are instead classified as tangible assets.
To measure the value of land and buildings (investment properties), the Generali Group applies the cost model set out by IAS 40, and adopts the depreciation criteria defined by IAS 16. Please refer to the paragraph on land and buildings (self-used) for information about criteria used by the Group and finance leases of land and buildings.
This item also includes leased assets that are allocated to the specific balance sheet item based on the nature of the assets.

## Investments in subsidiaries, associated companies and joint ventures

This item includes investments in subsidiaries and associated companies valued at equity or at cost. Immaterial investments in subsidiaries and associated companies, as well as investments in associated companies and interests in joint ventures valued using the equity method belong to this category.
A list of such investments is shown in attachment to this Consolidated financial statement.

## Financial Investments – classification and measurement

Financial Instruments included in scope of IAS 39 are classified as follows:

- Held to maturity;
- Loans and receivables;
- Available for sale financial assets;
- Financial assets at fair value through profit or loss.

The classification depends on the nature and purpose of holding financial instruments and is determined at initial recognition except for allowed reclassifications in rare circumstances and when the purpose of holding the financial assets changes.
The financial investments are initially recognized at fair value plus, in the case of instruments not measured at fair value through profit or loss, the directly attributable transactions costs.

Non-derivative financial assets with fixed and determinable payments, those that the entity has the intention and the ability to hold to maturity, unquoted and not available for sale are subsequently measured at amortised cost.

## Held to maturity financial assets

The category comprises the non-derivative financial assets with fixed or determinable payments and fixed maturity that a company has the positive intention and ability to hold to maturity, other than loans and receivables and those initially designated as at fair value through profit or loss or as available for sale. The intent and ability to hold investments to maturity must be demonstrated when initially acquired and at each reporting date.

In the case of an early disposal (significant and not due to particular events) of said investments, any remaining investments must be reclassified as available for sale.

Held to maturity investments are accounted for at settlement date and measured initially at fair value and subsequently at amortised cost using the effective interest rate method and considering any discounts or premiums obtained at the time of the acquisition which are accounted for over the remaining term to maturity.

## Loans and receivables

This category comprises non-derivative financial assets with fixed or determinable payments, not quoted in an active market. It does not include financial assets held for trading and those designated as at fair value through profit or loss or as available for sale upon initial recognition.

In detail, the Generali Group includes in this category some unquoted bonds, mortgage loans, policy loans, term deposits with credit institutions, deposits under reinsurance business accepted, repurchase agreements, receivables from banks or customers accounted for by companies of the financial segment, and the mandatory deposit reserve with the central bank. The Group's trade receivables are instead classified as other receivables in the balance sheet.

Loans and receivables are accounted for at settlement date and measured initially at fair value and subsequently at amortised cost using the effective interest rate method and considering any discounts or premiums obtained at the time of the acquisition which are accounted for over the remaining term to maturity. Short-term receivables are not discounted because the effect of discounting cash flows is immaterial. Gains or losses are recognised in the profit and loss account when the financial assets are de-recognised or impaired as well as through the normal amortization process envisaged by the amortised cost principle.

## Available for sale financial assets

Available for sale financial assets are accounted for at the settlement date at the fair value at the related transaction dates, plus the transaction costs directly attributable to the acquisition. The unrealized gains and losses on available for sale financial assets arising out of subsequent changes in value are recognised in other comprehensive income in a specific reserve until they are sold or impaired. At this time the cumulative gains or losses previously recognised in other comprehensive income are accounted for in the profit and loss account.

This category includes quoted and unquoted equities, investment fund units (IFU) not held for trading, nor designated as financial assets at fair value through profit or loss, and bonds, mainly quoted, designated as available for sale.

Interests on debt financial instruments classified as available for sale are measured using the effective interest rate with impact on profit or loss. Dividends related to equities classified in this category are reported in profit or loss when the shareholder's right to receive payment is established, which usually coincides with the shareholders' resolution.

The Group evaluates whether the ability and intention to sell its Available for sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available for sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR (Effective Interest Rate). Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

## Financial assets at fair value through profit or loss

This category comprises financial assets held for trading, i.e. acquired mainly to be sold in a short term, and financial assets that upon initial recognition are designated as at fair value through profit or loss.

In particular both bonds and equities, mainly quoted, and all derivative assets, held for both trading and hedging purposes, are included in this category. Financial assets at fair value through profit or loss also take into account investments back to policies where the investment risk is borne by the policyholders and back to pension funds in order to significantly reduce the valuation mismatch between assets and related liabilities.

Structured instruments, whose embedded derivatives cannot be separated from the host contracts, are classified as financial assets at fair value through profit or loss.

The financial assets at fair value through profit or loss are accounted for at settlement date and are measured at fair value. Their unrealized and realized gains and losses at the end of the period are immediately accounted for in the profit and loss account.

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify them. The reclassification to loans and receivables, available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, as these instruments cannot be reclassified after initial recognition.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## Receivables

This item includes receivables arising out of direct insurance and reinsurance operations, and other receivables.

### Receivables Arising out of Direct Insurance and Reinsurance Operations

Receivables on premiums written in course of collection and receivables from intermediates and brokers, co-insurers and reinsurers are included in this item. They are accounted for at their fair value at acquisition date and subsequently at their presumed recoverable amounts.

### Other receivables

This item includes all other receivables, which do not have an insurance or tax nature. They are accounted for at fair value at recognition and subsequently at their presumed recoverable amounts.

## Other Assets

Non-current assets or disposal groups classified as held for sale, deferred acquisition costs, tax receivables, deferred tax assets, and other assets are classified in this item and includes leased assets that are allocated to the specific balance sheet items based on the nature of the assets.

### Non-Current Assets or Disposal Groups Classified as Held For Sale

This item comprises non-current assets or disposal groups classified as held for sale under IFRS 5. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

They are measured at the lower of their carrying amount and fair value less costs to sell.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in profit or loss after tax from discontinued operations in the income statement.

### Deferred acquisition costs

Concerning deferred acquisition costs, according to requirements of IFRS 4, the Group continued to apply accounting policies prior to the transition to international accounting principles. In this item acquisition costs paid before the subscription of multi-year contracts to amortize within the duration of the contracts are included.

## Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences between the carrying amounts of assets and liabilities and the corresponding amounts recognized for tax purposes.
In the presence of tax losses carried forward or unused tax credits, deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the aforementioned tax losses or unused tax credits.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
Deferred tax assets are measured at the tax rates that are expected to be applied in the year when the asset is realized, based on information available at the reporting date.
Deferred tax assets are not recognized in the following cases provided in paragraph 24 of IAS 12:
- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized;
- for all deductible temporary differences between the carrying amount of assets or liabilities and their tax base to the extent that it is probable that taxable income will be available, against which the deductible temporary differences can be utilised.

## Tax receivables

Receivables related to current income taxes as defined and regulated by IAS 12 are classified in this item. They are accounted for based on the tax laws in force in the countries where the consolidated subsidiaries have their offices.
Current income tax relating to items recognised directly in equity are recognised in equity and not in the income statement.

## Other assets

The item mainly includes accrued income and prepayments, specifically accrued interest from bonds.
It also comprises deferred commissions for investment management services related to investment contracts. Deferred fee and commission expenses include acquisition commissions related to investment contracts without DPF fair valued as provided for by IAS 39 as financial liabilities at fair value through profit or loss. Acquisition commissions related to these products are accounted for in accordance with the IFRS 15. For further information please refer to paragraph *Revenues from contracts with customers within to scope of IFRS 15*.
Deferred commissions for investment management services are amortised, after assessing their recoverability in accordance with IAS 36.
Tax credits not arising from Income Taxes, therefore out of the scope of IAS 12 - Income Taxes (including tax credits acquired on the market) are also included among Other assets.

# Cash and cash equivalents

Cash in hand and equivalent assets, cash and balances with banks payable on demand and with central banks are accounted for in this item at their carrying amounts.
Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value are included in this item. Investments are qualified as cash equivalents only when they have a short maturity of 3 months or less from the date of the acquisition. Balance sheet – Liabilities and equity.

# Balance sheet – Equity and Liabilities

## Shareholder's equity

### Shareholder's Equity Attributable to the Group

## Share Capital

Ordinary shares are recognized as share capital and their value equals the nominal value.

## Other equity instruments

The item includes preference shares and equity components of compound financial instruments.

## Capital Reserve

The item includes the share premium account of the Parent Company.

## Revenue reserve and other reserves

The item comprises retained earnings or losses adjusted for the effect of changes arising from the first-time application of IAS/IFRS, reserves for share-based payments, equalisation and catastrophe provisions not recognised as insurance provisions according to IFRS 4, legal reserves envisaged by the Italian Civil Code and special laws before the adoption of IAS, as well as reserves from the consolidation process.

## Own shares

As provided for by IAS 32, the item includes equity instruments of the Parent company held by the same company or by its consolidated subsidiaries.

## Reserve for currency translation differences

The item comprises the exchange differences to be recognised in equity in accordance with IAS 21, which derive from accounting for transactions in foreign currencies and from the translation of subsidiaries' financial statements denominated in foreign currencies.

## Reserve for unrealised gains and losses on available for sale financial assets

The item includes gains or losses arising from changes in the fair value of available for sale financial assets, as previously described in the corresponding item of financial investments. The amounts are accounted for net of the related deferred taxes and deferred policyholder liabilities.

Reserve for other unrealised gains and losses through equity
The item includes the cash flow hedging derivatives reserve, the reserve for hedges of net investments in foreign operations. This item includes gains or losses on cash flow hedging instruments and gains or losses on hedging instruments of a net investment in a foreign operation. In addition, this item also includes the profits and losses relating to defined benefit plans and the part of the balance sheet reserves whose variation is part of the comprehensive income of participations and those relating to non-current assets or disposal groups classified as held for sale.

## Result of the period

The item refers to the Group consolidated result of the period. Dividend payments are accounted for after the approval of the shareholders' general meeting.

### Shareholder's Equity Attributable to Minority Interests

The item comprises equity instruments attributable to minority interests.
It also includes the reserve for unrealized gains and losses on available for sale investments and any other gains or losses recognized directly in equity attributable to minority interests.

## Provisions

This item comprises amounts, gross of ceded reinsurance, of liabilities related to insurance contracts and investment contracts with discretionary participation features.

## Insurance provisions

This item comprises amounts, gross of ceded reinsurance, of liabilities related to insurance contracts and investment contracts with discretionary participation features.

## Life insurance policies

In accordance with IFRS 4, policies of the life segment are classified as insurance contracts or investment contracts based on the significance of the underlying insurance risk.

Classification requires the following steps:

- identification of the characteristics of products (option, discretionary participation feature, etc.) and services rendered;
- determination of the level of insurance risk in the contract; and
- application of the international principle.

### Insurance contracts and investment contracts with DPF

Premiums, payments and change in the insurance provision related to products whose insurance risk is considered significant (e.g. term insurance, whole life and endowment with annual premiums, life contingent annuities and contracts containing an option to elect at maturity a life contingent annuity at rates granted at inception, long-term health insurance and unit-linked with sum assured in case of death significantly higher than the value of the fund) or investment contracts with discretionary participation feature – DPF (e.g. policies linked to segregated funds, contracts with additional benefits that are contractually based on the economic result of the company) are accounted for in accordance with previous local GAAP, while maintaining the requirements of IFRS 4. Gross premiums are recognised as a revenue, net of cancellations of the period, and ceded premiums are recognised as expenses of the period.

### Shadow accounting

In order to mitigate the valuation mismatch between financial investments backing life insurance contracts carried at fair value according to IAS 39 and insurance provisions which are accounted for in accordance with previous local GAAP, shadow accounting is applied to insurance contracts and investments contracts with DPF. This accounting practice attributes to the policyholders' part of the difference between IAS/IFRS valuation of the basis on which the profit sharing is determined and valuation which is used to determine the profit sharing actually paid. This accounting treatment is included in the deferred policyholder liabilities in the life insurance provisions

The policyholders' share is calculated on the average contractual percentage for the policyholder participation, as the local regulation already foresees the protection of guaranteed obligations through the recognition of additional provisions for interest rate risk if future financial returns based on a proper time horizon are not sufficient to cover the financial guaranties included in the contract.

The accounting item arising from the shadow accounting application is included in the carrying amount of insurance liabilities whose adequacy is tested by the liability adequacy test (LAT) according to IFRS 4 (refer to paragraph *Details on insurance and investment contracts*), to rectify the IAS/IFRS carrying amount of insurance provisions.

The main accounting effect of the shadow accounting is double fold: on the one hand, the recognition of the policyholders' share of unrealized gains and losses on available for sale financial assets and also on financial assets measured at fair value through profit or loss, in the deferred policyholders' liabilities; on the other, the insurer's share is recognised in equity. If financial instruments are fair valued through profit or loss or financial investments are impaired, the policyholders' share on the difference between the market value and valuation used to determine the return which the profit sharing is based on (e.g. the carrying amount in segregated fund) is recognised in the profit and loss account. The shadow accounting also allows the recognition of an insurance liability related to unrealized gains on available for sale financial assets linked to contracts with discretionary participation feature, up to the amount of the increase in value of these assets due to the change of market rates.

### Investment contracts

Investment contracts without DPF and that do not have a significant investment risk, mainly include unit/index-linked policies and pure capitalization contracts. These products are accounted for in accordance with IAS 39 as follows:

- the products are recognised as financial liabilities at fair value or at amortised cost. In detail, linked products classified as investment contracts are fair valued through profit or loss, while pure capitalization policies are generally valued at amortised cost;
- fee and commission income and expenses are recognised in the profit and loss account based on IAS 39 and IFRS 15;
- fee and commission income and incremental costs of pure capitalization contracts without DPF (other than administration costs and other non-incremental costs) are included in the amortised cost measurement;
- the risk component of linked products is unbundled, if possible, and accounted for as insurance contracts.

## Life insurance provisions

Life insurance provisions are related to insurance contracts and investment contracts with discretionary participation features. These provisions are accounted for based on local GAAP, in compliance with IFRS 4.

Liabilities related to insurance contracts and investment contracts with discretionary participation features are determined analytically for each kind of contract on the basis of appropriate actuarial assumptions. They meet all the existing commitments based on best estimates.

These actuarial assumptions take into consideration the most recent demographic tables of each country where the risk is underwritten, aspects of mortality, morbidity, determination of risk-free rates, expenses and inflation. The tax charge is based on laws in force.

Among life insurance provisions, provisions in addition to mathematical provisions, already envisaged by the local regulations in case of adverse changes in the interest rates or mortality, are classified as provisions for the liability adequacy test. In case of any changes in the local legislation that are characterized by the introduction of excessive prudence, the Group applies paragraph 4.26 of IFRS 4 to ensure consistency with the valuation policies used by the Group in the context of IFRS.
As previously mentioned, insurance provisions include deferred policyholder liabilities related to contracts with DPF. The recognition of the deferred policyholder liabilities is made in accordance to shadow accounting, as already mentioned in paragraph *Shadow accounting of* section *Insurance Provision*.

### Liability adequacy test (LAT) – Life segment

In accordance with IFRS 4, in order to verify the adequacy of the reserves a Liability Adequacy Test (LAT) is performed. The aim of the test is to verify if the technical provisions - inclusive of deferred policyholders' liabilities - are adequate to cover the current value of future cash flows related to insurance contracts.
The liability adequacy test is performed through the comparison of the IFRS reserves (taking into account the amount of gains definitively attributable to the policyholders), net of any deferred acquisition costs or intangible assets related to these contracts, with the current value of future cash flows related to insurance contracts.
The abovementioned amount also includes the costs of embedded financial options and guarantees, which are measured with a market-consistent methodology. Technical reserves which are subject to the Liability Adequacy Test also include the interest rate risk provisions as required by local regulations.
The insurance contracts modelling and best estimates assumptions used are derived from the evaluation process of the insurance provisions in accordance with Solvency II.
Any difference between the IFRS carrying amount and the current value for LAT purposes is charged to the profit and loss account, initially by reducing the deferred acquisition costs and the VOBA and subsequently, for the excess, by adjusting the technical provisions.

### Non-life insurance provisions

The local GAAP for each country is applied to non-life insurance provisions, since all the existing policies fall under IFRS 4 scope. In conformity with the international standard, no provisions for future claims are recognised, in line with the derecognition of the equalisation and catastrophe provisions and some additional components of the unearned premiums provisions, carried out on the date of the first-time application.
The provisions for unearned premiums include the pro-rata temporis provision, which is the amount of gross premiums written allocated to the following financial periods, and the provision for unexpired risks, which provides for claims and expenses in excess of the related unearned premiums.

The provisions for outstanding claims are determined by a prudent assessment of damages, based on objective and prospective considerations of all predictable charges.
Provisions are deemed adequate to cover payments of damages and the cost of settlement of claims related to accident occurred during the year but not yet reported.
The non-life insurance provisions meet the requirements of the liability adequacy test according to IFRS 4.
Amounts ceded to reinsurers from insurance provisions are determined in accordance with the criteria applied for the direct insurance and accepted reinsurance.
The criteria used locally for the determination of the technical provisions are usually in line with the requirements of the Liability adequacy test provided for by the IFRS 4. Otherwise, the Group performs the liability adequacy test in line with the methodology described above.
Amounts ceded to reinsurers from insurance provisions are determined in accordance with the criteria applied for the direct insurance and accepted reinsurance.

## Financial Liabilities

Financial liabilities at fair value through profit or loss and financial liabilities at amortised cost are included in this item.

Financial liabilities at fair value through profit or loss
The item refers to financial liabilities at fair value through profit or loss, as defined and regulated by IAS 39. In detail, it includes the financial liabilities related to investment contracts where the investment risk is borne by the policyholders as well as derivative liabilities.

### Other financial liabilities

The item includes financial liabilities within the scope of IAS 39 that are not classified as at fair value through profit or loss and are instead measured at amortised cost.
This item comprises both subordinated liabilities, which, in the case of bankruptcy, are to be repaid only after the claims of all other creditors have been met, and hybrid instruments.
Bond instruments issued are measured at issue price, net of costs directly attributed to the transaction. The difference between the aforesaid price and the reimbursement price is recognised along the duration of the issuance in the profit and loss account using the effective interest rate method.
Furthermore, it includes liabilities to banks or customers, deposits received from reinsurers, bonds issued, lease liabilities, other loans and financial liabilities at amortised cost related to investment contracts that do not fall under IFRS 4 scope.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

## Payables

### Payables Arising out Insurance Operations

The item includes payables deriving from insurance and reinsurance transactions.

### Other payables

This item mainly includes provisions for the Italian *trattamento di fine rapporto* (employee severance pay). These provisions are accounted for in accordance with IAS 19 (see chapter *Other liabilities*).

## Other liabilities

The item comprises liabilities not elsewhere accounted for. In detail, it includes liabilities directly associated with non-current assets and disposal groups classified as held for sale, tax payables and deferred tax liabilities and deferred fee and commission income.

### Liabilities Directly Associated With Non-Current Assets and Disposal Groups Classified As Held For Sale

The item includes liabilities directly associated with a disposal group, for which assets are equally classified as held for sale, as by defined by IFRS 5.

### Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amount of assets and liabilities and their tax base, Deferred tax liabilities are measured at the tax rates that are expected to be applied in the year when temporary differences will be taxable, are based on the tax rates and tax laws enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
Deferred tax liabilities are not recognized in the following cases provided for in paragraph 15 of IAS 12:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### Tax payables

The item includes payables due to tax authorities for current taxes. Current income tax relating to items recognised directly in equity is recognised in equity and in the comprehensive income, while not in the income statement. This item includes also the uncertainties in the accounting treatment of income taxes, as required by IFRIC 23.

### Other liabilities

This item includes provisions for defined benefit plans, such as termination benefit liabilities and other long-term employee benefits (the Italian provision for trattamento di fine rapporto is excluded and classified as other payables). In compliance with IAS 19, these provisions are measured according to the project unit credit method. This method implies that the defined benefit liability is influenced by many variables, such as mortality, employee turnover, salary trends, expected inflation, expected rate of return on investments, etc. The liability recognised in the balance sheet represents the net present value of the defined benefit obligation less the fair value of plan assets (if any), adjusted for any actuarial gains and losses and any past service costs not amortised. The rate used to discount future cash flows is determined by reference to market yields on high-quality corporate bonds. The actuarial assumptions are periodically tested to confirm their consistency. The actuarial gains and losses arising from subsequent changes in variables used to make estimates are recognised shall be accounted for in other comprehensive income without any possibility of recycling to profit and loss.
Deferred fee and commission income include acquisition loadings related to investment contracts without DPF, which are classified as financial liabilities at fair value through profit or loss, according to IAS 39.
Acquisition loadings related to these products are accounted for in accordance with IFRS 15.

# Profit and loss account

## Income

### Earned premiums

The item includes gross earned premiums on insurance contracts and investment contracts with discretionary participation features, net of earned premiums ceded.

### Fee and commission income

The item includes fee and commission income for financial services rendered by companies belonging to the financial segment and fee and commission income related to investment contracts.

### Net income from financial instruments at fair value through profit or loss

The item comprises realized gains and losses, interests, dividends and unrealized gains and losses on financial assets and liabilities at fair value through profit or loss.

### Income from subsidiaries, associated companies and joint ventures

The item comprises income from investments in subsidiaries, associated companies and joint ventures, which are accounted for in the corresponding asset item of the balance sheet and it is related to the Group share of result attributable to each associate or joint venture.

### Income from financial instruments and other investments

The item includes income from financial instruments not at fair value through profit or loss and from land and buildings (investment properties). In detail, it includes mainly interests from financial instruments measured using the effective interest method, other income from investments, including dividends recognised when the right arises, income from properties used by third parties, realized gains from financial assets, financial liabilities and investment properties and reversals of impairment.

### Other income

The item includes: revenue arising from sale of goods and rendering of services other than financial services; other insurance income; gains on foreign currency accounted for under IAS 21; realized gains and reversals of impairment on tangible assets and other assets; and any gains recognised on the re-measurement of non-current assets or disposal groups classified as held for sale.

## Expenses

### Net insurance benefit and claims

The item includes the amounts paid in respect of claims occurring during the period, maturities and surrenders, as well as the amounts of changes in insurance provisions that fall under IFRS 4 scope, net of recoveries and reinsurance. It also comprises changes in the provision for deferred policyholders' liabilities with impact on the profit and loss account.

### Fee and commission expenses and expenses from financial service activities

The item includes fee and commission expenses for financial services received by companies belonging to the financial segment and fee and commission expenses related to investment contracts.

### Expenses from subsidiaries, associated companies and joint ventures

The item includes expenses from investments in subsidiaries, associated companies and joint ventures, which are accounted for in the corresponding asset item of the balance sheet and it is related to the Group share of result attributable to each associate or joint venture.

### Expenses from financial instruments and other instruments

The item comprises expenses from land and buildings (investment properties) and from financial instruments not at fair value through profit or loss. It includes: interest expense; expenses on land and buildings (investment properties), such as general property expenses and maintenance and repair expenses not recognised in the carrying amount of investment properties; realized losses from financial assets, financial liabilities and land and buildings (investment properties); depreciations and impairment of such investments.

### Acquisition and administration costs

The item comprises acquisition commissions, other acquisition costs and administration costs related to contracts that fall under IFRS 4 scope. Other acquisition costs and administration costs related to investment contracts without discretionary participation features are also included, as well as overheads and personnel expenses for investment management, and administration expenses of non-insurance companies.

### Other expenses

The item includes: other insurance expenses; allocation to provisions; losses on foreign currency accounted for under IAS 21; realized losses, impairment and depreciation of tangible assets not elsewhere allocated; and amortization of intangible assets. It also comprises any loss on the re-measurement of non-current assets or disposal groups classified as held for sale, other than discontinued operations.

### Capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## Income taxes

The item includes income taxes for the period and for previous years, deferred taxes and tax losses carried back, as well as the tax benefit from tax losses. This item includes also the uncertainties in the accounting treatment of income taxes, as required by IFRIC 23.

# Comprehensive income

The statement of comprehensive income was introduced by the revised IAS 1 issued in September 2007 by the IASB, approved by the EC Regulation No 1274/2008. The statement comprises items of income and expenses different from those included in profit or loss, recognised directly in equity other than those changes resulting from transactions with shareholders.

In accordance with the ISVAP (now IVASS) Regulation n.7/2007 as subsequently amended, items of income and expenses are net of taxes as well as net of gains and losses on available for sale assets attributable to the policyholders according to the deferred policyholders' liabilities calculation.
The transactions with owners and the result of comprehensive income are presented in the statement of changes in equity.

# Statement of changes in equity

The statement was prepared in accordance with the requirements of the ISVAP (now IVASS). 7 of 13 July 2007 as subsequently amended, and explains all the variations of equity.

## Change of the closing balance

This section comprises changes of the closing balance of the previous financial year determined by the correction of errors or changes in accounting policies (IAS 8) and by the change in the values of the assets and liabilities deriving from the retrospective application of new or amended accounting principles.

## Allocation

This section comprises the allocation of the profit or loss of the year, the allocation of the previous year profit or loss into the capital reserves, increases in capital and other reserves (for the issuance of new shares, equity instruments, stock options or derivatives on own shares, for the sale of shares pursuant to IAS 32.33, for the reclassification to equity instruments previously recognized in liabilities and, in the consolidated financial statements, for changes in scope of consolidation), changes within equity reserves (es. allocation of surplus capital, stock option exercise, transfer of revaluation reserves related to tangible and intangible assets to retained earnings in accordance with IAS 38.87 and IAS 16.41 etc.), the changes in gains and losses recognized directly in equity.

### Reclassification adjustments to profit or loss

This section comprises gains or losses previously recognized in equity, that are reclassified to the profit or loss according to IFRSs (e.g. following the transfer of a financial asset available for sale).

### Transfer

This section comprises the distribution of ordinary or extraordinary dividends, decreases in capital and other reserves (for redemption of shares, equity instruments and distributable reserves, the purchase of own shares, for the reclassification of liabilities previously recognized in equity instruments and, in the consolidated financial statements, for changes in scope of consolidation) and the attribution of profit or loss recognized directly in equity and in other balance sheet items (i.e. gains or losses on cash flow hedging instruments allocated to the carrying amount of hedged instruments).

### Changes in ownership interests

This section comprises the effects capita transaction of the subsidiaries, that do not result in the loss of control.

### Existence

This section comprises the equity components and gains or losses directly recognized in equity at the end of the reporting period.
The statement illustrates all changes net of taxes and gains and losses arising from the valuation of financial assets available for sale, attributable to policyholders and accounted for in the insurance liabilities.

## Cash Flows statement

The report, prepared using the indirect method, is drawn up in accordance with the ISVAP (now IVASS) requirements n. 7 of 13 July 2007, as amended by Measure ISVAP (now IVASS) No. 2784 of 8 March 2010, and distinguishing its component items among operating, investing and financing activities.

## Other information

### Fair value

IFRS 13 - Fair Value Measurement provides guidance on fair value measurement and requires disclosures about fair value measurements, including the classification of financial assets and liabilities in fair value hierarchy levels.
With reference to the investments, Generali Group measures financial assets and liabilities at fair value in the financial statements, or discloses the contrary in the notes.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In particular, an orderly transaction takes place in the principal or most advantageous market at the measurement date under current market conditions.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:
(a) in the principal market for the asset or liability; or
(b) in the absence of a principal market, in the most advantageous market for the asset or liability.
The fair value is equal to market price if market information is available (i.e. relative trading levels of identical or similar instruments) into an active market, which is defined as a market where the items traded within the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public.
If there isn't an active market, a valuation technique should be used which shall maximise the observable inputs. If the fair value cannot be measured reliably, amortised cost is used as the best estimate in determining the fair value.

As for measurement and disclosure, the fair value depends on the unit of account, depending on whether the asset or liability is a stand-alone asset or liability, a group of assets, a group of liabilities or a group of assets and liabilities in accordance with the related IFRS.
However, when determining fair value, the valuation should reflect its use if in combination with other assets.
With reference to non-financial assets, fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible. However, an entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.
For the liabilities, the fair value is represented by the price that would be paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price).
When a quoted price for the transfer of an identical or a similar liability or entity's own equity instrument is not available and the identical item is held by another party as an asset, an entity shall measure the fair value of the liability or equity instrument from the return perspective of a market participant that holds the identical item as an asset at the measurement date. This return perspective is determined, where relevant, also having regard to the remuneration of the capital necessary to assume this liability.

## Fair value hierarchy

Assets and liabilities measured at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in IFRS13, which consists of three levels based on the observability of inputs within the corresponding valuation techniques used.
The fair value hierarchy levels are based on the type of inputs used to determine the fair value with the use of adequate valuation techniques, which shall maximize the market observable inputs and limit the use of unobservable inputs:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; market-corroborated inputs).
- Level 3: inputs are unobservable inputs for the asset or liability, which reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk (of the model used and of inputs used).

The fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.
A fair value measurement developed using a present value technique might be categorised within Level 2 or Level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which those inputs are categorised.
If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within the level attributable to the input with the lowest level utilized.
Adequate controls have been set up to monitor all measurements including those provided by third parties. If these checks show that the measurement is not considered as market corroborated the instrument must be classified in level 3. In this case, generally the main inputs used in the valuation techniques are volatility, interest rate, yield curves, credit spreads, dividend estimates and foreign exchange rates.

## Valuation techniques

Valuation techniques are used when a quoted price is not available or shall be appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
Single or multiple valuation techniques valuation technique will be appropriate. If multiple valuation techniques are used to measure fair value, the results shall be evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.
Three widely used valuation techniques are:

- market approach: uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities;
- cost approach: reflects the amount that would be required currently to replace the service capacity of an asset; and
- income approach: converts future amounts to a single current (i.e. discounted) amount.

## Application to assets and liabilities

- Debt securities

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value is determined using the market and income approach. Primary inputs to the market approach are quoted prices for identical or comparable assets in active markets where the comparability between security and benchmark defines the fair value level. The income approach in most cases means a discounted cash flow method where either the cash flow or the discount curve is adjusted to reflect credit risk and liquidity risk, using interest rates and yield curves commonly observable at frequent intervals. Depending on the observability of these parameters, the security is classified in level 2 or level 3. In particular, for level 3 instruments, the fair value is determined using expert judgement estimates or risk-adjusted value ranges.

- Equity securities

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value is determined using the market and income approach. Primary inputs to the market approach are quoted prices for identical or comparable assets in active markets where the comparability between security and benchmark defines the fair value level. The income approach in most cases means a discounted cash flow method estimating the present value of future dividends. Depending on the observability of these parameters, the security is classified in level 2 or level 3.

- Investments fund units

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value of IFU is mainly determined using net asset values (NAV) provided by the fund's managers provided by the subjects responsible for the NAV calculation. This value is based on the valuation of the underlying assets carried out through the use of the most appropriate approach and inputs. Depending on how the share value is collected, directly from public providers or through counterparts, the appropriate hierarchy level is assigned. If this NAV equals the price at which the quote can be effectively traded on the market in any moment, the Group considers this value comparable to the market price.

- Private equity funds and Hedge funds

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value of private equity funds and hedge funds is generally expressed as the net asset value at the balance sheet date, determined using periodical net asset value and audited financial statements provided by fund administrators, in case adjusted for the illiquidity of the same fund and consequently hierarchized according to the quality of the inputs used. If at the balance sheet date, such information is not available, the latest official net asset value is used. The fair value of these investments is also closely monitored by a team of professionals within the Group.

- Derivatives

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value of derivatives is determined using internal valuation models or provided by third parties. In particular, the fair value is determined primarily on the basis of income approach using deterministic or stochastic models of discounted cash flows commonly shared and used by the market.

The main input used in the valuation include volatility, interest rates, yield curves, credit spreads, dividend estimates and exchange rates observed at frequent intervals.

With reference to the fair value adjustment for credit and debt risk of derivatives (credit and debt valuation adjustment CVA / DVA), the Group considered this adjustment as not material for the valuation of its positive and negative derivatives, as almost entirely of them is collateralized. Their evaluation does not take into account for these adjustments.

- Financial assets where the investment risk is borne by the policyholders and related to pension funds

Generally, if available and if the market is defined as active, fair value is equal to the market price. On the contrary, valuation methodologies listed above for the different asset classes shall be used.

- Financial liabilities

Generally, if available and if the market is defined as active, fair value is equal to the market price.

The fair value is determined primarily on the basis of the income approach using discounting techniques.

In particular, the fair value of debt instruments issued by the Group are valued using discounted cash flow models based on the current marginal rates of funding of the Group for similar types of loans, with maturities consistent with the maturity of the debt instruments subject to valuation.

The fair value of other liabilities relating to investment contracts is determined using discounted cash flow models that incorporate several factors, including the credit risk embedded derivatives, volatility, servicing costs and redemptions. In general, however, are subject to the same valuation techniques used for financial assets linked policies.

## Accounting for derivatives

Derivatives are financial instruments or other contracts with the following characteristics:

- their value changes in response to the change in interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or other pre-defined underlying variables;
- they require no initial net investment or, if necessary, an initial net investment that is smaller than one which would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- they are settled at a future date. Derivatives are classified as at fair value through profit or loss.

The Group carries out hedging transactions accounted for using the hedge accounting technique.
According to this accounting model the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in an appropriate item of comprehensive income while the ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss.
The amount accumulated in the other components of comprehensive income is reversed to profit and loss account in line with the economic changes of the hedged item.
When the hedging instrument expires or is sold, or the hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instruments, that remains recognized directly in the other components of other comprehensive income from the period when the hedge was effective, remains separately recognized in comprehensive income until the forecast transaction occurs. However, if the forecasted transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognized directly in the other components of comprehensive income from the period when the hedge was effective is immediately recognized in profit or loss.
With reference to emissions of some subordinated liabilities, the Group has entered into hedging transactions of the interest rates volatility and exchange rate fluctuations GBP/EURO, which for accounting purposes is designated as hedging the volatility of cash flows (cash flow hedge) and accounted adopting the hedge accounting technique.
Further the Group set cash flow hedges on forecast refinancing operations of subordinated liabilities that are accounted for as hedge of forecast operations, that are highly probable and could affect profit or loss. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in an appropriate item of comprehensive income. The ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss. If a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.
Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges: the effective portion of gain or loss on the hedging instrument is recognized among the components of profit or loss, while the part is not effective be recognized in the separate income statement.

## Impairment losses on financial assets

As for financial assets, except investments at fair value through profit or loss, IAS 39 is applied whether there is any objective evidence that they are impaired.
Evidence of impairment includes, for example, significant financial difficulties of the issuer, its default or delinquency in interest or principal payments, the probability that the borrower will enter bankruptcy or other financial reorganisation and the disappearance of an active market for that financial asset.
The recognition of impairment follows a complex analysis in order to conclude whether there are conditions to effectively recognize the loss. The level of detail and the detail with which testing is being undertaken varies depending on the relevance of the latent losses of each investment.
A significant or prolonged decline in the fair value of an investment in an equity instrument below its average cost is considered as an objective evidence of impairment.
The threshold of significance is defined at 30%, while the prolonged decline in fair value is defined as a continuous decline in market value below average cost for 12 months.
The prolonged decline in value of bonds and loans are evaluated as a result of specific analysis that involve the single issuances.
If an investment has been impaired in previous periods, further fair value declines are automatically considered prolonged.
If there is objective evidence of impairment the loss is measured as follows:

- on financial assets at amortised cost, as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate;
- on available for sale financial assets, as the difference between the cost and the fair value at the measurement date.

Reversals of impairment are recognized respectively: in the profit or loss in the case of debt instruments, in the equity reserve in the case of equity securities including shares of mutual funds (IFU).

## Revenues from contracts with customers within to scope of IFRS 15

The Generali Group is a predominantly insurance group. The revenues arising from this business are defined by IFRS 4 - Insurance contracts; the other revenues arising from the sale of goods and services different from financial and insurance services, and arising from asset management are defined and disciplined by IFRS 15. These revenues are included in the income statement item Other income. In particular, within Generali Group, entities specialized in in banking, asset management and other residual businesses included in the segment Holding and other activities operates.

Revenues from contracts with customers for Generali Group are mainly financial and real estate asset manager, investment and pension funds commissions, as well as service and assistance. These revenues are not multi-annual and recognized on accrual basis during the financial year, and included in the item Commission income (note 27). In some cases, in particular in case of asset and pension fund management, the revenues are linked to managed amounts or to the performance of the assets. Despite this, significant judgements in estimate and measurement of revenues has been rarely needed, i.e. for the definition of transfer price, timing.

Within the Group, there are also other entities which operates in different activities, with an absolutely residual impact on Group revenues and income. The revenues arising from these activities are included in the item Other income and further detailed in item Other revenues.

The asset/liabilities arising from contracts with customers are not significant, in particular due to the above illustrated business.

## Use of estimates

The preparation of financial statements compliant to IFRS requires the Group to make estimates and assumptions that affect items reported in the consolidations financial balance sheet and income statement and the disclosure of contingent assets and liabilities. The use of estimates mainly refers to as follows:

- insurance provisions for the life and non-life segment;
- financial instruments measured at fair value classified in level 3 of the fair value hierarchy;
- the analysis in order to identify durable impairments on intangible assets (e.g. goodwill) booked in in the balance sheet (impairment test);
- deferred acquisition costs and value of business acquired;
- other provisions;
- deferred and anticipated taxes;
- defined benefit plan obligation;
- share-base payments.

Estimates are periodically reviewed and are based on key management's best knowledge of current facts and circumstances.

However, due to the complexity and uncertainty affecting the abovementioned items, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

Further information on the process used to determine assumptions affecting the abovementioned items and the main risk factors are included in the paragraphs on accounting principles and in the risk report.

## Share based payments

The stock option plans granted by the Board in past periods configure as share based payments to compensate officers and employees. The fair value of the share options granted is estimated at the grant date and is based on the option pricing model that takes into account, at the grant date, factors such as the exercise price and the life of the options, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares and the risk-free interest rate as well as the specific characteristics of the plan itself. The pricing model is based on a binomial simulation that takes into account the possibility of early exercise of the options. If present, the pricing model estimates separately the option value and the probability that the market conditions are satisfied. Therefore, the abovementioned values determine the fair value of equity instruments granted.

Long term incentive plans, aimed at strengthening the bond between the remuneration of management and expected performance in accordance with the Group strategic plan, as well as the link between remuneration and generation of value in comparison with peers, are also treated as an equity-settled share-based payment.

The fair value of the right to obtain free shares in relation to market condition is assessed at grant date and is based on a model that takes into account factors such as historical volatility of the Generali share price and of the peer group, the correlation between these shares, the dividends expected on the shares, the risk-free interest rate as well as the specific characteristics of the plan itself. The pricing model is based on simulation models generally used for this type of estimation. Other conditions different than market condition are considered external to this valuation. The probability that these conditions are satisfied, combined with the estimated fair value of the right to obtain free shares, defines the overall plan cost.

The cost is charged to the profit and loss account and, as a double-entry, to equity during the vesting period, taking into account, where possible, the probability of satisfaction of the vesting condition related to the rights granted.

The charge or credit to the profit or loss for a period represents the change in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or a non-vesting condition. These are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense to be recognised is the expense had the terms had not been modified, only if the original terms of the award are met.

An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if

it vested on the date of cancellation, and any expense not yet recognised for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

# Information of financial and insurance risk

In accordance with IFRS 7 and IFRS 4, the information which enables the users of financial statements to evaluate the Group exposure to financial and insurance risks and how these risks are managed is disclosed in the section Risk report in the management report. It provides a description of the principal risks to which the Group is exposed and risk governance.
Further information regarding risk exposures are included in the Notes.

# 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, four 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;
- Asset management;
- 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.
Investment vehicles and entities supporting the activities of Life companies are also reported in this segment.

## 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 Non-life companies are also reported in this segment.

## Asset management

This segment operates as a supplier of products and services both for the insurance companies of the Generali Group and for third-party customers identifying investment opportunities and sources of income for all of its customers, simultaneously managing risks. The products include equity and fixed-income funds, as well as alternative products.
The segment includes companies that may specialise in institutional or retail clients, rather than on Group insurance companies or on third-party customers, or on products such as real assets, high conviction strategies or more traditional solutions.

## Holding and other business

This grouping is a heterogeneous pool of activities different form insurance and asset management and in particular it includes banking activities, expenses related to the management and coordination activities, Group business financing as well as other activities that the Group considers ancillary to the core insurance business. The holding expenses mainly include the holding and regional sub-holding expenses regarding coordination activities, the expenses related to parent company 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.

## Annex 1

### Segment reporting - Balance sheet

| (€ million) | NON-LIFE SEGMENT | | LIFE SEGMENT | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| 1 INTANGIBLE ASSETS | 4,263 | 4,108 | 4,862 | 4,644 |
| 2 TANGIBLE ASSETS | 2,219 | 2,031 | 633 | 680 |
| 3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS | 3,825 | 2,565 | 2,821 | 2,542 |
| 4 INVESTMENTS | 40,916 | 38,384 | 469,732 | 441,687 |
| 4.1 Land and buildings (investment properties) | 4,311 | 3,706 | 8,261 | 7,722 |
| 4.2 Investments in subsidiaries, associated companies and joint ventures | 2,691 | 2,857 | 11,645 | 9,804 |
| 4.3 Held to maturity investments | 168 | 156 | 1,065 | 1,144 |
| 4.4 Loans and receivables | 2,646 | 2,866 | 25,577 | 26,161 |
| 4.5 Available for sale financial assets | 28,994 | 26,217 | 298,831 | 294,187 |
| 4.6 Financial assets at fair value through profit or loss | 2,106 | 2,581 | 124,352 | 102,669 |
| 5 RECEIVABLES | 6,084 | 5,643 | 7,101 | 5,846 |
| 6 OTHER ASSETS | 4,192 | 3,589 | 10,329 | 9,286 |
| 6.1 Deferred acquisition costs | 369 | 349 | 1,829 | 1,767 |
| 6.2 Other assets | 3,823 | 3,239 | 8,500 | 7,519 |
| 7 CASH AND CASH EQUIVALENTS | 2,802 | 2,096 | 2,816 | 4,118 |
| **TOTAL ASSETS** | **64,302** | **58,415** | **498,293** | **468,802** |
| 1 SHAREHOLDERS' EQUITY | | | | |
| 2 OTHER PROVISIONS | 1,317 | 933 | 585 | 537 |
| 3 INSURANCE PROVISIONS | 38,086 | 33,000 | 441,363 | 409,330 |
| 4 FINANCIAL LIABILITIES | 8,413 | 8,070 | 21,309 | 22,019 |
| 4.1 Financial liabilities at fair value through profit or loss | 256 | 403 | 8,835 | 6,681 |
| 4.2 Other financial liabilities | 8,157 | 7,667 | 12,474 | 15,338 |
| 5 PAYABLES | 5,092 | 4,646 | 6,625 | 7,181 |
| 6 OTHER LIABILITIES | 4,251 | 4,607 | 5,445 | 5,677 |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |

| ASSET MANAGEMENT | | HOLDING AND OTHER BUSINESSES | | CONSOLIDATION ADJUSTMENTS | | TOTAL | |
|---|---|---|---|---|---|---|---|
| 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| 358 | 369 | 486 | 490 | 1 | 1 | 9,970 | 9,612 |
| 70 | 64 | 1,217 | 1,177 | -148 | -148 | 3,990 | 3,804 |
| 0 | 0 | 0 | 0 | 0 | 0 | 6,646 | 5,107 |
| 549 | 626 | 37,445 | 31,622 | -20,738 | -19,796 | 527,904 | 492,522 |
| 0 | 0 | 4,294 | 3,695 | 0 | 0 | 16,867 | 15,124 |
| 14 | 7 | 892 | 714 | -12,888 | -11,276 | 2,353 | 2,107 |
| 14 | 14 | 440 | 670 | 0 | 0 | 1,687 | 1,983 |
| 319 | 436 | 10,727 | 9,912 | -7,849 | -8,518 | 31,420 | 30,856 |
| 146 | 163 | 20,601 | 16,437 | 0 | 0 | 348,572 | 337,005 |
| 57 | 6 | 491 | 193 | 0 | -2 | 127,006 | 105,447 |
| 193 | 143 | 535 | 470 | -0 | -0 | 13,912 | 12,101 |
| 144 | 164 | 713 | 677 | -52 | -53 | 15,326 | 13,664 |
| 0 | 0 | 0 | 0 | 0 | 0 | 2,198 | 2,117 |
| 144 | 164 | 713 | 677 | -52 | -53 | 13,128 | 11,547 |
| 516 | 245 | 2,793 | 1,619 | -451 | -178 | 8,476 | 7,900 |
| **1,829** | **1,612** | **43,189** | **36,055** | **-21,388** | **-20,174** | **586,225** | **544,710** |
| | | | | | | 31,875 | 31,794 |
| 51 | 19 | 653 | 465 | -182 | -182 | 2,424 | 1,772 |
| 0 | 0 | 0 | 0 | 0 | 0 | 479,449 | 442,330 |
| 25 | 28 | 21,467 | 18,339 | -3,502 | -4,388 | 47,713 | 44,068 |
| 0 | 0 | 199 | 87 | 27 | 27 | 9,317 | 7,198 |
| 25 | 28 | 21,269 | 18,252 | -3,529 | -4,416 | 38,396 | 36,871 |
| 247 | 198 | 1,287 | 1,159 | -1 | -1 | 13,250 | 13,184 |
| 230 | 273 | 1,602 | 1,024 | -16 | -21 | 11,512 | 11,561 |
| | | | | | | **586,225** | **544,710** |

# Annex 2

## Segment reporting - Income statement

| (€ million) | NON-LIFE SEGMENT | | LIFE SEGMENT | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| 1.1 Net earned premiums | 22,151 | 20,886 | 48,533 | 43,582 |
| 1.1.1 Gross earned premiums | 23,799 | 22,175 | 50,185 | 45,218 |
| 1.1.2 Earned premiums ceded | -1,649 | -1,289 | -1,652 | -1,637 |
| 1.2 Fee and commission income and income from financial service activities | 2 | 3 | 168 | 112 |
| 1.3 Net income from financial instruments at fair value through profit or loss | 21 | 3 | 8,939 | 1,817 |
| 1.4 Income from subsidiaries, associated companies and joint ventures | 449 | 158 | 511 | 337 |
| 1.5 Income from other financial instruments and land and buildings (investment properties) | 1,292 | 1,298 | 10,387 | 11,578 |
| 1.6 Other income | 2,058 | 1,851 | 2,001 | 1,664 |
| **1 TOTAL INCOME** | **25,974** | **24,199** | **70,538** | **59,089** |
| 2.1 Net insurance benefits and claims | -13,866 | -12,744 | -59,238 | -47,291 |
| 2.1.1 Claims paid and change in insurance provisions | -15,304 | -13,409 | -60,608 | -48,671 |
| 2.1.2 Reinsurers' share | 1,439 | 665 | 1,370 | 1,380 |
| 2.2 Fee and commission expenses and expenses from financial service activities | 0 | 0 | -25 | -23 |
| 2.3 Expenses from subsidiaries, associated companies and joint ventures | -6 | -4 | -1 | -95 |
| 2.4 Expenses from other financial instruments and land and buildings (investment properties) | -526 | -726 | -898 | -2,292 |
| 2.5Acquisition and administration costs | -6,383 | -5,984 | -5,782 | -5,269 |
| 2.6Other expenses | -2,889 | -2,774 | -2,035 | -2,079 |
| **2 TOTAL EXPENSES** | **-23,669** | **-22,232** | **-67,980** | **-57,048** |
| **EARNINGS BEFORE TAXES** | **2,305** | **1,968** | **2,558** | **2,040** |

| ASSET MANAGEMENT | | HOLDING AND OTHER BUSINESSES | | CONSOLIDATION ADJUSTMENTS | | TOTAL | |
|---|---|---|---|---|---|---|---|
| 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| 0 | 0 | 0 | 0 | 0 | 0 | 70,684 | 64,468 |
| 0 | 0 | 0 | 0 | 0 | 0 | 73,985 | 67,393 |
| 0 | 0 | 0 | 0 | 0 | 0 | -3,301 | -2,926 |
| 1,121 | 970 | 1,284 | 1,062 | -621 | -642 | 1,953 | 1,504 |
| 3 | 0 | -130 | -43 | 0 | 0 | 8,834 | 1,778 |
| 120 | 85 | 57 | 36 | -892 | -473 | 245 | 143 |
| 7 | 12 | 1,580 | 900 | -102 | -110 | 13,164 | 13,679 |
| 159 | 153 | 379 | 369 | -388 | -366 | 4,209 | 3,670 |
| **1,410** | **1,221** | **3,170** | **2,324** | **-2,004** | **-1,590** | **99,088** | **85,242** |
| 0 | 0 | 0 | -0 | 133 | 24 | -72,971 | -60,011 |
| 0 | 0 | 0 | -0 | 133 | 24 | -75,779 | -62,056 |
| 0 | 0 | 0 | 0 | 0 | 0 | 2,808 | 2,045 |
| -252 | -230 | -554 | -466 | 48 | 42 | -784 | -677 |
| -0 | -0 | -3 | -3 | 0 | 0 | -10 | -102 |
| -2 | -17 | -790 | -874 | 13 | 22 | -2,203 | -3,887 |
| -428 | -379 | -525 | -490 | 460 | 479 | -12,658 | -11,643 |
| -71 | -91 | -1,394 | -1,062 | 506 | 472 | -5,883 | -5,534 |
| **-753** | **-717** | **-3,266** | **-2,894** | **1,160** | **1,039** | **-94,509** | **-81,852** |
| **656** | **503** | **-96** | **-570** | **-844** | **-551** | **4,580** | **3,390** |

# INFORMATION ON CONSOLIDATION AREA AND GROUP COMPANIES

## 1 Consolidation area

Based on the IFRS 10, the Consolidated financial statements include the figures for both the Parent company and the subsidiaries directly or indirectly controlled.
As at 31 December 2021, the consolidation area increased from 484 to 505 companies, of which 445 subsidiaries consolidated line by line and 60 associated companies valued at equity.
Changes in the consolidation area compared to the previous year and the table listing companies included in the consolidation area are attached to these Notes, in the Appendix related to the change in the consolidation area, compared to 2020.

## 2 Disclosures on interests in other entities

### 2.1 Interests in subsidiaries

#### Non-controlling interests

A summary of the financial information relating to the most significant subsidiaries that have non-controlling interests material for the Group is provided here below. The amounts disclosed are before inter-company eliminations (except for the items Net result, presented net of dividends paid to Banca Generali by its subsidiaries, and Cumulated non-controlling interests and profit or loss attributable to non-controlling interests that are disclosed from a consolidated perspective).

Non-controlling interests

| Principal place of business | Banca Generali Group Italy | | Generali China Life Insurance Co. Ltd China | |
|---|---|---|---|---|
| (€ million) | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **BALANCE SHEET** | | | | |
| Investments | 13,749 | 11,810 | 13,966 | 10,469 |
| Other assets | 1,044 | 1,007 | 533 | 336 |
| Cash and cash equivalents | 1,687 | 736 | 64 | 34 |
| TOTAL ASSETS | 16,481 | 13,553 | 14,564 | 10,839 |
| Technical provisions | - | - | 10,250 | 7,758 |
| Financial liabilities | 14,515 | 11,574 | 2,041 | 1,319 |
| Other liabilities | 784 | 680 | 942 | 702 |
| Net Assets | 1,182 | 1,300 | 1,331 | 1,060 |
| **TOTAL NET ASSETS AND LIABILITIES** | **16,481** | **13,553** | **14,564** | **10,839** |
| **NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS** | **569** | **698** | **706** | **570** |
| **INCOME STATEMENT** | | | | |
| Net earned premiums | - | - | 2,192 | 1,768 |
| Fee and commission income | 1,285 | 1,023 | 4 | 3 |
| NET RESULT | 325 | 277 | 146 | -132 |
| OTHER COMPREHENSIVE INCOME | -54 | 69 | 199 | 93 |
| TOTAL COMPREHENSIVE INCOME | 270 | 346 | 344 | -39 |
| **TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS** | **158** | **135** | **69** | **65** |
| **DIVIDENDS PAID TO NON-CONTROLLING INTERESTS** | **140** | **0** | **36** | **24** |
| **CASH FLOW** | | | | |
| cash flow from operating activities | 1,172 | 79 | 103 | 66 |
| cash flow from investing activities | 93 | -16 | -66 | -48 |
| cash flow from financing activities | -311 | -15 | -32 | -19 |

## Significant restrictions

In relation to the Group's interests in subsidiaries, no significant restrictions exist on the Group's ability to access or use its assets and settle its liabilities.

# 2.2 Interests in associates

The most significant associates[1] entities for the Group, accounted for according to the equity method, are the following ones:

### Material Group associates

| Company | Deutsche Vermogensberatung Aktiengesellshaft DVAG | Guotai Asset Management Company |
|---|---|---|
| Nature of the relationship with the Group | DVAG is the leading sales network for financial services in Germany and has an exclusive distribution partnership with a company held by Generali Deutschland Group. | Guotai is one of the first professional fund management companies in China. The company manages mutual funds and several Social Security Fund (SSF) portfolios. |
| Principal Place of business | Germany | China |
| Profit rights/voting rights held (if different) | 30% / 40% | 30% |

The summarised financial information relating to the most material associates in which the Group has an interest including the reconciliation with the related carrying amounts (including goodwill, where present) are provided here below.

### Summarised financial information - material associates

| (€ million) | Deutsche Vermogensberatung Aktiengesellshaft DVAG | | Guotai Asset Management Company | |
|---|---|---|---|---|
| | 31/12/2020 (*) | 31/12/2019 (*) | 31/12/2021 | 31/12/2020 |
| **INCOME STATEMENT** | | | | |
| Revenues | 2,005 | 1,892 | 430 | 294 |
| **Profit from continuing operations** | **212** | **204** | **215** | **106** |
| Profit from discontinued operations after taxes | 0 | 0 | 0 | 0 |
| Net result after taxes | **212** | **204** | **162** | **80** |
| Other comprehensive income | 0 | 0 | 0 | -3 |
| **TOTAL COMPREHENSIVE INCOME** | **212** | **204** | **162** | **76** |
| **BALANCE SHEET** | | | | |
| Intangible assets | 99 | 116 | 5 | 2 |
| Tangible assets | 286 | 294 | 0 | 0 |
| Amounts ceded to reinsurers from insurance provisions | 0 | 0 | 0 | 0 |
| Investments | 214 | 128 | 545 | 371 |
| Other assets | 108 | 99 | 159 | 111 |
| Cash and cash equivalents | 558 | 473 | 37 | 18 |
| **TOTAL ASSETS** | **1,264** | **1,109** | **746** | **502** |
| Other provisions | 0 | 0 | 0 | 0 |
| Insurance provisions | 0 | 0 | 0 | 0 |
| Financial liabilities | 125 | 110 | 0 | 0 |
| Other liabilities | 622 | 532 | 255 | 187 |
| **TOTAL LIABILITIES** | **747** | **642** | **255** | **187** |
| **SHAREHOLDERS' EQUITY** | **517** | **467** | **491** | **315** |

(*) The financial information are referred to the last approved financial statements by the Shareholders meeting of the associated company Deutchsche Vermogensberatung Aktiengesellshaft DVAG.

1. Please note that associates are related parties of the Group.

Carrying amount reconciliation - material associates

| (€ million) | Deutsche Vermogensberatung Aktiengesellshaft DVAG | | Guotai Asset Management Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Carrying amount in investee as at 31 December previous year** | **229** | **169** | **191** | **177** |
| Total comprehensive income attributable to the Group | 41 | 102 | 61 | 20 |
| Dividends received during the year | -40 | -42 | -8 | -6 |
| **Carrying amount in investee at the end of the year** | **230** | **229** | **244** | **191** |

As part of the commercial relationships in the German area with the distribution partner DVAG, we inform that the current controlling shareholder hold a put option exercisable in respect of Generali Group.
At the reporting date no liability has been accounted for because the put option refers to an associate and therefore it does not fall into the category of the options on non-controlling interests referred to in par. 23 of IAS 32. The potential outflow of resources will be defined by the parties when and if the option is exercised on the basis of the fair value measurement criteria of the option itself.

Furthermore, the Group holds interests in associates which are not individually material that are accounted for according to the equity method (for an amount of € 626 million) and, on a minor extent, held at cost (for an amount of € 35 million). The associates in which the Group has interest mainly operate in the insurance and financial services industries.
For these associates aggregated summarised financial information are provided here below:

Summarized financial information - other associates

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Carrying amount of interests in not significant associates** | **661** | **632** |
| **Aggregated Group's share of:** | | |
| Profit from continuing operations | 86 | 7 |
| Profit from discontinued operations after taxes | 0 | - |
| Other comprehensive income | -12 | -12 |
| **Total comprehensive income** | **74** | **-4** |

In relation to the Group's interests in associates, no significant contractual, legal or regulatory restrictions exist on the Group's ability to access or use its assets and settle its liabilities.

## 2.3 Joint ventures

Here below please find the information on Group joint ventures:

Aggregated information on joint ventures

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Carrying amount of interests in joint ventures** | **993** | **467** |
| **Aggregated Group's share of:** | | |
| Profit from continuing operations | 11 | 6 |
| Profit from discontinued operations after taxes | 0 | - |
| Other comprehensive income | -20 | 13 |
| **Total comprehensive income** | **-9** | **19** |

The increase of the carrying amount related to interests in joint ventures is mainly due to the Generali Europe Income Holding S.A. perimeter, to the French investments, and to the joint ventures of the Cattolica Group.

## Significant restrictions

In relation to the Group's interests in joint ventures, no significant contractual, legal or regulatory restrictions exist on the Group's ability to access or use its assets and settle its liabilities, nor significant commitments exist.

## 2.4 Unconsolidated structured entities

As of 31 December 2021, Generali Group holds no interests in unconsolidated structured entities that expose the Group to the variability of returns arising from their performance.
However, please find below the following cases:

- In 2017, Assicurazioni Generali S.p.A. stipulated a reinsurance contract with Lion II Re DAC, an Irish special purpose company, which for a period of four years covered the possible catastrophic losses suffered by the Generali Group following storms and floods in Europe and earthquakes in Italy. The Lion II Re transaction transferred part of the risk to bond investors, thus optimizing the Group's protection against disasters. Generali paid an annual premium of 3.57% for a total of € 200 million of reinsurance coverage. This coverage was in place from 29 June 2017 to 28 June 2021 (no storms or floods in Europe neither earthquake in Italy occurred, borne by the Generali Group, in excess to the prefixed loss thresholds for each type of risk) whereas the bond matured in July 2021.
- In June 2021, Assicurazioni Generali S.p.A. stipulated a reinsurance contract with Lion III Re DAC, an Irish special purpose company, which for a period of four years will cover the possible catastrophic losses suffered by the Generali Group following storms in Europe and earthquakes in Italy. Also the Lion III Re transaction transfers part of the risk to bond investors, thus optimizing the Group's protection against disasters. Generali paid an annual premium of 3.50% for a total of € 200 million of reinsurance coverage. This amount will be returned by Lion III Re DAC to investors if during the 4 years of operation of the transaction no events occur on the Generali Group, deriving respectively from storms in Europe or earthquake in Italy, in excess of pre-established damage thresholds for each type of risk.

The aforementioned vehicles are not consolidated as the Generali Group has no control over the entities and is not exposed to the resulting variable returns.

# 3 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Investments in non-consolidated subsidiaries | 226 | 227 |
| Investments in associated companies valued at equity | 1,099 | 1,397 |
| Investments in joint ventures | 993 | 467 |
| Investments in other associated companies | 35 | 15 |
| **Total** | **2,353** | **2,107** |

The decrease in the Investments in associated companies valued at equity is mainly due to the consolidation of Cattolica Assicurazione S.p.A.
The increase in the Investments in joint ventures is mainly due to the Generali Europe Income Holding S.A. perimeter, to the French investments, and to the joint ventures of the Cattolica Group.
The item Investments in non-consolidated subsidiaries included interests that are not significant either individually or as a whole.

# 4 Goodwill

Goodwill

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Gross book value as at 31 December previous year** | **7,650** | **7,201** |
| **Accumulated impairment as at 31 December previous year** | **-113** | **-20** |
| **Carrying amount as at 31 December previous year** | **7,537** | **7,181** |
| Change in consolidation scope | 25 | 462 |
| Other variations | 45 | -106 |
| **Carrying amount as at the end of the period** | **7,607** | **7,537** |
| **Accumulated depreciation and impairment as at the end of the period** | **113** | **113** |
| **Gross book value as at the end of the period** | **7,720** | **7,650** |

As at 31st December 2021 Group's goodwill amounted to a € 7,607 million.
Change in consolidation is mainly attributable to the acquisition of Axa Greece finalized as at 31 May 2021 and for the remaining part to the variation in Europ Assistance perimeter.
The acquired entity has been renamed Generali Hellas and merged with the entity already owned in Greece by the Generali Group converged in the already existing CGU Other. The Acquisition cost amount to € 179 million. The net asset acquired amount to € 160 million, and Goodwill identified after the Purchase Price Allocation compliant to the IFRS 3 amount to € 19 million. The total asset acquired amount to € 626 million and the total liabilities amount to € 467 million of which € 360 million of technical provision acquired. During 2021 the acquired entities contributed for € 83 million to the Group's revenues and the net result amount to - € 3,5 million.
The Other variations are attributable to the exchange rates.

The table below details the goodwill by relevant companies:

Goodwill: details

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Generali Deutschland Holding | 2,179 | 2,179 |
| Alleanza Assicurazioni | 1,461 | 1,461 |
| Generali Italia | 1,332 | 1,332 |
| Generali CEE Holding Group | 859 | 829 |
| Generali France Group | 415 | 415 |
| Generali Seguros - Portugal | 372 | 372 |
| Europ Assistance Group | 252 | 243 |
| Generali Schweiz Holding AG | 243 | 232 |
| Multiboutique | 227 | 227 |
| Generali Versicherung AG | 153 | 153 |
| Other | 112 | 93 |
| **Total goodwill** | **7,607** | **7,537** |

The goodwill booked was subject to impairment tests as stated by IAS 36.
Cash generating units were established in accordance with the Group's participation structure, the manner in which management monitors operations and the business of the CGUs and considering the IFRS 8 requirements relating to operating segments, which Assicurazioni Generali identified as Life, Non-Life and Asset Management.

The table below shows the details of the Group's goodwill by cash generating unit:

Goodwill by cash generating unit

| (€ million) | Life | Non-Life | Asset Management | Total |
|---|---|---|---|---|
| Generali Deutschland Holding | 562 | 1,617 | | 2,179 |
| Alleanza Assicurazioni | 1,461 | | | 1,461 |
| Generali Italia | 640 | 692 | | 1,332 |
| Generali CEE Holding Group | 418 | 382 | 59 | 859 |
| Generali France Group | 319 | 96 | | 415 |
| Generali Seguros - Portugal | | 372 | | 372 |
| Europ Assistance Group | | 252 | | 252 |
| Generali Schweiz Holding AG | | 243 | | 243 |
| Multiboutique | | | 227 | 227 |
| Generali Versicherung AG | 76 | 77 | | 153 |
| Other | | | | 112 |
| **Goodwill** | | | | **7,607** |

The cash generating units have been defined consistently with IAS 36; with regard to the measurement of the recovery value, of the cash generating unit (CGU) of Generali Italia, Alleanza Assicurazioni, Generali Deutschland Holding, Generali CEE Holding Group, Generali Schweiz Holding AG, Europ Assistance, Generali Versicherung AG, Generali France, Multiboutique and Generali Seguros – Portugal the Dividend Discount Model (DDM) has been used, as described in the basis of presentation and accounting principles, for the determination of the recovery value

This method represents a variant of the method of cash flows. In particular, the Excess Capital variant, defines the entity's economic value as the discounted dividend maintaining an appropriate capital structure taking into consideration the capital constraints imposed by the Supervisor as the solvency margin. This method results in the sum of discounted value of future dividends and the cash generating unit terminal value.

The application of this criterion entailed in general the following phases:

- explicit forecast of the future cash flows to be distributed to the shareholders in the planned time frame, taking into account the limit due to the necessity of maintaining an adequate capital level;
- calculation of the cash generating unit's terminal value, that was the foreseen value of the cash generating unit at the end of the latest year planned.

The cash flows related to dividends, used in the analysis for each CGU, were those detailed in the strategic plan Lifetime Partner 24: Driving Growth approved by the Board of Directors. In particular, the data considered for the impairment tests was detailed in the Strategic Group plan 2022-2024 as presented to the Board of Directors in December 2021. In order to extend the analysis horizon to a 5 years period, the main economic and financial data were estimated for a further two years (2025 e 2026). The net result (2025 e 2026) was calculated using a sustainable growth rate for each CGU.

The table below shows the evaluation parameters used for the main CGU:

A) Nominal growth rate (g):

Goodwill: Nominal growth rate (g)

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Generali Deutschland Holding | 2.00% | 2.00% |
| Alleanza Assicurazioni | 1.50% | 1.50% |
| Generali Italia | 1.50% | 1.50% |
| Gruppo Generali CEE Holding | 2.50% | 2.50% |
| Gruppo Generali France | 2.00% | 2.00% |
| Generali Seguros - Portugal | 1.00% | 1.00% |
| Gruppo Europ Assistance | 2.00% | 2.00% |
| Generali Schweiz Holding AG | 1.00% | 1.00% |
| Multiboutique | 2.00% | 2.00% |
| Generali Versicherung AG | 2.00% | 2.00% |

B) Cost of equity (Ke) of the company net of taxes:

Goodwill: cost of equity (Ke) net of taxes

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Generali Deutschland Holding | | |
| Life | 7.9% | 8.1% |
| Non-Life | 6.6% | 6.8% |
| Alleanza Assicurazioni | | |
| Life | 8.8% | 8.8% |
| Generali Italia | | |
| Life | 8.8% | 8.8% |
| Non-Life | 7.6% | 7.5% |
| Gruppo Generali CEE Holding | | |
| Life | 9.3% | 9.1% |
| Non-Life | 8.0% | 7.8% |
| Asset Management | 12.4% | 10.8% |
| Gruppo Generali France | | |
| Life | 8.0% | 8.1% |
| Non-Life | 6.7% | 6.8% |
| Generali Seguros - Portugal | | |
| Non-Life | 7.0% | 6.9% |
| Gruppo Europ Assistance | | |
| Non-Life | 8.4% | 8.0% |
| Generali Schweiz Holding AG | | |
| Non-Life | 6.6% | 6.8% |
| Multiboutique | | |
| Asset Management | 9.8% | 9.5% |
| Generali Versicherung AG | | |
| Life | 7.9% | 8.1% |
| Non-Life | 6.6% | 6.8% |

The cost of equity (Ke) for each entity is extrapolated based on the Capital Asset Pricing Model (CAPM) formula eventually adjusted to reflects specifics and identified risks.

In detail:

- Risk free rate was defined as the average value - observed during the last three months of 2021 of the 10-years government bond of the reference country of operation of the CGU, on which the goodwill has been allocated;
- The Beta coefficient was determined based on a homogeneous basket of securities of the non-life and life insurance sectors, which was compared to market indexes. The observation period was 5 years with weekly frequency;
- The market risk premium amounts to 5.5% for all Group's CGUs.

The impairment test results have confirmed the recoverability of all CGU carrying amount. Furthermore, within the goodwill impairment test, a sensitivity analysis was performed on the results, by changing the cost of own capital of the company (Ke) (+/-1%) and the perpetual growth rate of distributable future cash flows (g) (+/-0.5%). For the Non-Life segment also a sensitivity analysis for the main operating assumptions has been carried out.

Variation of the financial assumption has not been reflected, for prudency reasons, on the cash flows detailed in the plan used for the test, and on the CGUs carrying amounts.

For Life and Asset management the sensitivity analysis did not highlight any negative difference between the carrying amount and the recoverable amount. For Non-Life segment the sensitivity analysis highlighted that for the CGU Generali Schweiz Holding Non-Life, a balance between recoverable amount and carrying amount is reached by increasing Ke 0,65%. The sensitivity of the operating assumption did not highlight any negative difference between the carrying amount and the recoverable amount.

The impairment test of goodwill has been accompanied by a multi-scenario analysis to investigate potential impact on the cash flow defined by the business plan and consequentially on the evaluation of the CGUs. The sensitivity analysis did not highlight any negative difference between the carrying amount and the recoverable amount.

# Cattolica Acquisition

## The Cattolica take-over

In the wake of the strategic partnership approved by the respective governing boards on 24 June 2020 and the signing of the implementation agreements, signed in October, between Assicurazioni Generali and Cattolica Assicurazioni on the four business areas (Asset management, Internet of Things, Health and Reinsurance), on 23 October 2020, Assicurazioni Generali endorsed the Cattolica Assicurazioni share capital increase reserved for it, amounting to a total of €300 million, approved by the Board of Directors of Cattolica Assicurazioni on 4 August 2020 in exercising the delegation of authority assigned following the shareholders' resolution of 27 June 2020. Through the abovementioned capital increase, Assicurazioni Generali obtained a 23.672% stake in the issuer's share capital, amounting to 54,054,054 Cattolica shares. Consequently, when first recognised in the consolidated financial statements for the year ended 31 December 2020, the aforementioned shareholding has been recorded as an equity investment in an associated company, which are valued using the equity method.

On 31 May 2021, the Board of Directors at Assicurazioni Generali approved the promotion of a voluntary cash tender offer for all the ordinary shares of Società Cattolica di Assicurazione S.p.A., including treasury shares, after deduction of the shares already held by Assicurazioni Generali. The purpose of the proposed transaction was to consolidate Assicurazioni Generali's position in the Italian insurance market, strengthen its position among the leading European insurance groups and accelerate the diversification of its business towards the non-life segment, in keeping with the guidelines of the strategic plan Generali 2021 - Leveraging strengths to accelerate growth.

On 29 October 2021, the application period closed for the voluntary cash tender offer (the Offer) on all the ordinary shares of Società Cattolica di Assicurazione S.p.A. (Cattolica), including treasury shares, after deducting the shares already held by Assicurazioni Generali, for a price of €6.75 per share, as per the communication issued pursuant to Article 102, paragraph 1 of Legislative Decree No. 58 of 24 February 1998 and Article 37 of Consob Regulation 11971 of 14 May 1999, as later amended. For more detailed information on the offer, please refer to the Offer Document, the Prospectus and all other documents made available in accordance with the law.

On 4 November 2021, Assicurazioni Generali announced the final results of the offer, pursuant to Article 41, paragraph 6, of the Issuers' Regulation. In particular, 138,842,677 Shares, representing 60.803% of the Issuer's share capital, were submitted to the Offer. Accordingly, taking into account the 54,054,054 Shares already held by Generali, the latter held control of Cattolica Assicurazioni as a result of the settlement of the offer, holding a total of 192,896,731 Shares, equal to 84.475% of the Issuer's share capital. On 5 November, the Cattolica Assicurazioni shares tendered to the Offer was transferred to Assicurazioni Generali.

## Accounting for the acquisition

The transaction described, following the acquisition of control by the Generali Group, has been accounted for in accordance with the provisions of IFRS 3 - Business Combinations as it is configured as a business combination achieved in successive steps (step up acquisition pursuant to paragraph of IFRS 3.41 et seq.).

In accordance with IFRS 3, the "purchase method" is applied in three steps:

- identification of the acquisition date;
- calculation of the acquisition cost, consisting of the amount paid by Assicurazioni Generali;
- the allocation of the cost of the combination, i.e. the Purchase Price Allocation (PPA) process consisting of recognising all the assets acquired and liabilities assumed at fair value at the acquisition date. Any surplus in the cost of the combination that is not allocated compared to the fair value of the assets acquired and liabilities assumed, as required by IFRS, is recognised as goodwill or, if negative, in the income statement as badwill.

### *Identification of the acquisition date*

The acquisition date is the date from which the acquirer effectively obtains control of the acquiree and the point in time from which the results of the acquisition are included on a line by line basis in the acquirer's consolidated financial statements. With reference to this date, the initial determination of the fair value of the assets acquired and liabilities assumed is made. Within the scope of the Generali Group's acquisition of Cattolica, 5 November 2021 is the date of acquisition of control pursuant to IFRS 10 as it corresponds to the time of the transfer of ownership of Cattolica shares to Assicurazioni Generali.

In view of the short time lapse existing between the acquisition date (5 November 2021) and the reference date of the last consolidated financial statements prepared by the Cattolica Group and in the absence of significant events occurring between the two dates, for the purposes of the application of IFRS 3, it was decided to use the fair value figures of the assets acquired and liabilities assumed determined with reference to 31 October 2021. The Cattolica Group's operating results have therefore been consolidated from 1 November 2021.

### *Determining acquisition cost*

The acquisition cost, determined in accordance with IFRS 3 paragraph 37, is equal to the Offer price multiplied by the number of shares tendered to the Offer, including the interest already held in Società Cattolica di Assicurazioni S.p.A. and acquired on 24 June 2020. The acquisition cost determined in this way amounts to €1,302 million.

Acquisition Cost

| (€ million) | | |
|---|---|---|
| Price per share | 6.75 | A |
| No. Of shares held by Generali after the IPO | 192,896,731 | B |
| **Total acquisition cost** | **1,302,052,934** | **C = A * B** |

## *Allocation of the acquisition cost*

As required by IFRS 3, at the acquisition date, the cost of the acquisition was allocated to the assets acquired and liabilities assumed at their fair values at that date. A brief illustration is provided below of the main assumptions and hypotheses used to estimate fair value under IFRS 13 for the categories of assets acquired and liabilities assumed that have the greatest impact within the PPA process.

For the purposes of accounting for the acquisition, the fair value adjustment of the assets acquired and liabilities assumed was determined with respect to the shareholders' equity of the Cattolica Group as at the acquisition date of 5 November 2021. Since there were no events between 31 October and 5 November that would have a tangible impact on the accounts, the acquisition cost was allocated on the basis of the accounts closed at 31 October 2021.

More specifically, the main fair value adjustments are as follows: for financial investments and liabilities, fair value was calculated on the basis of prices on 31 October 2021 for financial instruments valued on liquid markets or on internal evaluation models for other financial instruments. The fair value of the properties was estimated on the basis of the latest available official appraisals and the most up-to-date additional information available.

Technical provisions have also been reassessed at their fair value in accordance with IFRS 13. The methodology used to determine the fair value of technical provisions takes into account three components, in order to: ensure that commitments to policyholders are covered; allow an adequate margin for the risk and uncertainty involved in the liabilities to policyholders; and adequately remunerate the shareholder's capital invested in the insurance business. Therefore, the fair value of insurance liabilities was defined as the sum of: i) the present value of expected future cash-flows, ii) a risk-based prudence margin iii) the Cost of Capital against the regulatory solvency requirement.

Any difference between the fair value of the insurance liabilities assumed at the time of the acquisition and the carrying amount of the same liabilities recognised in Cattolica's financial statements, determined in accordance with the accounting policies adopted by the acquirer for measuring insurance liabilities, was recognised in the financial statements in accordance with IFRS 4, if positive, among intangible assets (Value of Business Acquired - VOBA) and, if negative, as an adjustment to insurance provisions.

For each of the adjustments made in the PPA, the relevant tax effect has been calculated on the basis of the legislation in force to date and the share pertaining to third parties.

As a result of the described process of attributing fair value to the assets acquired and liabilities assumed (including identifiable contingent liabilities) of the acquiree, a total value of € 1,575 million was recognised at the acquisition date. The difference between this value and the actual cost of the acquisition, amounting to € 1,302 million, resulted in an overall net gain on the assets and liabilities acquired (the so-called bargain price under IFRS 3), with the consequent recognition in the income statement, as required by IFRS 3, of a badwill item of € 273 million. In the Generali Group's consolidated financial statements for the year ended 31 December 2021, badwill is recognised in the item Other income in the IVASS schedule of the income statement.

Under IFRS 3, a redetermination of the previous shareholding in the company was made at the takeover price in the amount of € 75 million. The overall net result arising from the acquisition of control of the Cattolica Group is therefore positive and equal to € 198 million. The aforementioned net comprehensive income has been accounted for under the heading Other income in the IVASS schedule of the income statement.

For more details on the calculation of the result of the operation, the PPA process and the determination of badwill, see the table below:

Result of the operation

| (€ million) | | |
|---|---|---|
| **Net Asset Acquired net of intangible asset and deferred taxes** | **2,350** | |
| Remeasurment at Fair Value of financial asset and land and buildings | 317 | |
| Remeasurment at Fair Value of insurance provision | -385 | |
| Remeasurment at Fair Value of financial liabilities | -88 | |
| Other adjustment | 3 | |
| Deferred taxes related to the adjustment at fair value | 107 | |
| **Net asset at fair value acquired as at 31 October 2021** | **2,304** | |
| Non controlling interest | -728 | |
| **Net asset acquired net of minorities** | **1,575** | **a** |
| Acquisition cost | 1,302 | b |
| **Badwill** | **273** | **c = a - b** |
| Remeasurement of the previously owned stake at IPO price | -75 | d |
| **Overall result of the operation** | **198** | **e = c + d** |

The effects of the period related to the Cattolica Group were recognised in the Group's income statement as of 1 November 2021. This amount, relating to the last two months of 2021, is € 1,019 million on gross written premiums and € 38 million on the Group's net result. It should also be noted that for the first 10 months of 2021, the Cattolica Group contributed € 72 million to the Group's profit, due to the effect of evaluation using the equity method.

## *First consolidated balance sheet*

The following table summarises the balance sheet position for the first consolidation of the Cattolica Group:

Balance sheet for first consolidation

| (€ million) | |
|---|---|
| Intangible assets | 219 |
| Amount ceded to reinsurers from insurance provision | 694 |
| Investments | 25,059 |
| Receivables And other assets | 2,076 |
| Cash and cash equivalent | 250 |
| **Total assets** | **28,297** |
| Other Provision, Payables and Other liabilities | 1,179 |
| Insurance Provision | 23,677 |
| Financial Liabilities | 1,138 |
| **Total Liabilities** | **25,993** |
| **Net asset at fair value acquired as at 31 October 2021** | **2,304** |

With reference to the measurement period for obtaining the information needed to measure the acquiree's identifiable assets and liabilities at fair value and to terminate the PPA process, IFRS 3 paragraph 45 requires that period to end as soon as the acquirer has received all of the necessary information that was outstanding at the acquisition date or has determined that it is not feasible to obtain more information to measure the acquiree's assets and liabilities. In all cases, the period of evaluation may not extend beyond one year from the date of acquisition. In relation to the acquisition of the Cattolica Group, the evaluation period and, consequently, the PPA process, came to an end on 14 March 2022, the date on which the Board of Directors approved the results for the year and the consolidated results of the Generali Group as at 31 December 2021; as such, as at that date, all the activities for the identification of the assets and liabilities acquired, including contingent liabilities, and the measurement of their fair value were completed.

# 5 Transactions with related parties

With regards to transactions with related parties, the main activities, set on an arm's length basis, were undertaken through relations of insurance, reinsurance and co-insurance, administration and management of securities and real estate assets, leasing, loans and guarantees, financial advice, IT and administrative services, personnel secondment and claims settlement.
These services substantially aim at guaranteeing the streamlining of operational functions, an exploitation of synergies, greater economies in overall management and an appropriate level of service.

For further information regarding related parties' transactions - and in particular regarding the procedures adopted by the Group to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness - please refer to the paragraph *Related Party Transactions Procedures* included in section *Internal control and risk management system* of the Corporate governance and Ownership Report.

The remuneration due to the members of the Board of Directors, the Board of Statutory Auditors and the Executives with strategic responsibilities and the investments held by them are set out, as per Consob regulations, in the Remuneration policy Report, in tables 1 and 4, Part II, Section II of the report itself.

Below we highlight the economic and financial transactions relating to loans and interest income and expenses with Group companies not included in the area of full consolidation and with other related parties.
The transactions between Group companies consolidated line-by-line have been eliminated in the consolidation and are not disclosed in the Notes.

As shown in the table below, the impact of such transactions, if compared on a Group basis, is not material.

Related parties

| (€ million) | Subsidiaries with significant control not consolidated | Associated companies and Joint ventures | Other related parties | Total | % on balance - sheet item |
|---|---|---|---|---|---|
| Loans | 6 | 651 | 0 | 657 | 0.1% |
| Loans issued | -3 | -12 | -17 | -32 | -0.1% |
| Interest income | 0 | 13 | 0 | 14 | 0.4% |
| Interest expense | -0 | 0 | -1 | -1 | 0.1% |

In particular, the subtotal Associate companies and Joint Ventures includes loans to Group companies valued with equity method for € 651 million, mostly related to real estate companies.

With reference to the related parties as stated by IAS 24 par 19 letter b, it should be highlighted that regarding the relations with Mediobanca Banca di Credito Finanziario S.p.A. – company that has significant influence over the Generali Group – and its subsidiaries, the main financial and economic balances, relating to the 2021 financial statements, are represented by investment funds (approximately € 300 million) and equity investments (approximately € 25 million), accounted for under the investments of the Generali Group, and in the income statement, for an amount equal to € 40 million, mainly by costs related to commercial relations, in force in Italy on insurance activity, as well as by net commissions. These relationships, regulated at market conditions, have not a significant impact on the size of Generali Group.

With reference to the paragraph 18 of Related Party Transactions Procedures adopted by the Board of Directors in November 2010 there were no (i) Operations of major importance concluded during the reporting period (ii) Related Party Transactions, concluded during the reference period, which influenced the Group's financial statements or profit to a significant extent (iii) changes or developments of the Transactions described in the previous annual report that have had a significant effect on the Group's financial statements or profit.

# INVESTMENTS

In the table below Group investments are split into the four IAS categories, as reported on balance sheet, as well as by nature (equity instruments, fixed income instruments, real estate instruments, other investments and cash and similar instruments).
Given their short-term investments nature, the reverse repurchase agreements are reclassified within cash and similar instruments. For the same reason repurchase agreements are reclassified in the same item, as well. Derivatives instruments are presented net of derivatives held as financial liabilities, hedging derivatives are excluded, as they are presented within Other investments classes.
Investment fund units (IFU) are allocated to respective asset classes based on prevailing underling assets. IFU are therefore allocated within the items equity instruments, fixed income instruments, real estate instruments, other investments and cash and similar instruments.
Comments on specific balance sheet items are presented in the following paragraphs.

Investments

| (€ million) | 31/12/2021 | | 31/12/2020 | |
|---|---|---|---|---|
| | Total Book value | Impact (%) | Total Book value | Impact (%) |
| **Equity instruments** | **28,054** | **6.6%** | **22,358** | **5.4%** |
| Available for sale financial assets | 26,398 | 6.2% | 21,153 | 5.1% |
| Financial assets at fair value through profit or loss | 1,656 | 0.4% | 1,205 | 0.3% |
| **Fixed income instruments** | **356,484** | **84.2%** | **349,978** | **84.8%** |
| Bonds | 308,258 | 72.8% | 307,631 | 74.6% |
| Other fixed income instruments | 48,226 | 11.4% | 42,347 | 10.3% |
| Held to maturity investments | 1,687 | 0.4% | 1,983 | 0.5% |
| Loans | 28,824 | 6.8% | 28,214 | 6.8% |
| Available for sale financial assets | 317,276 | 74.9% | 312,451 | 75.7% |
| Financial assets at fair value through profit or loss | 8,697 | 2.1% | 7,329 | 1.8% |
| **Real estate investments** | **19,847** | **4.7%** | **17,315** | **4.2%** |
| **Other investments** | **5,294** | **1.2%** | **6,414** | **1.6%** |
| Investments in subsidiaries, associated companies and joint venture | 2,353 | 0.6% | 2,107 | 0.5% |
| Derivatives | 73 | 0.0% | 398 | 0.1% |
| Receivables from banks or customers | 2,269 | 0.5% | 1,960 | 0.5% |
| Other investments | 599 | 0.1% | 1,949 | 0.5% |
| **Cash and similar instruments** | **13,830** | **3.3%** | **16,528** | **4.0%** |
| **Total** | **423,509** | **100.0%** | **412,592** | **100.0%** |
| Investments back to unit and index-linked policies | 107,243 | | 84,914 | |
| **Total investments** | **530,752** | | **497,506** | |

# 6 Held to maturity investments

Held to maturity investments

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Quoted bonds | 1,687 | 1,983 |
| Other held to maturity investments | 0 | 0 |
| **Total** | **1,687** | **1,983** |

The Group limits the use of this category only to high quality quoted bonds that Group companies are able to hold till maturity.
Debt securities in this category are almost entirely investment grade.

The fair value of the held to maturity investments amounted to € 1,821 million.
A portion of the hidden capital gains relating to the life segment are generally included in funds subject to the policyholders' profit sharing.

# 7 Loans and receivables

Loans and receivables

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Loans** | **29,151** | **28,896** |
| Unquoted bonds | 12,317 | 13,051 |
| Deposits under reinsurance business accepted | 3,382 | 3,278 |
| Other loans and receivables | 13,452 | 12,567 |
| Mortgage loans | 6,112 | 5,877 |
| Policy loans | 1,628 | 1,674 |
| Term deposits with credit institutions | 1,767 | 1,313 |
| Other loans | 3,946 | 3,703 |
| **Receivables from banks or customers** | **2,269** | **1,960** |
| Receivables from banks | 336 | 206 |
| Receivables from customers | 1,933 | 1,754 |
| **Total** | **31,420** | **30,856** |

This category mainly consisted of unquoted bonds and mortgage loans, which represent 42.3% and 21.0% of total loans, respectively. Debt securities, mainly of long-term average, account for more than 83.9% represented by fixed-rate securities.
The slight increase is mainly attributable to the Other loans and receivables. This is partially compensated by the decrease in Unquoted bonds.
The debt securities of this category are almost entirely investment grade and more than 65.4% of the class boasts a rating greater or equal to A.
Receivables from banks or customers are mainly short-term.
The fair value of total loans and receivables amounted to € 33,665 million, of which € 14,111 million related to bonds.
A portion of the hidden capital gains relating to the life segment are generally included in funds subject to the policyholders' profit sharing.

# 8 Available for sale financial assets

### Available for sale financial assets

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Unquoted equities at cost | 21 | 20 |
| Equities at fair value | 10,278 | 7,872 |
| quoted | 8,402 | 6,063 |
| unquoted | 1,876 | 1,809 |
| Bonds | 289,930 | 289,158 |
| quoted | 286,249 | 285,988 |
| unquoted | 3,681 | 3,170 |
| Investment fund units | 45,800 | 37,128 |
| Other available for sale financial assets | 2,543 | 2,828 |
| **Total** | **348,572** | **337,005** |

This category accounted for 65.7% of the total investments. The increase compared to 31 December 2020 was mainly attributable to the increase in the Investment fund units value and in Investments, in particular Equities at fair value quoted.
The item Available for sale assets consists of bonds for 83.2%, of which 90% with a rating higher or equal to BBB, class assigned to the Italian government bonds.
As already mentioned, available for sale financial assets are measured at fair value and unrealized gains and losses on these assets are accounted for in shareholders' equity in an appropriate reserve. The amortized cost of the available for sale financial assets amounted to € 317,799 million.
The table below shows unrealized gains and losses and gains and losses recognized in profit or loss in the reporting period of available for sale financial assets.

### Available for sale financial assets - unrealised gains and losses 31/12/2021

| (€ million) | Fair value | Unrealized gains / losses | Amortized cost |
|---|---|---|---|
| Unquoted equities at cost | 21 | 0 | 21 |
| Equities at fair value | 10,278 | 1,975 | 8,303 |
| Bonds | 289,930 | 23,187 | 266,743 |
| Investment fund units | 45,800 | 5,334 | 40,467 |
| Other available for sale financial assets | 2,543 | 277 | 2,266 |
| **Total** | **348,572** | **30,773** | **317,799** |

### Available for sale financial assets - unrealised gains and losses 31/12/2020

| (€ million) | Fair value | Unrealized gains / losses | Amortized cost |
|---|---|---|---|
| Unquoted equities at cost | 20 | 0 | 20 |
| Equities at fair value | 7,872 | 1,264 | 6,607 |
| Bonds | 289,158 | 40,457 | 248,701 |
| Investment fund units | 37,128 | 3,048 | 34,080 |
| Other available for sale financial assets | 2,828 | 248 | 2,579 |
| **Total** | **337,005** | **45,018** | **291,987** |

Available for sale financial assets - gains and losses at profit or loss 31/12/2021

| (€ million) | Realized gains | Realized losses | Net impairment losses |
|---|---|---|---|
| Equities | 699 | -191 | -71 |
| Bonds | 690 | -140 | -0 |
| Investment fund units | 302 | -58 | -201 |
| Other available for sale financial assets | 101 | -66 | -5 |
| **Total** | **1,792** | **-455** | **-277** |

Available for sale financial assets - gains and losses at profit or loss 31/12/2020

| (€ million) | Realized gains | Realized losses | Net impairment losses |
|---|---|---|---|
| Equities | 858 | -1,001 | -587 |
| Bonds | 2,110 | -117 | -49 |
| Investment fund units | 199 | -207 | -237 |
| Other available for sale financial assets | 124 | -19 | -14 |
| **Total** | **3,292** | **-1,344** | **-886** |

# 9 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

| (€ million) | Financial assets held for trading | | Financial assets designated as at fair value through profit or loss | | Total financial assets at fair value through profit or loss | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Equities | 0 | 0 | 117 | 75 | 117 | 75 |
| Quoted | 0 | 0 | 67 | 26 | 67 | 26 |
| Unquoted | 0 | 0 | 50 | 49 | 50 | 49 |
| Bonds | 5 | 3 | 4,319 | 3,436 | 4,324 | 3,439 |
| Quoted | 5 | 2 | 3,671 | 2,749 | 3,676 | 2,752 |
| Unquoted | 0 | 1 | 648 | 687 | 648 | 687 |
| Investment fund units | 423 | 0 | 12,671 | 13,846 | 13,094 | 13,846 |
| Derivatives | 1,147 | 1,197 | 0 | 0 | 1,147 | 1,197 |
| Hedging derivatives | 0 | 0 | 686 | 1,549 | 686 | 1,549 |
| Investments back to policies where the investment risk is borne by the policyholders and back to pension funds | 0 | 0 | 107,243 | 84,914 | 107,243 | 84,914 |
| Other financial investments | 0 | 0 | 395 | 428 | 395 | 428 |
| **Total** | **1,576** | **1,200** | **125,431** | **104,248** | **127,006** | **105,447** |

This category accounted for 23.9% of total investments. In detail, these investments were mainly allocated in the life segment (€ 124,352 million, which accounted for 97.9% of this category).

Bond securities in this category belong to classes of rating greater than or equal to BBB.

The growth compared to 31 December 2020 was mainly due to the increase both in value and volumes of Investments where the risk is borne by the policyholders.

Assets covering contracts where the financial risk is borne by the policyholders

| (€ million) | Policies where the investment risk is borne by the policyholders | | Pension funds | | Total | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Assets | 103,105 | 81,248 | 4,138 | 3,665 | 107,243 | 84,914 |
| **Total assets** | **103,105** | **81,248** | **4,138** | **3,665** | **107,243** | **84,914** |
| Financial liabilities | 2,209 | 1,675 | 3,829 | 3,606 | 6,038 | 5,281 |
| Insurance provisions (*) | 102,187 | 80,315 | 257 | 13 | 102,444 | 80,328 |
| **Total liabilities** | **104,396** | **81,989** | **4,086** | **3,620** | **108,482** | **85,609** |

(*) Insurance provisions are net of amounts ceded to reinsurers from insurance provisions.

# 10 Land and buildings (investment properties)

The table below shows the main changes in land and buildings (investment properties) in the reporting period, i.e. those held to earn rentals or capital appreciation or both, and their fair value:

Investment properties

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Gross book value as at 31 December previous year** | **17,641** | **16,428** |
| **Accumulated depreciation and impairment as at 31 December previous year** | **-2,517** | **-2,260** |
| **Carrying amount as at 31 December previous year** | **15,124** | **14,168** |
| Foreign currency translation effects | 106 | -50 |
| Acquisition of the period | 515 | 888 |
| Capitalized expenses | 123 | 78 |
| Changes in consolidation scope | 2,165 | 324 |
| Reclassifications | 209 | 337 |
| Sales of the period | -1,052 | -304 |
| Depreciation of the period | -232 | -216 |
| Impairment loss of the period | -105 | -118 |
| Reversal of impairment of the period | 13 | 17 |
| **Carrying amount as at the end of the period** | **16,867** | **15,124** |
| **Accumulated depreciation and impairment as at the end of the period** | **2,868** | **2,517** |
| **Gross book value as at the end of the period** | **19,735** | **17,641** |
| **Fair value** | **27,103** | **24,660** |

Fair value of land and buildings (investment properties) at the end of the reporting period is mainly based on external appraisals. A portion of the hidden capital gains relating to the life segment are generally included in funds subject to the policyholders' profit sharing.

# 11 Cash and cash equivalents

Cash and cash equivalents

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Cash and cash equivalents | 254 | 311 |
| Cash and balances with central banks | 1,617 | 654 |
| Cash at bank and short-term securities | 6,605 | 6,935 |
| **Total** | **8,476** | **7,900** |

# Details on investments

## Bonds

Group's exposures to bonds - detailed by rating and maturity - are reported at book value in the following tables:

### Bonds: breakdown by rating

| (€ million) | Avalaible for sale financial assets | Financial assets at fair value through profit or loss | Held to maturity investments | Loans | Total |
|---|---|---|---|---|---|
| AAA | 14,583 | 83 | 15 | 2,619 | 17,301 |
| AA | 61,490 | 653 | 77 | 2,446 | 64,665 |
| A | 67,554 | 1,645 | 761 | 2,215 | 72,175 |
| BBB | 133,874 | 1,422 | 694 | 3,951 | 139,942 |
| Non-investment grade | 9,525 | 381 | 140 | 152 | 10,197 |
| Not Rated | 2,904 | 141 | 0 | 933 | 3,978 |
| **Total** | **289,930** | **4,324** | **1,687** | **12,317** | **308,258** |

### Bonds: breakdown by maturity

| (€ million) | Available for sale financial assets | Financial assets at fair value through profit or loss | Held to maturity investments | Loans | Total |
|---|---|---|---|---|---|
| Until 1 year | 16,469 | 810 | 72 | 1,338 | 18,688 |
| From 1 to 5 years | 68,692 | 459 | 973 | 4,400 | 74,523 |
| From 5 to 10 years | 65,009 | 687 | 131 | 2,239 | 68,067 |
| More than 10 years | 137,844 | 2,334 | 511 | 4,338 | 145,028 |
| Perpetual | 1,915 | 35 | | 2 | 1,952 |
| **Total** | **289,930** | **4,324** | **1,687** | **12,317** | **308,258** |

The incidence of maturities of debt securities by asset classes remains substantially in line with that of the previous year. Bond investments totaled € 308,258 million at the end of the period. The portfolio was composed for € 194,293 million by government bonds, while corporate bonds amounted to € 113,965 million.

Loans accounted for 99.8% of assets not past due.
Group's exposures to government bonds, detailed by country of risk and rating, are reported at book value in the following tables:

### Government bonds: breakdown by Country

| (€ million) | 31/12/2021 | |
|---|---|---|
| | Total book value | Impact (%) |
| **Government bonds** | **194,293** | |
| Italy | 63,046 | 32.4% |
| France | 35,349 | 18.2% |
| Germany | 4,517 | 2.3% |
| Central and Eastern Europe | 17,304 | 8.9% |
| Rest of Europe | 54,144 | 27.9% |
| Spain | 27,505 | 14.2% |
| Austria | 3,181 | 1.6% |
| Belgium | 10,711 | 5.5% |
| Others | 12,747 | 6.6% |
| Rest of world | 12,619 | 6.5% |
| Supranational | 7,314 | 3.8% |

The government bonds portfolio amounted to € 194,293 million at the end of the period, with the 53.0% of the portfolio represented by Italian, French and German debt instruments. The exposure to individual sovereign bonds is mainly allocated to their respective countries of operation.

### Government bonds: breakdown by rating

| (€ million) | 31/12/2021 | | 31/12/2020 | |
|---|---|---|---|---|
| | Total book value | Impact (%) | Total book value | Impact (%) |
| **Government bonds** | **194,293** | | **193,735** | |
| AAA | 9,733 | 5.0% | 9,549 | 4.9% |
| AA | 55,729 | 28.7% | 61,705 | 31.9% |
| A | 43,841 | 22.6% | 42,890 | 22.1% |
| BBB | 81,170 | 41.8% | 77,240 | 39.9% |
| Not investment grade | 1,558 | 0.8% | 1,267 | 0.7% |
| Not rated | 2,262 | 1.2% | 1,084 | 0.6% |

In terms of exposure to different rating classes, the Class AAA credit rating includes some supranational, Dutch and German issuances. Class AA includes French, Belgian, Austrian government bonds and some supranational issuances. Class A includes mainly Spanish bonds, while the class BBB mainly includes Italian bonds.
Group's exposures to investments in corporate bonds, detailed by sector and rating, are reported at book value in the following tables:

### Corporate bonds: breakdown by sector

| (€ million) | 31/12/2021 | |
|---|---|---|
| | Total book value | Impact (%) |
| **Corporate bonds** | **113,965** | |
| Financial | 29,608 | 26.0% |
| Covered Bonds | 12,142 | 10.7% |
| Utilities | 18,474 | 16.2% |
| Industrial | 8,170 | 7.2% |
| Consumer | 11,501 | 10.1% |
| Telecommunication services | 10,335 | 9.1% |
| Energy | 4,427 | 3.9% |
| Other | 19,309 | 16.9% |

### Corporate bonds: breakdown by rating

| (€ million) | 31/12/2021 | | 31/12/2020 | |
|---|---|---|---|---|
| | Total book value | Impact (%) | Total book value | Impact (%) |
| **Corporate bonds** | **113,965** | | **113,895** | |
| AAA | 7,568 | 6.6% | 8,761 | 7.7% |
| AA | 8,936 | 7.8% | 10,740 | 9.4% |
| A | 28,334 | 24.9% | 29,353 | 25.8% |
| BBB | 58,772 | 51.6% | 56,271 | 49.4% |
| Non-investment grade | 8,639 | 7.6% | 7,769 | 6.8% |
| Not Rated | 1,716 | 1.5% | 1,002 | 0.9% |

The investments in corporate bonds totaled € 113,965 million at the end of the period. The portfolio was composed for 63.4% by non-financial corporate bonds and for 36.6% by financial corporate bonds.

# Equities

Group's exposures to investments in equities, detailed by sector and country of risk, are reported at fair value in the following tables:

## Equity investments: breakdown by sector

| (€ million) | 31/12/2021 | |
|---|---|---|
| | Total fair value | Impact (%) |
| **Equity instruments** | **28,054** | |
| Financial | 2,667 | 9.5% |
| Consumer | 1,541 | 5.5% |
| Utilities | 1,823 | 6.5% |
| Industrial | 1,031 | 3.7% |
| Other | 3,354 | 12.0% |
| Alternative investments | 12,298 | 43.8% |
| Asset allocation funds | 5,341 | 19.0% |

## Direct equity investments: breakdown by Country of risk

| (€ million) | 31/12/2021 | |
|---|---|---|
| | Total fair value | Impact (%) |
| **Direct equity investments** (*) | **10,415** | |
| Italy | 1,086 | 10.4% |
| France | 3,160 | 30.3% |
| Germany | 1,540 | 14.8% |
| Central and Eastern Europe | 339 | 3.3% |
| Rest of Europe | 2,596 | 24.9% |
| Spain | 452 | 4.3% |
| Austria | 138 | 1.3% |
| Switzerland | 170 | 1.6% |
| The Netherlands | 735 | 7.1% |
| United Kingdom | 366 | 3.5% |
| Others | 733 | 7.0% |
| Rest of world | 1,694 | 16.3% |

(*) Alternative investments and Asset allocation funds are excluded.

# Real estate investments

Group's exposures to direct real estate investments, detailed by country of location, is reported at fair values in the following table:

Direct real estate investments: breakdown by Country of location

| (€ million) | 31/12/2021 | | 31/12/2021 | |
|---|---|---|---|---|
| | Investment properties | | Self-used real estates | |
| | Total fair value | Impact (%) | Total fair value | Impact (%) |
| **Direct Real-estate investments** | **27,103** | | **3,901** | |
| Italy | 7,273 | 26.8% | 2,267 | 58.1% |
| France | 8,898 | 32.8% | 424 | 10.9% |
| Germany | 3,791 | 14.0% | 290 | 7.4% |
| Central and Eastern Europe | 1,119 | 4.1% | 346 | 8.9% |
| Rest of Europe | 5,891 | 21.7% | 360 | 9.2% |
| Spain | 842 | 3.1% | 99 | 2.5% |
| Austria | 1,901 | 7.0% | 149 | 3.8% |
| Switzerland | 1,680 | 6.2% | 12 | 0.3% |
| Others | 1,468 | 5.4% | 101 | 2.6% |
| Rest of world | 131 | 0.5% | 213 | 5.5% |

# Further information on reclassified financial instruments

As of 1 January 2009, the Group transferred to the loans and receivables category € 14,658 million of corporate bonds, according to the IAS 39 reclassification option. At 31 December 2021, after sales and pay backs made up till the balance sheet date, the stock of these reclassified financial instruments amounted to € 685 million.

# Assets transferred that do not qualify for derecognition

Generali Group in the context of its business activities enters into securities lending transactions (REPO e Reverse REPO). Generally, collaterals can be in cash or in readily available assets other than cash.
In general, if the Group retains substantially all risks and rewards of the financial assets underlying these transactions, the Group continues to recognise the underlying assets whereas cash instruments shall be transferred as a consequence of debit and credit relationships.
For REPO contracts, the Group continues to recognise in its financial statements the underlying financial asset as the risks and benefits are retained by the Group. The consideration received upon sale is recognised as a liability.
As far as Reverse REPO transactions are concerned, considering that all underlying risks and rewards are retained by the counterparty for the entire life of the transaction, the related financial asset is not recognised as an asset in the Group's financial statements. The consideration paid is accounted for within the loans and receivable category.
Finally, the Group is committed in other transactions in which some financial assets are pledged as collateral but they are still recognised in the financial statements because all risks and rewards are retained by the Group.

Consequently, some of the assets recorded are not fully available and usable by the Group as they are subject to securitization agreements, REPOs and other forms of collateralisation. Furthermore, considering the insurance business of the Group and in particular the life business with profit sharing, it should be noted that in some countries where the Group operates, the national legislation indicates that the related collateral assets are to be considered fully dedicated to those contracts and thus to the business itself.

As at 31 December 2021, the Group has retained substantially all risks and rewards arising from the ownership of the transferred assets and there are no transfers of financial assets which have been completely or partially derecognised on which the Group continues to control. In particular, the Group continues to recognize, in terms of market value, € 18,556 million of financial assets linked to various contracts such as, securities lending transactions for € 10,131 million, mainly in France, repurchase agreements for € 2,639 and assets pledged as collateral to cover its reinsurance activities for € 858 million (please refer to the chapter Contingent liabilities, commitments, guarantees, pledged assets and collaterals in section Additional Information).

With reference to collateral for derivative transactions, it should be noted that over-the-counter derivatives are subject to Master Netting Agreements. In particular, the Group requires the so-called ISDA Master Agreement (or equivalent), including bilateral clearing agreements, and the ISDA Credit Support Annex (or equivalent) to be adopted for each derivative transaction in order to mitigate counterparty risk. Furthermore, the Group requires that such transactions shall be carried out only with counterparties admitted by internal risk management policies.

These agreements require that offsetting between derivatives is granted only in the event of bankruptcy or failure of the parties and, to mitigate the counterparty credit risk relating to such transactions, the parties sign a collateralization agreement.
As a result of these agreements, the net exposure in derivatives becomes close to zero as it is neutralized by the collateral given or received, both as cash or assets other than cash.
Similar considerations apply to securities lending and REPO / Reverse REPO transactions which are covered by framework agreements with characteristics similar to the ISDAs, named respectively Global Master Securities Lending Agreement (GMSLA) and Global Master Repurchase Agreement (GMRA), making the counterparty risk substantially intangible. These considerations are evident in the case of REPO / Reverse REPO transactions where the value of the collateral is, for each transaction, substantially equal to the asset object of the repurchase agreement.

ISDAs and similar netting agreements signed by the Group do not meet the requirements for the purpose of offsetting between items in the financial statements. These agreements in fact guarantee the parties the right to offset the flows only in the event of bankruptcy, insolvency or failure of the Group or the counterparty. Furthermore, there is no intention by the Group and its counterparties to realize the assets and to offset the liabilities simultaneously or to settle them on a net basis.

# Derivative financial instruments

The Group's balance sheet exposure to derivative instruments is mainly associated with economic hedging transactions of financial assets or liabilities, in line with strategies aiming at mitigating financial and currency risks. The total exposure amounts to € -1,207 million for a corresponding notional amount of € 54,730 million. The notional exposure is presented in absolute amounts, including positions with both positive and negative balances, and it arises for an amount of € 17,842 million from instruments for which a hedge accounting relationship has been formally designated, in accordance with the international accounting standard IAS 39. The remaining notional amount is attributable to derivative instruments for which, notwithstanding their purpose as economic hedging instruments, a formal hedge accounting relationship has not been activated.

## Derivative instruments designated for hedge accounting

The exposure in terms of amounts recognised in the financial statements amounts to € -1,280 million.

- Fair value hedge

Fair value hedging relationships mainly relate to hedging strategies implemented in Life portfolios of subsidiaries operating in Central-Eastern Europe, with particular reference to risks arising from fluctuations in interest rates and foreign exchange rates.

- Cash flow hedge

The cash flow hedging relationships mainly relate to cross currency swaps hedging subordinated liabilities issued by the Group in British pound and to micro-hedge and reinvestment risk reduction operations in the life portfolios.

- Hedge of net investment in foreign operations

The Group continued the hedging strategy aimed at neutralising risks arising from foreign exchange fluctuations of its subsidiaries whose functional currency is the Swiss franc, Czech crowns and British pound.

## Other derivative instruments

The recognised amounts in the financial statements for these exposures at 31 December 2021 amounted to € 73 million for a corresponding notional amount of € 36,888 million, which mainly relates to over-the-counter positions. The exposure is mainly associated with operations relating to interest rates hedges and foreign exchange rates hedges. Furthermore, the Group undertakes macro hedge strategies aimed at protecting the capital and the income statement from the risk of a significant reduction in share prices.
In general, in order to mitigate the credit risk arising from over-the-counter transactions, the Group collateralized most of them. Furthermore, a list of selected authorized counterparties is identified for the opening of new derivative transactions.
Below the detail on exposures in derivatives instruments designated as hedge accounting and other derivative instruments.

Details on exposure in derivative instruments

| (€ million) | Maturity distribution by nominal amount | | | Total notional | Positive fair value | Negative fair value | Net fair value |
|---|---|---|---|---|---|---|---|
| | Within 1 year | Between 1 and 5 years | More than 5 years | | | | |
| Total equity/index contracts | 1,302 | 10,739 | 161 | 12,202 | 280 | -242 | 38 |
| Total interest rate contracts | 2,888 | 8,334 | 13,170 | 24,392 | 1,361 | -1,345 | 16 |
| Total foreign exchange contracts | 5,809 | 4,637 | 6,376 | 16,822 | 191 | -1,453 | -1,262 |
| Total credit derivatives | 0 | 1,315 | 0 | 1,315 | 1 | 0 | 1 |
| **Total** | **9,999** | **25,025** | **19,706** | **54,730** | **1,832** | **-3,039** | **-1,207** |

# Sensitivity analysis to market and credit risks

The Generali Group makes its own analysis of sensitivity to market and credit risks following the logic of Solvency II. For further information and the relevant numerical evidence please refer to the Risk Report in the Management Report.
With reference to the impacts of Covid-19 please refer to the Management Report, Group's performance section – Life segment at page 120 and Property & Casualty segment at page 129, for the estimation methodology and the quantitative impacts. In the Challenges and opportunities of the market context section, Pandemics and extreme events part at page 25, we described the related risks and opportunities and how they are managed by the Group.
Information on climate changes is provided in the relevant chapter of these Notes.

# INSURANCE AND INVESTMENT CONTRACTS

## 12 Insurance provisions

Insurance provisions

| (€ million) | Direct insurance | | Accepted reinsurance | | Total | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Non-life insurance provisions** | **36,163** | **31,463** | **1,922** | **1,537** | **38,086** | **33,000** |
| Provisions for unearned premiums | 7,110 | 5,933 | 232 | 205 | 7,342 | 6,138 |
| Provisions for outstanding claims | 28,710 | 25,202 | 1,680 | 1,326 | 30,389 | 26,528 |
| Other insurance provisions | 343 | 329 | 11 | 6 | 355 | 335 |
| of which provisions for liability adequacy test | 0 | 0 | 0 | 0 | 0 | 0 |
| **Life insurance provisions** | **436,057** | **404,317** | **5,306** | **5,013** | **441,363** | **409,330** |
| Provisions for outstanding claims | 6,567 | 5,981 | 2,452 | 2,320 | 9,019 | 8,301 |
| Mathematical provisions | 277,779 | 259,437 | 2,598 | 2,449 | 280,377 | 261,886 |
| Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds | 102,477 | 80,365 | 5 | 5 | 102,481 | 80,370 |
| Other insurance provisions | 49,235 | 58,534 | 252 | 238 | 49,487 | 58,772 |
| of which provisions for liability adequacy test | 1,287 | 1,062 | 5 | 5 | 1,292 | 1,067 |
| of which deferred policyholder liabilities | 22,356 | 33,833 | 0 | 0 | 22,356 | 33,833 |
| **Total** | **472,221** | **435,780** | **7,228** | **6,550** | **479,449** | **442,330** |

In the non-life segment insurance provisions increased (+ 15.4% compared to 31 December 2020), mainly driven by the consolidation of Cattolica Group.

In the life segment insurance provisions increased by 7.8% for inflows deriving from linked products and for the consolidation of Cattolica Group.
The overall total of other life insurance provisions included both the provision for profit sharing and premium refunds, which amounts to € 5,303 million (€ 5,023 million in 2020) and the ageing provisions for life segment, which amount to € 17,494 million (€ 16,694 million in 2020). As part of the technical provisions of the life segment, subject to liability adequacy test, are also included the reservations made in accordance with applicable locally regulations related to the risk of interest rates change.

# 13 Amounts ceded to reinsurers from insurance provisions

Insurance provisions ceded to reinsurers

| (€ million) | Direct insurance | | Accepted reinsurance | | Total | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Non-life amounts ceded to reinsurers from insurance provisions** | **2,197** | **1,713** | **1,629** | **851** | **3,825** | **2,565** |
| **Life amounts ceded to reinsurers from insurance provisions** | **1,235** | **1,058** | **1,585** | **1,484** | **2,821** | **2,542** |
| Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds | 37 | 43 | 0 | 0 | 37 | 43 |
| Mathematical provisions and other insurance provisions | 1,198 | 1,016 | 1,585 | 1,484 | 2,784 | 2,499 |
| **Total** | **3,432** | **2,772** | **3,214** | **2,335** | **6,646** | **5,107** |

# 14 Deferred acquisition costs

Deferred acquisition costs

| (€ million) | Segment Life | | Segment Non-Life | | Total | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Carrying amount as at 31 December previous year** | **1,767** | **1,815** | **349** | **306** | **2,117** | **2,121** |
| Acquisition costs deferred | 443 | 350 | 98 | 133 | 541 | 483 |
| Changes in consolidation scope | -1 | -0 | -11 | 42 | -12 | 42 |
| Amortization of the period | -384 | -397 | -71 | -129 | -455 | -526 |
| Other movements | 4 | -1 | 4 | -2 | 8 | -3 |
| **Carrying amount as at 31 December current year** | **1,829** | **1,767** | **369** | **349** | **2,198** | **2,117** |

# Details on insurance and investment contracts

## Insurance provisions and financial liabilities related to policies of the life segment

Insurance provisions and financial liabilities related to the life segment

| (€ million) | Net amount |
|---|---|
| | 31/12/2021 |
| Insurance contracts | 221,056 |
| Investment contracts with discretionary participation feature | 177,997 |
| **Total insurance provisions** | **399,053** |
| Investments contracts fair valued | 6,246 |
| Investments contracts at amortised cost | 2,070 |
| **Total financial liabilities** | **8,316** |
| **Total** | **407,369** |

Total insurance provisions, net of reinsurance, include the mathematical provisions and provisions for policies where the investment risk is borne by policyholders and for pension funds (which amounted to € € 279,146 million and € 102,444 million respectively), and net ageing provisions for life segment, which amounted to € 17,463 million. In the Life portfolio, the policies with significant insurance risk amounted to 55.4%, whereas investment contracts with discretionary participation feature amounted to 44.6%.
The investment contracts contribute 2.0% to Life portfolio and the 75.1% consist of unit- and index linked policies without significant insurance risk.

Mathematical provisions and ageing for life segment

| (€ million) | Gross direct amount | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Carrying amount as at 31 December previous year** | **276,130** | **269,703** |
| Foreign currency translation effects | 1,152 | -414 |
| Premiums and payments | -3,190 | -487 |
| Interests and bonuses credited to policyholders | 7,204 | 7,751 |
| Acquisitions, disinvestments and other movements | 13,968 | -423 |
| Transfer to Non-current assets or disposal group classified as held for sale | 0 | 0 |
| **Carrying amount as at the end of the period** | **295,263** | **276,130** |

The increase in mathematical provisions and aging for life segment is mainly attributable to the first consolidation effect of Gruppo Cattolica.

### Provisions for policies where the investment risk is borne by policyholders and for pension funds

| (€ million) | Gross direct amount | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Carrying amount as at 31 December previous year** | **80,365** | **75,402** |
| Foreign currency translation effects | 400 | -86 |
| Premiums and claims | 7,770 | 3,121 |
| Interests and bonuses credited to policyholders | 9,354 | 2,085 |
| Acquisitions, disinvestments and other | 4,587 | -157 |
| Transfer to Non-current assets or disposal group classified as held for sale | 0 | 0 |
| **Carrying amount as at the end of the period** | **102,477** | **80,365** |

The increase in provisions for policies where the investment risk is borne by policyholders and for pension funds is determined by the positive effect deriving from the change in premiums and payments, the development in the market value of funds linked to unit- and index policies, due to financial market movements and the consolidation of Cattolica Group.

Group's financial guarantee of life insurance provisions and financial liabilities of gross direct insurance is reported in the following table.

### Life insurance provisions and financial liabilities: financial guarantees

| (€ million) | Gross direct insurance | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Liabilities with guaranteed interest (*)** | **268,152** | **257,885** |
| lesser than 1% | 138,260 | 124,390 |
| between 1% and 3% | 92,236 | 96,194 |
| between 3% and 4% | 24,339 | 24,465 |
| more than 4% | 13,317 | 13,403 |
| **Provisions without guaranteed interest** | **127,207** | **102,097** |
| **Provisions matched by specific assets** | **10,697** | **7,769** |
| **Total** | **406,056** | **368,317** |

(*) The upper bound of each range is excluded.

The total insurance provisions include the gross direct amount of mathematical provisions, which amount to € 277,779 million (€ 259,437 million at 31 December 2020), the provisions for policies where the investment risk is borne by the policyholders and for pension fund, which amount to € 102,477 million (€ 80,365 million at 31 December 2020), the ageing provision for life segment, which amounts to € 17,485 million (€ 16,694 million at 31 December 2020), and financial liabilities related to investment contacts, which amount to € 8,316 million (€ 11,822 million at 31 December 2020).

The table above shows a shift of the exposures towards less than 1% guarantee classes, mainly due to the inflow of new business with a guarantee of less than or equal to zero.

Liabilities without guaranteed interest amount to € 127,207 million in 2021, showing an increase compared to the previous year (€ 102,097 million as at 31 December 2020), mainly determined by the new production without guarantee.

The table below shows the amount of the life gross direct insurance provisions broken down by expected contractual residual duration.

### Life insurance provisions and financial liabilities related to investment contracts: contractual term to maturity

| (€ million) | Gross direct insurance |
|---|---|
| | 31/12/2021 |
| Up to 1 year | 26,633 |
| Between 1 and 5 years | 96,172 |
| Between 5 and 10 years | 59,915 |
| Between 11 and 20 years | 86,214 |
| More than 20 years | 137,123 |
| **Total** | **406,056** |

### Deferred policyholders liabilities

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Carrying amount as at the beginning of the period** | **33,833** | **26,254** |
| Foreign currency translation effects | 29 | -10 |
| Change of the period | -12,113 | 7,637 |
| Acquisitions and disinvestments | 608 | -47 |
| **Carrying amount as at the end of the period** | **22,356** | **33,833** |

Deferred policyholders' liabilities showed a decrease which mainly reflects the trend of the policyholders' share recognized on the fair value of the investment available for sale, with particular reference to the government bonds component.

# Provisions for outstanding claims

### Provisions for outstanding claims

| (€ million) | Gross direct insurance | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Motor | 12,248 | 10,819 |
| Non-motor | 16,462 | 14,382 |
| Personal and commercial lines | 12,969 | 11,083 |
| Accident/Health (*) | 3,493 | 3,299 |
| **Total** | **28,710** | **25,202** |

(*) Life segment includes health insurance with life features.

With reference to the gross direct claims provisions 42.7% was referred to the motor business slightly decreasing with respect the prior year (42.9%). In the non-motor business, the personal and commercial lines weighted 78.8%.

With reference to non-life segment, the table below shows the amount of gross direct claims and unearned premiums reserves split by remaining maturity. The total liability is broken down by remaining duration in proportion to the cash flows expected to arise during each duration band.

Non-life insurance provisions: maturity

| (€ million) | Gross direct insurance | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Up to 1 year | 10,892 | 9,194 |
| Between 1 and 5 years | 16,343 | 13,883 |
| Between 5 and 10 years | 4,495 | 4,096 |
| Between 11 and 20 years | 2,907 | 2,791 |
| More than 20 years | 1,183 | 1,171 |
| **Total** | **35,820** | **31,135** |

The following table shows the cumulative claim payments and the ultimate cost of claims by accident year and their development from 2012 to 2021. The ultimate cost includes paid losses, outstanding reserves on reported losses, estimated reserves for IBNR claims and ULAE.

The amounts refer to direct business gross of reinsurance and recoveries amounting to € 656 million in 2021.

The difference between the ultimate cost of claims and the cumulative paid losses for calendar year 2021 constitutes the claim reserve for accident years 2012 to 2021. The reserve reported in the balance sheet also includes a residual claim reserve that is composed almost exclusively by the accident years not reported in the development triangle.

The observed trend in the ultimate cost for generations 2012-2021 indicates the adequate level of prudence adopted by the Generali Group in its reserving policy.

The claims development is presented for all diagonals taking into consideration the consolidation perimeter changes that occurred as at 31 December 2021.

## Claims development

| (€ million) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Totale |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cumulative claim payments | | | | | | | | | | | |
| at the end of accident year | 6,407 | 6,368 | 6,007 | 6,146 | 6,292 | 6,646 | 6,581 | 6,919 | 6,108 | 6,915 | |
| one year later | 10,497 | 10,274 | 9,676 | 9,770 | 10,069 | 10,955 | 10,621 | 10,928 | 9,496 | | |
| two years later | 11,659 | 11,329 | 10,686 | 10,789 | 11,128 | 12,064 | 11,711 | 11,985 | | | |
| three years later | 12,179 | 11,814 | 11,160 | 11,243 | 11,627 | 12,593 | 12,262 | | | | |
| four years later | 12,487 | 12,086 | 11,440 | 11,565 | 11,925 | 12,921 | | | | | |
| five years later | 12,707 | 12,294 | 11,648 | 11,764 | 12,140 | | | | | | |
| six years later | 12,870 | 12,470 | 11,788 | 11,912 | | | | | | | |
| seven years later | 13,005 | 12,569 | 11,919 | | | | | | | | |
| eight years later | 13,111 | 12,657 | | | | | | | | | |
| nine years later | 13,191 | | | | | | | | | | |
| | | | | | | | | | | | |
| Estimate of ultimate cumulative claims costs: | | | | | | | | | | | |
| at the end of accident year | 14,774 | 14,398 | 13,643 | 13,936 | 14,468 | 14,761 | 14,673 | 14,804 | 13,437 | 15,019 | 143,913 |
| one year later | 14,536 | 14,297 | 13,636 | 13,697 | 14,276 | 14,852 | 14,710 | 14,794 | 13,214 | | |
| two years later | 14,272 | 13,891 | 13,450 | 13,390 | 13,934 | 14,487 | 14,428 | 14,634 | | | |
| three years later | 14,114 | 13,758 | 13,166 | 13,092 | 13,762 | 14,419 | 14,156 | | | | |
| four years later | 14,056 | 13,601 | 12,844 | 13,006 | 13,656 | 14,415 | | | | | |
| five years later | 13,986 | 13,420 | 12,773 | 12,886 | 13,356 | | | | | | |
| six years later | 13,859 | 13,373 | 12,690 | 12,800 | | | | | | | |
| seven years later | 13,824 | 13,341 | 12,684 | | | | | | | | |
| eight years later | 13,796 | 13,321 | | | | | | | | | |
| nine years later | 13,756 | | | | | | | | | | |
| **Estimate of ultimate cumulative claims costs at reporting date** | **13,756** | **13,321** | **12,684** | **12,800** | **13,356** | **14,415** | **14,156** | **14,634** | **13,214** | **15,019** | **137,357** |
| **Cumulative payments to date** | **-13,191** | **-12,657** | **-11,919** | **-11,912** | **-12,140** | **-12,921** | **-12,262** | **-11,985** | **-9,496** | **-6,915** | **-115,397** |
| **Provision recognised in the balance sheet** | **566** | **664** | **765** | **888** | **1,217** | **1,494** | **1,894** | **2,649** | **3,718** | **8,104** | **21,960** |
| Provision not included in the claims development table | | | | | | | | | | | 7,406 |
| **Total provision included in the balance sheet** | | | | | | | | | | | **29,366** |

# Reinsurance policy of the Group

With reference to the reinsurance policy, the table proves that the careful criteria for the selection of reinsurers adopted by the Group over the past allowed Generali to have a significant presence of counterparties in rating classes of high quality.

### Insurance provisions ceded to reinsurers: breakdown by rating

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| AAA | 0 | 0 |
| AA | 2,356 | 1,910 |
| A | 1,976 | 995 |
| BBB | 1,502 | 1,422 |
| Non-investment grade | 109 | 65 |
| No Rating | 704 | 714 |
| **Total** | **6,646** | **5,107** |

In some circumstances, local regulations, market practice or specific types of business allow the Group to benefit from mitigation of the related reinsurance credit risk through deposits from reinsurers and/or letters of credit as a guarantee on ceded reserves.

No Rating counterparties still remain; as in the past, they also include a considerable amount of captive insurance companies of large industrial Groups that do not qualify for any rating while showing a good financial strength, companies that are no longer active in the reinsurance market and not valued by the rating agencies, but not necessarily less financially sound, companies that are part of major insurance groups which benefit from high rating but who have abandoned their reinsurance activities, or, finally, of mutual and reinsurance pools.

No Rating is partially mitigated by the presence of forms of guarantee such as parental guarantee or other collateral.

# Sensitivity analysis of underwriting risks

The Generali Group makes its own analysis of sensitivity to insurance, not market, risks following the logic of Solvency II. For further information and the relevant numerical evidence please refer to the Risk Report in the Management Report.
With reference to the impacts of Covid-19 please refer to the Management Report, Group's performance section – Life segment at page 120 and *Property & Casualty* segment at page 129, for the estimation methodology and the quantitative impacts. In the *Challenges and opportunities of the market context* section, *Pandemics and extreme events* part at page 25, we described the related risks and opportunities and how they are managed by the Group.
Information on climate changes is provided in the relevant chapter of these Notes.

# SHAREHOLDERS' EQUITY AND SHARE

## 15 Shareholders' equity

Shareholders' equity

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Shareholders' equity attributable to the Group** | **29,308** | **30,029** |
| Share capital | 1,581 | 1,576 |
| Capital reserves | 7,107 | 7,107 |
| Revenue reserves and other reserves | 12,292 | 12,848 |
| (Own shares) | -82 | -80 |
| Reserve for currency translation differences | -93 | -549 |
| Reserve for unrealized gains and losses on available for sale financial assets | 6,841 | 8,764 |
| Reserve for other unrealized gains and losses through equity | -1,185 | -1,379 |
| Result of the period | 2,847 | 1,744 |
| Shareholders' equity attributable to minority interests | 2,568 | 1,765 |
| **Total** | **31,875** | **31,794** |

The share capital is made up of 1,581,069,241 ordinary shares with a par value of € 1 each.

The Group's own share are € -82 million, amounting to 6,436,421 shares (€ -80 million, amounting to 6,309,132 as at 31 December 2020).
During 2021 the Parent company disbursed dividends amounting to € 2,315 million, of which € 1,591 million equal to the dividend 2021 paid in May 2021 and € 724 million equal to the second tranche of dividend 2019 distributed as at October 2021, resolved by Shareholders' meeting of 29 April 2021.

The reserve for currency translation differences arising from the translation of subsidiaries' financial statement denominated in foreign currencies amounted to € -93 million, (€ -549 million as at 31 December 2020) due to the depreciation of the euro against most major currencies.

The reserve for unrealised gains and losses on available for sale financial assets, i.e. the balance between unrealised gains and losses on financial assets net of life deferred policyholder liabilities and deferred taxes, amounted € 6,841 million (€ 8,764 million as at 31 December 2021). The decrease of investments classified as financial assets available for sale is mainly driven by the increase of interest rates.

The reserve for other unrealised gains and losses through equity comprised, among other component gains and losses on re-measurement of the net defined benefit liability in accordance with IAS 19, and gains and losses on hedging instruments accounted for as hedging derivatives (cash flow hedge); put in place in order to hedge interest rate change and British pound/euro rate changes on various subordinated bonds issued. The item amount to € -1,185 million (€ -1,379 million as at 31 December 2020); the changes is mainly attributable the decrease in defined benefits plans remeasurements reserve in application of IAS 19 which amounted € -1,097 million (€ -1,462 million as at 31 December 2020).

# Other comprehensive income

## Other comprehensive income

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Consolidated result of the period** | **3,195** | **2,032** |
| **Items that may be reclassified to profit and loss in future periods** | **0** | **0** |
| Foreign currency translation differences | 555 | -549 |
| Allocation | 498 | -544 |
| Transfer to profit and loss account | 56 | -5 |
| Net unrealized gains and losses on investments available for sale | -1,915 | 1,406 |
| Allocation | -2,040 | 1,131 |
| Transfer to profit and loss account | 125 | 274 |
| Net unrealized gains and losses on cash flows hedging derivatives | -76 | 29 |
| Allocation | -129 | 58 |
| Transfer to profit and loss account | 53 | -29 |
| Net unrealized gains and losses on hedge of a net investment in foreign operations | -81 | 13 |
| Allocation | -17 | 15 |
| Transfer to profit and loss account | -64 | -3 |
| Share of other comprehensive income of associates | -19 | 0 |
| Allocation | 11 | 0 |
| Transfer to profit and loss account | -29 | 0 |
| Result of discontinued operations | 3 | 0 |
| Allocation | 0 | 0 |
| Transfer to profit and loss account | 3 | 0 |
| Others | 0 | 0 |
| Allocation | 0 | 0 |
| Transfer to profit and loss account | 0 | 0 |
| Subtotal | -1,533 | 898 |
| Allocation | -1,677 | 661 |
| Transfer to profit and loss account | 144 | 237 |
| **Items that may not be reclassified to profit and loss in future periods** | **0** | **0** |
| Share of other comprehensive income of associates | -0 | 0 |
| Allocation | -0 | 0 |
| Result of discontinued operations | 0 | 0 |
| Allocation | 0 | 0 |
| Reserve for revaluation model on intangible assets | 0 | 0 |
| Allocation | 0 | 0 |
| Reserve for revaluation model on tangible assets | 0 | 0 |
| Allocation | 0 | 0 |
| Actuarial gains or losses arising from defined benefit plans | 366 | -180 |
| Allocation | 366 | -180 |
| Subtotal | 366 | -180 |
| Allocation | 366 | -180 |
| **Total other comprehensive income** | **-1,167** | **718** |
| **Total comprehensive income** | **2,028** | **2,751** |
| attributable to the Group | 1,574 | 2,390 |
| attributable to minority interests | 454 | 361 |

The following table shows the change of deferred tax assets and liabilities related to gains or losses recognized in shareholders' equity or transferred from shareholders' equity.

Income taxes related to other comprehensive income

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Income taxes related to other comprehensive income** | **479** | **-265** |
| Foreign currency translation differences | -1 | 0 |
| Unrealized gains and losses on available for sale financial assets | 599 | -328 |
| Net unrealized gains and losses on cash flows hedging derivatives | 16 | -14 |
| Net unrealized gains and losses on hedge of a net investment in foreign operations | 0 | 0 |
| Reserve on associates | -2 | 0 |
| Reserve for revaluation model on intangible assets | 0 | 0 |
| Reserve for revaluation model on tangible assets | 0 | 0 |
| Result of discontinued operations | 0 | 0 |
| Actuarial gains or losses arising from defined benefit plans | -134 | 77 |

# Earnings per share

Basic earnings per share are calculated by dividing the result of the period attributable to the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for the Parent Company's average number of shares owned by itself or by other Group companies during the period.
Diluted earnings per share reflect the eventual dilution effect of potential ordinary shares.

**Earnings per share**

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Result of the period (€ million) | 2,847 | 1,744 |
| - from continuing operations | 2,847 | 1,926 |
| - from discontinued operations | 0 | -183 |
| Weighted average number of ordinary shares outstanding | 1,573,173,478 | 1,569,448,327 |
| Adjustments for potential diluitive effect | 24,822,828 | 24,822,828 |
| Weighted average number of ordinary shares outstanding | 1,597,996,306 | 1,594,271,155 |
| Earnings per share (in €) | 1.81 | 1.11 |
| - from continuing operation | 1.81 | 1.23 |
| - from discontinued operations | 0.0 | -0.12 |
| Diluted earnings per share (in €) | 1.78 | 1.09 |
| - from continuing operation | 1.78 | 1.21 |
| - from discontinued operations | 0.0 | -0.11 |

For more details on dividend per share please refer to the Management Report.

# Reconciliation statement of the result of the period and shareholders' equity of the Group and the Parent Company

In accordance with the CONSOB Communication No. 6064293 of 28 July 2006, the table below summarizes the reconciliation of the result of the period and shareholders' equity of the Group and the Parent Company.

## Reconciliation report

| (€ million) | 31/12/2021 | | 31/12/2020 | |
|---|---|---|---|---|
| | Shareholders' equity before the result of the period | Result of the period | Shareholders' equity before the result of the period | Result of the period |
| **Parent Company amounts in conformity with the Italian accounting principles** | **16,074** | **1,847** | **14,221** | **2,970** |
| Adjustments to Parent Company for IAS/IFRS application | 873 | 55 | 1,082 | -185 |
| **Parent Company amounts in conformity with IAS/IFRS principles** | **16,947** | **1,902** | **15,303** | **2,785** |
| Result of the period of entities included in the consolidation area | | 9,282 | | 9,709 |
| Dividends | 6,640 | -6,640 | 8,974 | -8,974 |
| Elimination of participations, equity valuation impacts and other consolidation adjustments | -2,831 | -1,697 | -3,018 | -1,777 |
| Reserve for currency translation differences | -93 | | -549 | |
| Reserve for unrealized gains and losses on available for sale financial assets | 6,773 | | 8,754 | |
| Reserve for other unrealized gains and losses through equity | -976 | | -1,178 | |
| **Shareholders equity attributable to the group** | **26,461** | **2,847** | **28,286** | **1,744** |

# FINANCIAL LIABILITIES

## 16 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss

| (€ million) | Financial liabilities held for trading | | Financial liabilities designated as at fair value through profit or loss | | Total | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Financial liabilities related to investment contracts issued by insurance companies | 0 | 0 | 6,246 | 5,435 | 6,246 | 5,435 |
| where the investment risk is borne by the policyholders | 0 | 0 | 2,209 | 1,675 | 2,209 | 1,675 |
| pension funds | 0 | 0 | 3,829 | 3,606 | 3,829 | 3,606 |
| other financial liabilities related to investment contracts | 0 | 0 | 208 | 154 | 208 | 154 |
| Derivaties | 1,074 | 799 | 0 | 0 | 1,074 | 799 |
| Hedging derivatives | 0 | 0 | 1,966 | 925 | 1,966 | 925 |
| Other financial liabilities at FV | 0 | 0 | 32 | 39 | 32 | 39 |
| **Total** | **1,074** | **799** | **8,244** | **6,399** | **9,317** | **7,198** |

## 17 Other financial liabilities

Other financial liabilities

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Subordinated liabilities** | **8,760** | **7,681** |
| **Loans and bonds** | **10,830** | **13,265** |
| Deposits received from reinsurers | 1,676 | 1,629 |
| Bonds | 1,737 | 1,738 |
| Other loans | 5,347 | 3,511 |
| Financial liabilities related to investment contracts issued by insurance companies | 2,070 | 6,386 |
| **Liabilities to banks or customers** | **18,806** | **15,925** |
| Liabilities to banks | 728 | 494 |
| Liabilities to customers | 18,078 | 15,430 |
| **Total** | **38,396** | **36,871** |

In 2021 the item Subordinated liabilities increased mainly due to the following transactions. The issuance in June 2021 of the sustainable subordinated bond with a nominal value of € 500 million and the inclusion in the consolidation perimeter of the financial debt belonging to Società Cattolica di Assicurazione S.p.A. and to its subsidiaries.

The following tables sort Senior and Subordinated liabilities into categories based on maturity, or first call date, when applicable. For each category of maturity, the undiscounted cash flows (including the related hedging derivatives), the book value and the fair value of financial liabilities are reported.

## Subordinated liabilities - undiscounted cash flows

| (€ million) | 31/12/2021 | | | 31/12/2020 | | |
|---|---|---|---|---|---|---|
| | Undiscounted cash flow | Book value | Fair value | Undiscounted cash flow | Book value | Fair value |
| Up to 1 year | 1,392 | 967 | 1,017 | 432 | 50 | 50 |
| between 1 and 5 years | 4,526 | 2,831 | 3,194 | 4,863 | 2,321 | 2,623 |
| between 5 and 10 years | 4,863 | 4,464 | 5,044 | 5,324 | 4,714 | 5,589 |
| more than 10 years | 509 | 498 | 493 | 615 | 596 | 602 |
| **Total subordinated liabilities** | **11,288** | **8,760** | **9,748** | **11,234** | **7,681** | **8,864** |

The following main subordinated issuances are included as part of the subordinated liabilities category:

## Main subordinated issues

| | Coupon | Outstanding (*) | Currency | Amortised cost (**) | Issue date | Call date | Maturity |
|---|---|---|---|---|---|---|---|
| Assicurazioni Generali | 6.27% | 350 | GBP | 415 | 16/06/2006 | 16/02/2026 | Perp |
| Assicurazioni Generali | 6.42% | 167 | GBP | 199 | 08/02/2007 | 08/02/2022 | Perp |
| Assicurazioni Generali | 10.13% | 302 | EUR | 301 | 10/07/2012 | 10/07/2022 | 10/07/2042 |
| Assicurazioni Generali | 7.75% | 468 | EUR | 467 | 12/12/2012 | 12/12/2022 | 12/12/2042 |
| Assicurazioni Generali | 4.13% | 1,000 | EUR | 945 | 02/05/2014 | n.a. | 04/05/2026 |
| Assicurazioni Generali | 4.60% | 1,500 | EUR | 1,341 | 21/11/2014 | 21/11/2025 | Perp |
| Assicurazioni Generali | 5.50% | 1,250 | EUR | 1,245 | 27/10/2015 | 27/10/2027 | 27/10/2047 |
| Assicurazioni Generali | 5.00% | 850 | EUR | 844 | 08/06/2016 | 08/06/2028 | 08/06/2048 |
| Assicurazioni Generali | 3.88% | 500 | EUR | 488 | 29/01/2019 | n.a. | 29/01/2029 |
| Assicurazioni Generali | 2.12% | 750 | EUR | 729 | 01/10/2019 | n.a. | 01/10/2030 |
| Assicurazioni Generali | 2.43% | 600 | EUR | 597 | 14/07/2020 | 14/01/2031 | 14/07/2031 |
| Assicurazioni Generali | 1.71% | 500 | EUR | 498 | 30/06/2021 | 30/12/2031 | 30/06/2032 |
| Società Cattolica di Assicurazione S.p.A. | 7.25% | 100 | EUR | 58 | 17/12/2013 | 17/12/2023 | 17/12/2043 |
| Società Cattolica di Assicurazione S.p.A. | 4.25% | 500 | EUR | 562 | 14/12/2017 | 14/12/2027 | 14/12/2047 |

(*) In currency million.

(**) In € million.

Subordinated liabilities issued by Assicurazioni Generali S.p.A. and Società Cattolica di Assicurazione S.p.A. are classified in this category. The remaining subordinated liabilities are related to the securities issued by Austrian and Italian subsidiaries and correspond to an amortized cost of approximately € 25 million and € 46 million respectively.

As previously mentioned, the following transactions are considered, the sustainable subordinated bond with a nominal value of € 500 million which was issued in June 2021 and the inclusion in the consolidation perimeter of the financial debt of Società Cattolica di Assicurazione S.p.A. and to its subsidiaries.

The fair value of subordinated liabilities amounted to € 9,748 million.

Senior bonds - undiscounted cash flows

| (€ million) | 31/12/2021 | | | 31/12/2020 | | |
|---|---|---|---|---|---|---|
| | Undiscounted cash flow | Book value | Fair value | Undiscounted cash flow | Book value | Fair value |
| Up to 1 year | 90 | - | - | 90 | 0 | 0 |
| between 1 and 5 years | 1,929 | 1,737 | 1,993 | 2,019 | 1,738 | 2,103 |
| between 5 and 10 years | - | - | - | 0 | 0 | 0 |
| more than 10 years | - | - | - | 0 | 0 | 0 |
| **Total bond issued** | **2,019** | **1,737** | **1,993** | **2,109** | **1,738** | **2,103** |

The category of bonds includes several listed senior issues shown below:

Main senior bonds issues

| Issuer | Coupon | Outstanding (*) | Currency | Amortised cost (**) | Issue date | Maturity |
|---|---|---|---|---|---|---|
| Assicurazioni Generali | 5,13% | 1.750 | EUR | 1.737 | 16/09/2009 | 16/09/2024 |

(*) In currency million.

(**) In € million.

# Details on financial liabilities

The major monetary and non-monetary changes occurred during the period for the main items of financial liabilities (non-insurance) as well as for derivatives at fair value are shown below:

Other financial liabilities

| (€ million) | | | Non-cash movements | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount as at 31.12 previous year | Cash-flows movements | Fair value changes | Changes in consolidation scope | Foreign currency translation effects | Other non- cash movements | Carrying amount as at the end of the period |
| Subordinated liabilities | 7,681 | 371 | 0 | 670 | 38 | 1 | 8,760 |
| Net position of hedging derivatives on subordinated liabilities | 224 | 0 | -114 | 0 | 11 | 0 | 120 |
| Bonds and other loans at long term | 3,870 | 38 | 0 | 287 | 97 | 13 | 4,303 |
| Derivatives and hedging derivatives classified as financial liabilities | 1,500 | 431 | 831 | -33 | 184 | 0 | 2,914 |
| REPO and other short term financial liabilities | 1,380 | 1,215 | 0 | 0 | 95 | 0 | 2,690 |
| Other financial liabilities at fair value | 39 | -1 | -6 | 0 | -0 | 0 | 32 |
| **Total** | **14,693** | **2,054** | **711** | **924** | **424** | **14** | **18,819** |

# OTHER BALANCE SHEET ITEMS

## 18 Intangible assets

Intangible assets

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Goodwill** | **7,607** | **7,537** |
| **Other intangible assets** | **2,363** | **2,075** |
| Software | 620 | 593 |
| Value of in-force business arising from insurance business combination | 626 | 546 |
| Other intangible assets | 1,117 | 936 |
| **Total** | **9,970** | **9,612** |

Other intangible assets

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Gross book value as at 31 December previous year** | **6,497** | **6,428** |
| **Accumulated depreciation and impairment as at 31 December previous year** | **-4,422** | **-4,208** |
| **Carrying amount as at 31 December previous year** | **2,075** | **2,221** |
| Foreign currency translation effects | 31 | -55 |
| Acquisitions of the period | 425 | 366 |
| Changes in consolidation scope | 177 | -32 |
| Sales of the period | -5 | -35 |
| Amortization of the period | -339 | -386 |
| Impairment losses of the period | -0 | -4 |
| Other variations | -0 | 0 |
| **Carrying amount as at the end of the period** | **2,363** | **2,075** |
| **Accumulated depreciation and impairment as at the end of the period** | **4,733** | **4,422** |
| **Gross book value as at the end of the period** | **7,097** | **6,497** |

The value of the insurance portfolio (or the value in force) acquired in business combinations, according to IFRS 3, amounted to € 626 million.
This amount was attributable to:

- the acquisitions which took place in 2006 of portfolio of Toro Group (€ 25 million net of accumulated amortization) and in Central-Eastern Europe (€ 4 million net of accumulated amortization);
- the acquisition of Ceska Group, which brought a further activation of € 434 million, net of amortization;
- other acquisitions occurred during the period in Central-Eastern Europe equal to € 27 million net of accumulated amortization (of which Adriatic Slovenica for € 25 million net of amortization), and Portugal of € 4 million net of amortization;
- the acquisition of Cattolica Group which took place in 2021 equal to € 132 million net of accumulated amortization.

Deferred tax liabilities were accounted for with reference to the above mentioned intangible assets. Further information on calculation method are detailed in the chapter *Other intangible assets* of the section *Basis for presentation and accounting principles*.

# 19 Tangible assets

The main changes that occurred in the period and the fair value of the properties used for own activity by the Parent Company and its subsidiaries to run the activity are shown in the table below:

Land and buildings (Self used)

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Gross book value as at 31 December previous year** | **3,803** | **3,942** |
| **Accumulated depreciation and impairment as at 31 December previous year** | **-1,039** | **-1,054** |
| **Carrying amount as at 31 December previous year** | **2,764** | **2,888** |
| Foreign currency translation effects | 28 | -18 |
| Acquisition of the period | 44 | 49 |
| Capitalized expenses | 46 | 40 |
| Changes in consolidation scope | 291 | 19 |
| Reclassifications | -104 | -39 |
| Sales of the period | -7 | -9 |
| Depreciation of the period | -97 | -166 |
| Impairment loss of the period | -0 | -0 |
| Reversal of impairment of the period | 0 | 0 |
| Carrying amount as at the end of the period | 2,965 | 2,764 |
| **Accumulated depreciation and impairment as at the end of the period** | **986** | **1,039** |
| **Gross book value as at the end of the period** | **3,951** | **3,803** |
| **Fair value** | **3,901** | **3,772** |

The fair value of land and buildings (self-used) at the end of the reporting period was mainly based on external appraisal.
The variation of the item Changes in consolidation scope is mainly attributable to the increase in properties as a consequence of the acquisition of the Cattolica Group and some entities in the Czech Republic.

Other tangible assets

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Gross book value as at 31 December previous year** | **2,475** | **2,616** |
| **Accumulated depreciation and impairment as at 31 December previous year** | **-1,436** | **-1,321** |
| **Carrying amount as at 31 December previous year** | **1,040** | **1,295** |
| Foreign currency translation effects | -0 | -4 |
| Acquisition of the period | 64 | 95 |
| Changes in consolidation scope | 45 | 1 |
| Sales of the period | -23 | -26 |
| Amortization of the period | -109 | -64 |
| Net impairment losses of the period | -0 | 0 |
| Other variations | 9 | -258 |
| **Carrying amount as at the end of the period** | **1,025** | **1,040** |
| **Accumulated depreciation and impairment as at the end of the period** | **1,512** | **1,436** |
| **Gross book value as at the end of the period** | **2,537** | **2,475** |

Other tangible assets, which amounted to € 1,025 million (€ 1,040 million at 31 December 2020), mainly includes property inventories for an amount of € 588 million (mainly related to Citylife project) and furniture, fittings and office equipment, net of accumulated amortization and impairment losses (€ 316 million).

# 20 Receivables

Receivables

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Receivables arising out of direct insurance operations | 7,686 | 7,524 |
| Receivables arising out of reinsurance operations | 1,999 | 1,905 |
| Other receivables | 4,228 | 2,672 |
| **Total** | **13,912** | **12,101** |

The category includes receivables arising out of the different activities of the Group, such as direct insurance and reinsurance operations.
The item Other receivables and its change mainly relates to collateral as guarantee of derivative operations, as well as the acquisition of the Cattolica Group.

# 21 Other assets

Altri elementi dell'attivo

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Non-current assets or disposal groups classified as held for sale | 0 | 0 |
| Deferred acquisition costs | 2,198 | 2,117 |
| Tax receivables | 3,747 | 3,291 |
| Deferred tax assets | 3,633 | 2,785 |
| Other assets | 5,748 | 5,471 |
| **Total** | **15,326** | **13,664** |

For details on deferred taxes please refer to chapter *Income taxes*, of the section *Notes to the income statement*.
The variation of Other assets is mainly attributable to the acquisition of the Cattolica Group.

# 22 Other provisions

Other provisions

| (€ million) | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Provision for taxation other than income taxes | 29 | 5 |
| Provisions for commitments | 841 | 754 |
| Other provisions | 1,554 | 1,013 |
| **Total** | **2,424** | **1,772** |

Provisions for commitments and other provisions included provisions for corporate restructuring, litigation or similar events as well as other commitments for which, at balance sheet date, an outflow of resources to setting the related obligation is considered probable and estimated in a reliable way. The amounts recognized in the financial statements represents the best estimate of their value. In particular, in the assessment all the peculiarities of the specific provisions are taken into account, including the effective period of incurrence of the contingent liabilities and consequently the expected cash flows on the different estimates and assumptions.
In the context of the broader integration process of the Cattolica Group in 2021, Generali Italia made an allocation to restructuring provision for an amount of € 212 million.
The increase of the item Other provision is also attributable to the inclusion in the consolidation scope of the Cattolica Group.

Other provisions - main changes occurred during the period

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Carrying amount as at 31 December previous year** | **1,772** | **1,736** |
| Foreign currency translation effects | -3 | -4 |
| Changes in consolidation scope | 156 | 2 |
| Changes | 500 | 39 |
| **Carrying amount as at the end of the period** | **2,424** | **1,772** |

In the normal course of business, the Group may enter into arrangements that do not lead to the recognition of those commitments as assets and liabilities in the consolidated financial statements under IFRS (contingent assets and liabilities). For further information regarding contingent liabilities please refer to the chapter *Contingent liabilities, commitments, guarantees, pledged assets and collaterals* in Additional information.

# 23 Payables

Payables

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Payables arising out of direct insurance operations** | **5,502** | **5,080** |
| **Payables arising out of reinsurance operations** | **1,460** | **1,254** |
| **Other payables** | **6,288** | **6,851** |
| Payables to employees | 1,169 | 1,160 |
| Provision for defined benefit plans | 88 | 85 |
| Payables to suppliers | 1,923 | 1,536 |
| Social security | 231 | 308 |
| Other payables | 2,877 | 3,763 |
| **Total** | **13,250** | **13,184** |

The item Other payables and its change mainly relates to collateral as guarantee of derivative operations.

# 24 Other liabilities

Other payables

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Liabilities directly associated to non-current assets and disposal groups classified as held for sale | 0 | 0 |
| Deferred tax liabilities | 3,815 | 3,871 |
| Tax payables | 2,134 | 1,768 |
| Other liabilities | 5,564 | 5,921 |
| **Total** | **11,512** | **11,561** |

Other liabilities include liabilities related to defined employee benefit plans amounting to € 3,822 million (€ 4,426 million as of 31 December 2020).
For details on deferred taxes please refer to the chapter *Income taxes* of the section in *Notes to the income statement*.

# NOTES TO THE INCOME STATEMENT

## Income

## 25 Net earned premiums

Net earned premiums

| (€ million) | Gross amount | | Reinsurers' share | | Net amount | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Non-life earned premiums** | **23,799** | **22,175** | **-1,649** | **-1,289** | **22,151** | **20,886** |
| Premiums written | 24,120 | 22,211 | -1,740 | -1,323 | 22,380 | 20,888 |
| Change in the provision for unearned premiums | -321 | -36 | 91 | 34 | -230 | -2 |
| **Life premiums** | **50,185** | **45,218** | **-1,652** | **-1,637** | **48,533** | **43,582** |
| **Other premiums written** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total** | **73,985** | **67,393** | **-3,301** | **-2,926** | **70,684** | **64,468** |

## 26 Fee and commissions income and income from financial service activities

Fee and commissions income from financial services activities

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Fee and commission income from banking activity | 280 | 250 |
| Fee and commission income from asset management activity | 1,503 | 1,139 |
| Fee and commission income related to investment contracts | 57 | 47 |
| Fee and commission income related to pension funds management | 76 | 28 |
| Other fees and commission income | 37 | 41 |
| **Total** | **1,953** | **1,504** |

## 27 Net income from financial assets at fair value through profit and loss

Net income from financial asset at fair value through profit or loss

| (€ million) | Financial investments held for trading | | Financial investments back to policies where the investment risk is borne by the policyholders and related to pension funds | | Financial investments designated at fair value through profit or loss | | Total financial investments at fair value through profit or loss | |
|---|---|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Interest income | 46 | 23 | 267 | 231 | 130 | 229 | 442 | 483 |
| Realized gains | 522 | 239 | 1,015 | 745 | 16 | 10 | 1,552 | 995 |
| Realized losses | -716 | -135 | -472 | -1,226 | -90 | -115 | -1,278 | -1,477 |
| Unrealized gains | 623 | 904 | 11,375 | 9,375 | 350 | 615 | 12,349 | 10,894 |
| Unrealized losses | -889 | -924 | -2,963 | -7,511 | -381 | -682 | -4,232 | -9,117 |
| **Total** | **-414** | **106** | **9,222** | **1,614** | **25** | **57** | **8,834** | **1,778** |

The net income from financial assets at fair value through profit or loss mainly referred to the life segment (€ 8,939 million). This item is not material for non-life segment (€ 21 million).

# 28 Income and expenses from subsidiaries, associated companies and joint ventures

Income and expenses from subsidiaries, associated companies and joint ventures

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Dividends and other income | 215 | 108 |
| Realized gains | 29 | 35 |
| Reversal of impairment | 1 | 1 |
| **Total** | **245** | **143** |

# 29 Income from other financial instruments and land and buildings (investment properties)

Income from other financial instruments and land and buildings (investment properties)

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Interest income** | **7,449** | **7,713** |
| Interest income from held to maturity investments | 131 | 142 |
| Interest income from loans and receivables | 901 | 984 |
| Interest income from available for sale financial assets | 6,359 | 6,536 |
| Interest income from other receivables | 7 | 10 |
| Interest income from cash and cash equivalents | 50 | 41 |
| **Other income** | **3,221** | **2,458** |
| Income from land and buildings (investment properties) | 955 | 909 |
| Other income from available for sale financial assets | 2,266 | 1,549 |
| **Realized gains** | **2,409** | **3,378** |
| Realized gains on land and buildings (investment properties) | 507 | 79 |
| Realized gains on held to maturity investments | 1 | 0 |
| Realized gains on loans and receivables | 109 | 7 |
| Realized gains on available for sale financial assets | 1,792 | 3,292 |
| Realized gains on other receivables | 0 | 0 |
| Realized gains on financial liabilities at amortised cost | 0 | 0 |
| **Reversal of impairment** | **86** | **129** |
| Reversal of impairment of land and buildings (investment properties) | 13 | 17 |
| Reversal of impairment of held to maturity investments | 0 | 20 |
| Reversal of impairment of loans and receivables | 16 | 34 |
| Reversal of impairment of available for sale financial assets | 0 | 0 |
| Reversal of impairment of other receivables | 56 | 59 |
| **Total** | **13,164** | **13,679** |

# 30 Other income

### Other income

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Gains on foreign currencies | 1,171 | 1,190 |
| Income from tangible assets | 362 | 210 |
| Reversal of other provisions | 257 | 230 |
| Income from service and assistance activities and recovery of charges | 1,078 | 877 |
| Income from non-current assets or disposal group classified as held for sale | 0 | 0 |
| Other technical income | 1,124 | 930 |
| Other income | 217 | 234 |
| **Total** | **4,209** | **3,670** |

Other income included the net result deriving from the acquisition and control of Gruppo Cattolica for € 198 million.

# Expenses

# 31 Net insurance benefits and claims

### Net insurance benefits and claims

| (€ million) | Gross amount | | Reinsurers' share | | Net amount | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Non-life net insurance benefits and claims** | **15,304** | **13,409** | **-1,439** | **-665** | **13,866** | **12,744** |
| Claims paid | 14,095 | 13,468 | -758 | -696 | 13,337 | 12,772 |
| Change in the provisions for outstanding claims | 1,200 | -162 | -682 | 36 | 519 | -126 |
| Change in claims paid to be recovered | -56 | -15 | 1 | -6 | -55 | -20 |
| Change in other insurance provisions | 65 | 117 | -0 | 1 | 65 | 118 |
| **Life net insurance benefits and claims** | **60,475** | **48,647** | **-1,370** | **-1,380** | **59,105** | **47,267** |
| Claims payments | 37,694 | 33,343 | -1,190 | 0 | 36,504 | 33,344 |
| Change in the provisions for outstanding claims | 244 | 1,522 | -109 | -715 | 135 | 807 |
| Change in the mathematical provisions | 3,390 | 6,985 | -77 | -588 | 3,313 | 6,397 |
| Change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds | 17,622 | 5,175 | 8 | -1 | 17,630 | 5,174 |
| Change in other insurance provisions | 1,525 | 1,621 | -2 | -76 | 1,523 | 1,545 |
| **Total** | **75,779** | **62,056** | **-2,808** | **-2,045** | **72,971** | **60,011** |

# 32 Fee and commissions expenses and expenses from financial service activities

Fee and commissions expenses and expenses from financial service activities

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Fee and commission expenses from banking activity | 516 | 434 |
| Fee and commission expenses from asset management activity | 243 | 221 |
| Fee and commission expenses related to investment contracts | 11 | 9 |
| Fee and commission expenses related to pension funds management | 13 | 13 |
| **Total** | **784** | **677** |

# 33 Expenses from subsidiaries, associated companies and joint ventures

Expenses from subsidiaries, associated companies and joint ventures

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Realized losses | 1 | 2 |
| Impairment losses | 8 | 100 |
| **Total** | **10** | **102** |

# 34 Expenses from other financial instruments and land and buildings (investment properties)

Expenses from other financial instruments and land and buildings (investment properties)

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Interest expense** | **736** | **837** |
| Interest expense on subordinated liabilities | 395 | 406 |
| Interest expense on loans, bonds and other payables | 239 | 313 |
| Interest expense on deposits received from reinsurers | 36 | 37 |
| Other interest expense | 67 | 81 |
| **Other expenses** | **455** | **411** |
| Other expenses on financial instruments | 0 | 0 |
| Depreciation of land and buildings (investment properties) | 232 | 216 |
| Expenses from land and buildings (investment properties) | 223 | 195 |
| **Realized losses** | **476** | **1,458** |
| Realized losses on land and buildings (investment properties) | 11 | 7 |
| Realized losses on held to maturity investments | 0 | 0 |
| Realized losses on loans and receivables | 2 | 6 |
| Realized losses on available for sale financial assets | 455 | 1,344 |
| Realized losses on other receivables | 7 | 6 |
| Realized losses on financial liabilities at amortized cost | 0 | 95 |
| **Impairment losses** | **536** | **1,181** |
| Impairment of land and buildings (investment properties) | 105 | 118 |
| Impairment on held to maturity investments | 4 | 0 |
| Impairment of loans and receivables | 116 | 148 |
| Impairment of available for sale financial assets | 277 | 886 |
| Impairment of other receivables | 34 | 29 |
| **Total** | **2,203** | **3,887** |

# 35 Acquisition and administration costs

Acquisition and administration costs

| (€ million) | Non-life segment | | Life segment | | Other businesses (**) | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Net acquisition costs and other commissions | 5,165 | 4,804 | 4,355 | 3,930 | 0 | -0 |
| Investment management expenses(*) | 101 | 85 | 471 | 429 | 192 | 132 |
| Other administration costs | 1,117 | 1,095 | 957 | 910 | 761 | 737 |
| **Total** | **6,383** | **5,984** | **5,782** | **5,269** | **953** | **869** |

(*) Before the elimination of intra-group transactions between segments € 460 million the 31 December 2021 (€ 479 million the 31 December 2020).

(**) Including Asset Management segment and Holding and other companies.

In the Non-life segment, acquisition and administration costs increased mainly due to increase in costs related to insurance activities; non-insurance administration expenses amounted to € 27 million (€ 24 million al 31 December 2020), of which € 7 million related to real estate activity (€ 8 million al 31 December 2020).

Within Other administrative costs of the Life segment, the investment management expenses amounted to € 29 million (€ 37 million at 31 December 2020), the non-insurance management expenses amounted to € 8 million (€ 4 million al 31 December 2020) and are mainly referred to real estate activity.

# 36 Other expenses

Other expenses

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Amortization and impairment of intangible assets | 339 | 389 |
| Amortization of tangible assets | 205 | 231 |
| Expenses from tangible assets | 81 | 73 |
| Losses on foreign currencies | 1,096 | 1,355 |
| Restructuring charges, termination employee benefit expenses and allocation to other provisions | 970 | 371 |
| Other taxes | 241 | 231 |
| Expenses from service and assistance activities and charges incurred on behalf of third parties | 724 | 510 |
| Expenses from non-current assets or disposal group classified as held for sale | 0 | 0 |
| Other technical expenses | 734 | 771 |
| Holding costs | 628 | 615 |
| Other expenses | 865 | 989 |
| **Total** | **5,883** | **5,534** |

# 37 Income taxes

This item shows the income taxes due by the Italian and the foreign consolidated companies by applying the income tax rates and rules in force in each country.
The components of the income tax expense for 2021 and 2020 are the following:

Income taxes

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Income taxes | 1,483 | 965 |
| Deferred taxes | -99 | 210 |
| **Total taxes of period** | **1,384** | **1,175** |
| Income taxes on discontinued operations | 0 | 0 |
| **Total income taxes** | **1,384** | **1,175** |

In Italy, with respect to the 2021 fiscal year, income taxes are calculated by using the ordinary corporate income tax rate of 24% (IRES). Furthermore, income taxes of Italian companies include the regional tax on productive activities (IRAP).
Income realised in Germany is subject to the corporate income tax - which is calculated on a rate of 15% plus a solidarity surcharge of 5.5% on 15%. In addition, the income earned by German companies is subject to a local tax (Gewerbesteuer), the rate of which varies depending on the municipality in which the company is situated. In 2021 the weighted average tax rate remained substantially unchanged at approximately 16%.
In France, income taxes are calculated by using an overall corporate income tax rate of 28.41%, down by 3.61 percentage points compared to that in force up to the 2020 fiscal year. In particular, this overall rate includes the basic rate expected in the tax on corporate income, equal to 27.5%, increased by an additional (contribution sociale) of 3.3% on 27.5%.
All other foreign subsidiaries apply their national tax rates, including: Austria (25%), Bulgaria (10%), China (25%), Czech Republic (19%), the Netherlands (25%), Poland (19%), Spain (25%), Switzerland (19%) and United States (21%).
The following table shows a reconciliation from the theoretical income tax expense, by using the Italian corporate income tax rate of 24%, to the effective tax rate.

Reconciliation from theoretical income tax expenses to the effective tax rate

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Expected income tax rate** | **24.0%** | **24.0%** |
| **Earnings before taxes** | **4,580** | **3,390** |
| **Expected income tax expense** | **1,099** | **814** |
| Effect of foreign tax rate differential | 33 | 55 |
| Effect of permanent differences | 26 | 168 |
| IRAP, trade tax and other local income taxes | 135 | 214 |
| Substitute taxes | 32 | 30 |
| Foreign withholding taxes not recoverable | 41 | 47 |
| Income taxes for prior years | -11 | -157 |
| Other | 29 | 4 |
| **Tax expenses** | **1,384** | **1,175** |
| **Effective tax rate** | **30.2%** | **34.7%** |

With respect to the 2021 fiscal year, the effective tax rate decreased by 4.5 percentage points vis-à-vis the previous year and is equal to 30.2%. This decrease was mainly due to the absence of certain non-deductible expenses, which had been posted in 2020 due to the Covid-19 pandemic, and, in 2021, to the reduction of the nominal income rate in France and to several one-off effects mainly related to the overall positive result from the acquisition of control of the Cattolica Group and higher deductible expenses in the Czech Republic.

The tax benefit deriving from the tax losses that can be carried forward is recognized in the financial statements only to the extent that it is probable that a future taxable income will be available against which the aforementioned tax losses can be used by the respective due date.
Fiscal losses carried forward are scheduled according to their expiry periods as follows.

### Fiscal losses

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| 2021 | 1 | 10 |
| 2022 | 0 | 9 |
| 2023 | 10 | 0 |
| 2024 | 0 | 0 |
| 2025 | 0 | 31 |
| 2026 | 6 | 26 |
| 2027 | 0 | 72 |
| 2028 | 7 | 9 |
| 2029 and over | 150 | 48 |
| Unlimited | 876 | 1,096 |
| **Fiscal losses carried forward** | **1,050** | **1,301** |

With regards to fiscal losses, it is worth noting that Italian Law by Decree 98/2011 introduced that fiscal losses can be carried forward with no time limits (as opposed to the previous five-year limitation). Losses from a given year may, however, only be used to offset up to 80% of the taxable income of any following fiscal year.
Deferred income taxes are calculated on the temporary differences between the carrying amounts of assets and liabilities reported in the financial statements and their tax base, by using the tax rates applicable at the expected time of realisation according to each country's current legislation.
The ultimate realisation of deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible.
Furthermore, in making this assessment, management considers the scheduled reversal of deferred tax liabilities and tax planning strategies.
Assessments show that deferred tax assets will be recovered in the future through either (i) expected taxable income of each consolidated company or (ii) expected taxable income of other companies included in the same tax group (e.g. Consolidato fiscale in Italy, Steuerliche Organschaft in Germany and Régime d'intégration fiscale in France).
Deferred taxes are related to the following assets and liabilities.

## Net deferred tax assets

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Intangible assets | 574 | 387 |
| Tangible assets | 140 | 141 |
| Land and buildings (investment properties) | 506 | 514 |
| Available for sale financial assets | 3,703 | 5,351 |
| Other investments | 351 | 277 |
| Deferred acquisition costs | 24 | 14 |
| Other assets | 338 | 297 |
| Fiscal losses carried forward | 172 | 140 |
| Allocation to other provisions and payables | 660 | 562 |
| Insurance provisions | 1,108 | 533 |
| Financial liabilities and other liabilities | 726 | 847 |
| Other | 103 | 84 |
| **Total deferred tax assets** | **8,405** | **9,146** |
| Netting | -4,772 | -6,361 |
| **Total net deferred tax assets** | **3,633** | **2,785** |

## Net deferred tax liabilities

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Intangible assets | 221 | 128 |
| Tangible assets | 122 | 126 |
| Land and buildings (investment properties) | 215 | 168 |
| Available for sale financial assets | 5,938 | 7,807 |
| Other investments | 471 | 471 |
| Deferred acquisition costs | 546 | 506 |
| Other assets | 74 | 71 |
| Other provisions and payables | 109 | 59 |
| Insurance provisions | 1,046 | 1,067 |
| Financial liabilities and other liabilities | -138 | -134 |
| Other | -18 | -38 |
| **Total deferred tax liabilities** | **8,586** | **10,232** |
| Netting | -4,772 | -6,361 |
| **Total net deferred tax liabilities** | **3,815** | **3,871** |

# FAIR VALUE MEASUREMENT

IFRS 13 - Fair Value Measurement provides guidance on fair value measurement and requires disclosures about fair value measurements, including the classification of financial assets and liabilities in the levels of fair value hierarchy.
With reference to the investments, the Group measures financial assets and liabilities at fair value in the financial statements or discloses it in the notes.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In particular, an orderly transaction takes place in the principal or most advantageous market at the measurement date under current market conditions.
A fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place either:
(a) in the principal market for the asset or liability; or
(b) in the absence of a principal market, in the most advantageous market for the asset or liability.
The fair value is equal to market price if market information is available (i.e. relative trading levels of identical or similar instruments) into an active market, which is defined as a market where the items traded within the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public.
If there isn't an active market, it should be used a valuation technique which however shall maximize the observable inputs.
If the fair value cannot be measured reliably, amortized cost is used as the best estimate in determining the fair value.
As for measurement and disclosure, the fair value depends on its unit of account, depending on whether the asset or liability is a stand-alone asset or liability, a group of assets, a group of liabilities or a group of assets and liabilities, determined in accordance with the related IFRS.
The table below illustrates both the carrying amount and the fair value of financial assets and liabilities recognised in the balance sheet at 31 December 2021[2].

2. With reference to investments in subsidiaries, associates and joint ventures, the book value, based on the fraction of equity for the associates and interests in joint ventures or on cost adjusted for any impairment losses for non-consolidated subsidiaries, was used as a reasonable proxy of their fair value. Loans included unquoted bonds, loans and receivables from banks and from bank customers.

Carrying amount and Fair value

| (€ million) | 31/12/2021 | |
|---|---|---|
| | Total carrying amount | Total fair value |
| Available for sale financial assets | 348,572 | 348,572 |
| Financial assets at fair value through profit or loss | 19,763 | 19,763 |
| Held to maturity investments | 1,687 | 1,821 |
| Loans | 26,271 | 28,514 |
| Land and buildings (investment properties) | 16,867 | 27,103 |
| Own used land and buildings | 2,965 | 3,901 |
| Investments in subsidiaries, associated companies and joint ventures | 2,353 | 2,353 |
| Cash and cash equivalents | 8,476 | 8,476 |
| Investments back to unit and index-linked policies | 107,243 | 107,243 |
| **Total investments** | **534,196** | **547,744** |
| Financial liabilities at fair value through profit or loss | 9,317 | 9,317 |
| Other liabilities | 15,202 | 16,460 |
| Liabilities to banks or customers | 18,806 | 18,806 |
| **Total financial liabilities** | **43,325** | **44,583** |

From the table above, in line with IFRS 13 definitions, the following items, part of below mentioned balance sheet categories, are excluded:

- Loans and receivables: reinsurance deposits provided and term deposits;
- Other financial liabilities: reinsurance deposits received, liabilities arising from investment contracts measured at cost sold by insurance entities and liabilities subject to leasing.

# 38 Fair value hierarchy

Assets and liabilities measured at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in IFRS 13, which consists of three levels based on the observability of the inputs within the corresponding valuation techniques used.

The fair value hierarchy levels are based on the type of inputs used to determine the fair value:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; market-corroborated inputs);
- Level 3: inputs are unobservable inputs for the asset or liability, which reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk (of the model used and of inputs used).

The fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.

A fair value measurement developed using a present value technique might be categorised within Level 2 or Level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which these inputs are categorised.

If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within the level attributable to the input with the lowest level utilized.
Adequate controls have been set up to monitor all measurements including those provided by third parties. If these checks show that the measurement is not considered as market corroborated, the instrument must be classified in level 3.
The table shows the classification of the financial assets and liabilities measured at fair value among the levels of the fair value hierarchy as defined by IFRS 13.

## Fair Value Hierarchy

| 31/12/2021 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Available for sale financial assets | 288,332 | 46,684 | 13,557 | 348,572 |
| Equities | 8,403 | 571 | 1,325 | 10,299 |
| Bonds | 253,431 | 35,460 | 1,039 | 289,930 |
| Investment funds units | 24,618 | 10,321 | 10,861 | 45,800 |
| Other assets available for sale financial | 1,880 | 332 | 332 | 2,543 |
| Financial assets at fair value through profit or loss | 111,116 | 13,552 | 2,338 | 127,006 |
| Equities | 67 | 1 | 49 | 117 |
| Bonds | 3,425 | 818 | 81 | 4,324 |
| Investment fund units | 10,767 | 2,220 | 108 | 13,094 |
| Derivatives | 14 | 1,128 | 5 | 1,147 |
| Hedging derivatives | 0 | 684 | 1 | 686 |
| Investments back to policies where the risk is borne by the policyholders | 96,518 | 8,701 | 2,025 | 107,243 |
| Other assets at fair value through profit or loss | 325 | 0 | 69 | 395 |
| **Total assets at fair value** | **399,448** | **60,235** | **15,895** | **475,578** |
| Financial liabilities at fair value through profit or loss | 5,459 | 3,658 | 200 | 9,317 |
| Financial liabilities related to investments contracts issued by insurance companies | 5,444 | 614 | 188 | 6,246 |
| Derivatives | 14 | 1,060 | 0 | 1,074 |
| Hedging derivatives | 0 | 1,954 | 12 | 1,966 |
| Other financial liabilities | 2 | 30 | 0 | 32 |
| **Total liabilities at fair value** | **5,459** | **3,658** | **200** | **9,317** |

Fair Value Hierarchy: comparative period

| 31/12/2020 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Available for sale financial assets | 300,963 | 27,089 | 8,953 | 337,005 |
| Equities | 6,066 | 675 | 1,150 | 7,891 |
| Bonds | 267,763 | 20,811 | 584 | 289,158 |
| Investment funds units | 25,105 | 5,119 | 6,904 | 37,128 |
| Other assets available for sale financial | 2,029 | 484 | 315 | 2,828 |
| Financial assets at fair value through profit or loss | 93,837 | 8,497 | 3,114 | 105,447 |
| Equities | 26 | 2 | 48 | 75 |
| Bonds | 2,514 | 890 | 34 | 3,439 |
| Investment fund units | 12,321 | 1,416 | 109 | 13,846 |
| Derivatives | 11 | 1,185 | 0 | 1,197 |
| Hedging derivatives | 0 | 1,549 | 0 | 1,549 |
| Investments back to policies where the risk is borne by the policyholders | 78,964 | 3,158 | 2,792 | 84,914 |
| Other assets at fair value through profit or loss | 0 | 297 | 131 | 428 |
| **Total assets at fair value** | **394,799** | **35,586** | **12,067** | **442,453** |
| Financial liabilities at fair value through profit or loss | 4,750 | 2,278 | 169 | 7,198 |
| Financial liabilities related to investments contracts issued by insurance companies | 4,744 | 538 | 153 | 5,435 |
| Derivatives | 4 | 795 | 0 | 799 |
| Hedging derivatives | 0 | 909 | 16 | 925 |
| Other financial liabilities | 2 | 36 | 0 | 39 |
| **Total liabilities at fair value** | **4,750** | **2,278** | **169** | **7,198** |

# 39 Transfers of financial instruments measured at fair value between Level 1 and Level 2

Generally, transfers between levels are attributable to the changes in the market activities and to the observability of the inputs used in the valuation techniques to determine the fair value of certain instruments.

Financial assets and financial liabilities are mainly transferred from level 1 to level 2 when the liquidity and the frequency of the transactions are no longer indicative of an active market. Conversely, for transfers from level 2 to level 1.

The transfers were as follows:

- from level 2 to level 1 € 5,820 million of bonds mainly of the corporate segment and from level 1 to level 2 € 24,739 million of bonds, mainly government;
- from level 2 to level 1 € 919 million and from level 1 to level 2 € 2,692 million of IFU classified as available for sale and designated at fair value through profit or loss;
- from level 2 to level 1 € 362 million and from level 1 to level 2 € 1,813 million of investments back to policies where the risk is borne by the policyholders and deriving from the management of pension funds.

The movements from level 1 to level 2 derive mainly from a refinement of the procedures for assigning the levels of the fair value hierarchy with particular reference to bond instruments whose fair value is provided by market providers, in cases where fair value is formed by not considering exclusively an unadjusted quoted market price.

# 40 Additional information on Level 3

The amount of financial instruments classified in Level 3 represents 3.3% of total financial assets and liabilities at fair value, growing compared to 31 December 2020.
Generally, the main inputs used in valuation techniques are volatility, interest rates, yield curves, credit spreads, dividend estimates and exchange rates.
The more significant assets classified within Level 3 are the following:

- Unquoted equities

It includes unquoted equity securities, mainly classified into available for sale. Their fair value is determined using the valuation methods described above or based on the net asset value of the company. These contracts are valued individually using appropriate input depending on the security and therefore neither a sensitivity analysis nor an aggregate of unobservable inputs used would be indicative of the valuation. In addition, for certain securities the amortized cost is considered to be a reasonable proxy for fair value and does not therefore apply a sensitivity analysis.

- Unquoted IFU funds

Are quotas in unquoted IFU funds classified into Available for Sale and Fair value through profit or loss. Their fair value is determined using the net asset value data provided by those who are responsible for their NAV calculation.
For more details on the nature of Group funds please refer to the section *Investments* in the Notes.
Being the unquoted IFU funds linearly affected by the variation of the underlying assets, the Group assumes that a variation in the value of the underlying assets causes the same variation in the fair value of these unquoted IFU bonds as well.

- Private equity and hedge funds

Are quotas in private equity and hedge funds classified into Available for Sale e Fair value through profit or loss. Their fair value is generally defined considering the net asset value at the reporting date, which is determined by using the periodical net asset value and the certified financial statements provided by the manager of the funds, possibly adjusted considering the liquidity of the funds. Furthermore, the fair value of these investments is closely monitored by a professional team within the Group.
For more details on the nature of Group funds please refer to the section *Investments* in the Notes.
Being the private equity and hedge funds linearly affected by the variation of the underlying assets, the Group assumes that a variation in the value of the underlying assets causes the same variation in the fair value of these funds as well.

- Bonds

Are corporate bonds, classified into available for sale and fair value through profit or loss. Their fair value is mainly determined based on the market or income approach. In terms of sensitivity analysis any changes in the inputs used in the valuation do not cause a significant impact on the fair value at the Group level considering the lack of materiality of these securities classified in level 3.
Moreover, given the analyses described above, the Group has decided to classify all the asset-backed securities items in Level 3 considering that their evaluation is generally not corroborated by market inputs. For what regards prices provided by providers or counterparties, bonds for which it is not possible to replicate the price using market inputs have been classified in Level 3. Therefore, given the lack of information concerning the inputs used for the determination of the price, the Group is not able to perform a sensitivity analysis on these bonds.

- Financial assets where the investment risk is borne by the policyholders and related to pension funds

Their fair value is determined using the valuation methods and observations on sensitivity analysis and input described above.
The following table shows a reconciliation of financial instruments measured at fair value and classified as level 3.

Rollforward of financial instruments classified as level 3

| (€ million) | Carrying amount at the beginning of the period | Purchases and issues | Net transfers in (out of) Level 3 | Disposals through sales and settlements |
|---|---|---|---|---|
| **Available for sale assets** | **8,953** | **3,224** | **642** | **-1,186** |
| - Equities | 1,150 | 32 | 141 | -25 |
| - Bonds | 584 | 118 | 442 | -91 |
| - Investment fund units | 6,904 | 3,052 | 56 | -1,057 |
| - Other available for sale financial assets | 315 | 22 | 3 | -12 |
| **Financial assets at fair value through profit or loss** | **3,114** | **812** | **-208** | **-624** |
| - Equities | 48 | 0 | 0 | 0 |
| - Bonds | 34 | 446 | 43 | -446 |
| - Investment fund units | 109 | 13 | 0 | -14 |
| - Derivatives | 0 | 5 | 0 | 0 |
| - Hedging derivatives | 0 | 0 | 0 | 0 |
| Investments back to policies where the investment risk is borne by the policyholders | 2,792 | 347 | -251 | -117 |
| Other assets at fair value through profit or loss | 131 | 0 | 0 | -46 |
| **Total assets at fair value** | **12,067** | **4,036** | **434** | **-1,809** |
| **Financial liabilities at fair value through profit or loss** | **169** | **25** | **0** | **0** |
| - Financial liabilities related to investment contracts issued by insurance companies | 153 | 25 | 0 | 0 |
| - Derivatives | 0 | 0 | 0 | 0 |
| - Hedging derivatives | 16 | 0 | 0 | 0 |
| Other financial liabilities | 0 | 0 | 0 | 0 |
| **Total liabilities at fair value** | **169** | **25** | **0** | **0** |

| Net unrealised gains and losses recognized in P&L | Net unrealised gains and losses recognized in OCI | Other changes | Carrying amount at the end of the period | Net impairment loss of the period recognised in P&L | Net realised gains of the period recognised in P&L |
|---|---|---|---|---|---|
| **0** | **1,789** | **134** | **13,557** | **4** | **-26** |
| 0 | -46 | 72 | 1,325 | 1 | -21 |
| 0 | -56 | 42 | 1,039 | -0 | 0 |
| 0 | 1,891 | 15 | 10,861 | 1 | -5 |
| 0 | -1 | 5 | 332 | 2 | 0 |
| **-113** | **0** | **-644** | **2,338** | **1** | **192** |
| 0 | 0 | 1 | 49 | 0 | 0 |
| 2 | 0 | 1 | 81 | 0 | 82 |
| -1 | 0 | 0 | 108 | 0 | 0 |
| 0 | 0 | 0 | 5 | 0 | 0 |
| 1 | 0 | 0 | 1 | 1 | 0 |
| -116 | 0 | -630 | 2,025 | 0 | 110 |
| 1 | 0 | -16 | 70 | 0 | 0 |
| **-113** | **1,789** | **-509** | **15,895** | **5** | **167** |
| **0** | **0** | **6** | **200** | **0** | **0** |
| 0 | 0 | 10 | 188 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| -0 | 0 | -4 | 12 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **0** | **6** | **200** | **0** | **0** |

# 41 Information on fair value hierarchy of assets and liabilities not measured at fair value

The table here below provides information on the fair value hierarchy for the main investment classes and financial liabilities.

Fair Value Hierarchy of assets and liabilities not measured at fair value

| 31/12/2021 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Held to maturity investments | 1,277 | 544 | 0 | 1,821 |
| Loans | 1,135 | 17,571 | 7,529 | 26,236 |
| Debt securities | 1,135 | 11,985 | 991 | 14,111 |
| Other loans | 0 | 5,586 | 6,538 | 12,125 |
| Receivables from banks and customers | 0 | 1,871 | 407 | 2,278 |
| Investments in subsidiaries, associated companies and joint ventures | 0 | 0 | 2,353 | 2,353 |
| Land and buildings (investment properties) | 0 | 0 | 27,103 | 27,103 |
| Own used land and buildings | 0 | 0 | 3,901 | 3,901 |
| **Total assets** | **2,412** | **19,986** | **41,292** | **63,690** |
| Other liabilities | 10,456 | 4,772 | 1,232 | 16,460 |
| Subordinated liabilities | 8,447 | 1,292 | 8 | 9,748 |
| Senior debt | 1,993 | -0 | 0 | 1,993 |
| Other debt | 15 | 3,479 | 1,224 | 4,719 |
| Liabilities to banks and customers | 0 | 13,438 | 5,367 | 18,806 |
| **Total liabilities** | **10,456** | **18,210** | **6,600** | **35,266** |

Fair Value Hierarchy of assets and liabilities not measured at fair value

| 31/12/2020 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Held to maturity investments | 1,526 | 618 | 0 | 2,143 |
| Loans | 1,688 | 19,434 | 6,413 | 27,535 |
| Debt securities | 1,658 | 13,977 | 45 | 15,681 |
| Other loans | 29 | 5,457 | 6,368 | 11,854 |
| Receivables from banks and customers | 0 | 1,480 | 481 | 1,961 |
| Investments in subsidiaries, associated companies and joint ventures | 0 | 0 | 2,107 | 2,107 |
| Land and buildings (investment properties) | 0 | 0 | 24,660 | 24,660 |
| Own used land and buildings | 0 | 0 | 3,772 | 3,772 |
| **Total assets** | **3,213** | **21,532** | **37,433** | **62,178** |
| Other liabilities | 10,273 | 2,734 | 894 | 13,901 |
| Subordinated liabilities | 8,166 | 617 | 82 | 8,864 |
| Senior debt | 2,100 | 0 | 4 | 2,103 |
| Other debt | 8 | 2,118 | 808 | 2,934 |
| Liabilities to banks and customers | 0 | 10,675 | 5,248 | 15,923 |
| **Total liabilities** | **10,273** | **13,409** | **6,142** | **29,824** |

- Held to maturity investments

The category includes primarily bonds, which valuation is above described. If the fair value cannot be reliably determined, the amortized cost is used as the best estimate for the determination of fair value.

- Loans

The category includes bonds, which valuation is described above, mortgages and other loans.

In particular, mortgages and other loans are valued on the basis of future payments of principal and interest discounted at the interest rates for similar investments by incorporating the expected future losses or alternatively discounting (with risk-free rate) to the probable future cash flows considering market or entity- specific data (i.e. probability of default). These assets are classified as level 2 or 3 depending on whether or not the inputs are corroborated by market data.

If the fair value cannot be reliably determined, the amortized cost is used as the best estimate for the determination of fair value.

- Receivables from banks or customers

Considering their nature, the amortized cost is generally considered a good approximation of fair value and therefore classified within level 3. If appropriate, they are valued at market value, considering observable inputs, and therefore classified within level 2.

- Land and buildings (investment and self-used properties)

These assets are mainly valuated on the basis of inputs of similar assets in active markets or of discounted cash flows of future income and expenses of the rental considered as part of the higher and best use by a market participant. Based on the analysis of inputs used for valuation, considering the limited cases where the inputs would be observable in active markets, the Group proceeded to classify the whole category at level 3. In particular, the valuation takes into consideration not only the discounted net future income but also the peculiarities of the properties such as intended use and location as well as the entity of the vacancy rate.

The fair value of land and buildings (investment properties) is mainly based on external appraisals based on methods described above.

- Investments in subsidiaries, associated companies and joint ventures

The carrying amount, based on the share of equity for associates and interests in joint ventures or on cost adjusted for eventual impairment losses for non-consolidated subsidiaries, is used as a reasonable estimate of the related fair value and, therefore, these investments are classified in level 3.

- Subordinated debts, loans and bonds and liabilities to banks and customers

Generally, if available and if the market is defined as active, fair value is equal to the market price.

The fair value is determined primarily on the basis of the income approach using discounting techniques. In particular, the fair value of debt instruments issued by the Group are valued using discounted cash flow models based on the current marginal rates of the Group financing for similar types of instruments, with maturities consistent with the residual maturity of the debt instruments subject to valuation. If measured at amortized cost as an approximation of fair value, they are classified in Level 3.

# ADDITIONAL INFORMATION

## 42 Disclosure regarding the deferred application of IFRS 9 – Financial instruments

The Group adopted the temporary exemption from the application of IFRS 9, as provided for in the amendment to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. The Group qualifies for temporary exemption from application of IFRS 9.

As required by IFRS 4, the assessment of the applicability of the temporary exception from the application of IFRS 9 has been done as at 31 December 2015, and the conclusions are disclosed below.

The assessment, as required by the standard, consists of the statement that the activities carried out by the issuer are in fact preponderantly insurance activities or related to insurance activities, assessing the ratio of the related insurance liabilities on the total liabilities of the Group.

The carrying amount of liabilities for insurance operations (€ 443 billion) was in fact higher than 90% of the carrying amount of total liabilities (€ 476 billion) as of 31 December 2015 (application period required by the principle).

In addition, the liabilities linked to insurance activities not included in the scope of IFRS 4 are listed below:

- non-derivative liabilities linked to investment contracts measured at fair value through profit and loss, for which IAS 39 applies (€ 22 billion);
- subordinated liabilities that qualify as own funds pursuant to the Solvency II regulations (€ 9 billion);
- liabilities arising from defined benefit plans of Group companies operating in the Life and P&C segments (€ 4 billion);
- tax liabilities related to insurance operations (€ 4 billion).

The other liabilities, not related to insurance operations, consist mainly of liabilities to banks and bank customers

The information required by the amendment to IFRS 4 for financial instruments as at 31 December 2021 is provided below.

The following table presents changes in the fair value of financial instruments included in the scope of application of IFRS 9 with the details of financial instruments that give rise to specific dates for cash flows that consist exclusively of payment of principal and interest.

Change in fair value of financial instruments in scope of IFRS 9

| (€ million) | 31/12/2021 | Fair value change from 31 December 2020 |
|---|---|---|
| **Financial assets managed on fair value basis and held for trading*** | **127,006** | **-** |
| Equities | 117 | - |
| Investment funds | 13,094 | - |
| Derivatives | 1,147 | - |
| Investments back to policies where the risk is borne by the policyholders and pension funds** | 107,243 | - |
| Other financial instruments managed on fair value basis | 5,405 | - |
| **Available for sale financial assets (AFS), held to maturity and loans and receivables*** | **378,954** | **-12,385** |
| 'Financial assets that give rise on specified dates to cash flows that are solely payments of principal and interest | 310,836 | -15,532 |
| Bonds | 296,417 | -15,418 |
| Loans and other debt instruments | 12,150 | -113 |
| Receivables from banks and customers | 2,269 | 0 |
| Other investments | 0 | 0 |
| Financial assets that do not give rise on specified dates to cash flows that are solely payments of principal and interest**** | 68,118 | 3,146 |
| Equities | 10,299 | 1,004 |
| Investment funds | 45,800 | 2,271 |
| Bonds | 9,446 | -186 |
| Loans and other debt instruments | 30 | 0 |
| Receivables from banks and customers | 0 | 0 |
| Other financial instruments that do not give rise on specified dates to cash flows that are solely payments of principal and interest | 2,543 | 57 |

*,** The fair value change of financial assets measured at fair value through profit or loss is provided in the relative section in the notes.

*** Policy loans, reinsurance deposits and leasehold assets are excluded from the scope of SPPI test because in the scope respectively of insurance contracts and leases. Other receivables have been currently excluded from the scope of instruments subject to the standard, still to be defined. However, the Group use the reasonable assumption that other receivables pass the SPPI, taking into account basic loan features of these financial instruments.

**** These assets would be measured as at fair value through profit or loss if IFRS 9 was applied.

The following disclosure is provided on the credit risk of the financial instruments that give rise to specific dates to cash flows consisting exclusively of principal and interest payments; specifically, the carrying amount in accordance with IAS 39 for rating classes of financial instruments that give rise to specific dates for cash flows consisting of exclusively of payment of principal and interest is reported.

Carrying amount by rating class of bonds that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

| (€ million) | Carrying amount (IAS 39) |
|---|---|
| AAA | 16.998 |
| AA | 62.738 |
| A | 67.658 |
| BBB | 135.090 |
| Non-investment grade | 8.948 |
| Not Rated | 3.058 |
| **Total** | **294.489** |

The carrying amount of bonds that do not have low credit risk, considered as exposure with a rating lower than non-investment grade or not rated, is equal to € 12,006 million with related fair value equal to € 12,041 million.
In addition to the bonds presented in the table above, financial assets that envisage cash flows represented solely by principal and interest payments also include mortgages and other loans, term deposits, repurchase agreements (reverse REPO) and receivables from banks and bank customers.
The loan portfolio consists mainly of mortgages with low credit risk (analogous to investment grade), largely guaranteed by collateral, mainly real estate, and primarily managed by Group banks. Furthermore, the credit risk management process includes a careful assessment of the customer's credit rating, either for individual or corporate counterparties.
The counterparty for term deposits is generally assessed by using the highest available rating, where possible, and considering minimum rating requirements, in particular, BBB for Group companies in countries classified as investment grade, or similar to the sovereign debt rating in countries that have a rating below investment grade.
Repurchase agreements are mainly with bank counterparties with high credit ratings.

## Application of IFRS 9 by Group companies for their separate financial statements

There are no material associated companies or joint ventures that apply IFRS 9.
The main Subsidiaries that have applied IFRS 9 are banking, investment management and asset management companies. Information on their investments and the procedures for applying IFRS 9 are included in their published financial statements.

# 43 Information on employees

Employees

| | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Managers | 2,082 | 1,938 |
| Middle managers | 11,367 | 10,743 |
| Employees | 44,530 | 42,682 |
| Sales attendant | 16,429 | 16,913 |
| Others | 213 | 368 |
| **Total** | **74,621** | **72,644** |

The increase is mainly attributable to the consolidation of Cattolica Group.

# 44 Provisions for defined benefit plans

The pension benefits of Generali Group's employees are mainly in the form of defined benefit plans and defined contribution plans.
As for defined benefit plans, participants are granted a defined pension benefits either by the employers or via external entities. The main defined benefits plans are concentrated in Germany, Austria and Switzerland, while in Italy the provision for Trattamento di fine rapporto (employee severance pay) matured until 1 January 2007 is included in the provisions for defined benefit plan for € 88 million.
The table below shows the movements in the defined benefit plans liability which occurred during the financial year, net of assets legally separate and held solely to pay or fund employee benefits:

Net defined benefit plans liabilities: movements

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Net liability as at 31 December previous year** | **4,494** | **4,309** |
| Foreign currency translation effects | 2 | -0 |
| Net expense recognised in the income statement | 78 | 104 |
| Re-measurements recognised in Other Comprehensive Income | -512 | 261 |
| Contributions and benefits paid | -195 | -186 |
| Changes in consolidation scope and other changes | 30 | 6 |
| **Net liability as at 31 December current year** | **3,897** | **4,494** |

Part of the Group's defined benefit plans have assets that are designated, but not legally segregated, to meet the pension defined benefit obligations. These are investments backing insurance provisions or policies issued by Generali Group companies, or other investments owned by the Group entities. Consequently, in accordance with IAS 19, these investments are not recognised as plan assets and so cannot be deducted from the defined benefit obligations. However, to assess the net liability for defined benefit plans, these assets should have been netted against the present value of the related pension obligations.
In Germany and Austria, where is allocated approximately 92% of the present net value of defined benefit obligations, the pension guarantee associations, for yearly contributions to be paid by the companies, are liable for the fulfilment of the pension commitments granted in case of company insolvency.
The net defined benefit plans expense of the year recognised in the profit or loss account is represented as follows:

Net defined benefit plans expenses recognised in profit or loss

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Current service cost | 61 | 68 |
| Net interest | 15 | 42 |
| Past service cost | 2 | -6 |
| Losses (gains) on settlements | 0 | 0 |
| **Net expense recognised in the income statement** | **78** | **104** |

The re-measurement of liabilities related to defined benefit plans and plan assets, recognised in Other comprehensive income are detailed as follows:

Re-measurements recognised in Other Comprehensive Income

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Actuarial gains (losses) from change in financial assumptions | 336 | -295 |
| Actuarial gains (losses) from change in demographical assumptions | 32 | 5 |
| Actuarial gains (losses) from experience | 60 | 11 |
| Return on plan assets (other than interest) | 84 | 18 |
| **Re-measurements recognised in Other Comprehensive Income** | **512** | **-261** |

In comparison with the previous year, increase in the reference rates at the end of year, in application of IAS 19 for the determination of the discount rate applicable to the valuation of these liabilities, leads to higher actuarial gains and the consequent decrease of liabilities under evaluation.

The amounts reported are gross of deferred taxes and deferred policyholders' liabilities, where applicable.

The table below shows the movements in the defined benefit obligation during the financial year and the current value of the plan assets:

Present value of defined benefit obligation: movements

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Defined benefit obligation as at 31 December previous year** | **5,664** | **5,485** |
| Foreign currency translation effects | 44 | -4 |
| Current Service cost | 61 | 68 |
| Past service cost | 2 | -6 |
| Interest expense | 20 | 49 |
| Actuarial losses (gains) | -428 | 280 |
| Losses (gains) on settlements | 0 | 0 |
| Contribution by plan participants | 11 | 11 |
| Benefits paid | -233 | -222 |
| Changes in consolidation scope and other variation | 29 | 3 |
| **Defined benefit obligation as at 31 December current year** | **5,171** | **5,664** |

Current value of plan assets: movements

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Defined benefit obligation as at 31 December previous year** | **1,171** | **1,176** |
| Foreign currency translation effects | 42 | -4 |
| Interest income | 5 | 7 |
| Return on plan assets (other than interest) | 84 | 18 |
| Gains (losses) on settlements | 0 | 0 |
| Employer contribution | 27 | 27 |
| Contribution by plan participants | 11 | 11 |
| Benefits paid | -66 | -63 |
| Changes in consolidation scope and other changes | -0 | -2 |
| **Fair value of plan assets as at 31 December** | **1,274** | **1,171** |

The defined benefit plans' weighted-average asset allocation by asset category is as follows:

Defined benefit plans: asset allocation

| (%) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Bonds | 49.7 | 48.1 |
| Equities | 19.4 | 17.8 |
| Real estate | 13.9 | 14.2 |
| Investment fund units | 0.6 | 4.9 |
| Insurance policies issued by non-Group insurers | 2.5 | 2.4 |
| Other investments | 13.9 | 12.7 |
| **Total** | **100.0** | **100.0** |

The assumptions used in the actuarial calculation of the defined benefit obligations and the related periodic pension cost are based on the best estimates of each companies granting defined benefit plans. The main weighted-average hypotheses considered for the value definition of defined benefits plans obligations are summarized in the following table, for the main operating areas:

Assumptions for actuarial calculation of defined benefit plans

| (%) | Eurozone | | Switzerland | | United Kingdom | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Discount rate for evaluation at reporting date | 1.1 | 0.5 | 0.2 | 0.1 | 1.9 | 1.3 |
| Rate of salary increase | 2.8 | 2.8 | 1.2 | 1.2 | n.a. | n.a. |
| Rate of pension increase | 2.0 | 2.0 | 0.0 | 0.0 | 3.3 | 2.9 |

The average duration of the obligation for defined benefit plans is 14 years as at 31 December 2021 (15 years as at 31 December 2020).
A sensitivity analysis was carried out showing how the defined benefit obligation would have been affected by changes in the discount rate and the most relevant actuarial assumptions on these liabilities:

Defined benefit plans: sensitivity

| (€ million) Assumptions | Discount rate for evaluation at reporting date | | Rate of salary increase | | Rate of pension increase |
|---|---|---|---|---|---|
| | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease | 0.5% increase |
| Impact on defined benefit obligation | -318 | 359 | 22 | -20 | 173 |

To provide an indication of the effects of the defined benefit plans on the future cash flows of the Group, the future expected payments, divided by bands of maturity, are presented below:

Defined benefit plans: expected payments

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Within the next 12 months | 244 | 237 |
| Between 2 and 5 years | 966 | 957 |
| Between 5 and 10 years | 1,199 | 1,198 |
| Beyond 10 years | 4,179 | 4,450 |
| **Total** | **6,588** | **6,842** |

# 45 Share-based compensation plans

At 31 December 2021, different incentive plans based on equity instruments granted by the Parent Company and other Group companies are outstanding.

## 45.1 Share-based compensation plans granted by the Parent Company

Long-Term Incentives (LTI) represent the long-term variable remuneration of Generali, which takes the form of multi-year plans, approved from time to time by the competent bodies and may be addressed to directors, managers with strategic responsibilities and other Generali employees; they may be based on cash disbursements or financial instruments.
The plan LTI 2018 has fully accrued its relevant cost component in the first half of the year, coming to a close with the equity instruments assignment upon verification of the Group's performance levels in terms of Operating ROE and relative TSR.
The LTI plans 2019, 2020 and 2021, currently in progress, may result in shares' granting in the financial years envisaged under the plan rules depending on the different categories of beneficiaries, subject to the Group performance level (determined by the comparison of ranges of Net ROE, EPS growth, Net Holding Cash Flow, relative TSR and ESG targets)

and the overcoming of the minimum level, where requested in terms of Regulatory Solvency Ratio.

Further details are given in the information reports approved at the time by the Shareholders' Meeting and published on the Generali Group website, as well as in the Remuneration Report annually published.

A new long-term incentive plan based on Assicurazioni Generali S.p.A. shares – Long Term Incentive (LTI) 2021 - has been submitted for the approval of the Shareholders' Meeting. In line with market practices and investor expectations, shares are assigned and made available to beneficiaries over a deferred long-term time span, subject to the achievement of Group's performance conditions (Net Holding Cash Flow and ESG targets) and the achievement of a minimum level of Regulatory Solvency Ratio, as the only access threshold, as detailed below.

The Plan is based on the following essential aspects:

- the incentive connected with the achievement of the targets is paid through the grant of Assicurazioni Generali S.p.A. ordinary shares;
- the right to receive the shares is subject to an entry threshold, defined annually by the Board of Directors and which represents a condition precedent;
- the targets to which payment of the incentive is subject are Group financial ones and are defined at the beginning of the performance period and kept consistent with the strategic long-term plans of the group.

The maximum number of shares that can be assigned is determined at the start of the plan. The maximum potential bonus to be disbursed in shares equals to 175% of the gross fixed remuneration of the Global Leadership Group (GLG) members (or a different percentage considering the role of the beneficiary); therefore, the maximum number of shares that can be assigned is the result of the ratio of the maximum bonus and the share value, with the latter calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Parent Company and the consolidated financial statements for the year prior to that when the Plan is started.

With reference to methods and time frame for granting the shares, they are differentiated by:

- the Managing Director/Group CEO and the members of the Group Management Committee:
  - at the end of the three-year performance period, 50% of the shares accrued on the basis of the targets met will be granted; 25% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 25% are subject to a one-year lock-up period;
  - the remaining 50% of the accrued shares is subject to another two years of deferral, during which the accrued amount may become zero if the Regulatory Solvency Ratio threshold level established by the plan is not met, or if a malus provided for by the plan regulation should occur. After having check that the aforesaid threshold level has been reached and that there is no malus, and provided that on that date the beneficiary has a relationship with the Company (or with other Group companies), the remaining 50% of the shares accrued are granted; 25% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 25% are subject to a one year lock-up period;
- the remaining key employees, GLG, Directors and talents: at the end of the three-year performance period, 100% of the shares accrued will be granted, of which 50% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 50% are subject to a two-year lock-up period.

The performance level is expressed as a percentage of the level of Net Holding Cash Flow and relative TSR reached and it is determined with reference to two independent baskets. The final results in each basket are calculated using a linear interpolation approach. Moreover, starting from the 2021 plan, a multiplier/reducer has been introduced, the value of which can be comprised between 0.8 and 1.2 and reflects the Generali Group's positioning in two main market benchmark sustainability indices[3].

During each year of the plan and at the end of the three-year performance period, the Board of Directors evaluates the degree to which access threshold has been achieved, defined in terms of Regulatory Solvency Ratio equal to 130% - the limit set considering the hard limit level defined in the Group Risk Appetite Framework - or an alternative percentage as may be chosen from time to time by the Board of Directors. This evaluation is a malus mechanism based on which the number of shares to grant definitively may be reduced or set at zero by the Board of Directors should the Regulatory Solvency Ratio be lower than the set threshold. The Board of Directors is also entitled to set a reduced number of shares to grant definitively should the Regulatory Solvency Ratio be lower than the soft limit level established by the Risk Appetite Framework, that is 150% - but in any case, higher than 130%.

In any case, no incentive will be paid in the event of a significant worsening of the capital and financial situation of Generali. Any amount disbursed will be subject to claw-back if the performance considered should later be found to be non-lasting or ineffective as a result of willful misconduct or gross negligence.

In line with what has already been established for the existing plans, the 2021 Plan has a dividend equivalent mechanism on the basis of the dividends distributed during the performance period (dividend equivalent). In particular, should the shareholders' meeting resolve upon the distribution of dividends in favour of the shareholders during the reference period, at the expiry of such period, an additional number of shares determined in relation to the overall dividends distributed during the reference period will be assigned in favour of the beneficiaries. The additional number of shares thus determined shall be assigned simultaneously and in relation with the other shares assigned in favour of

3. *"MSCI ESG RATING (MSCI): result of the 2023 ESG assessment provided by MSCI (Morgan Stanley Capital International) in the multi-line insurance & brokerage sector" and "S&P GLOBAL CORPORATE SUSTAINABILITY ASSESSMENT PERCENTILE (S&P): three-year average score placement provided by Standard & Poor's global corporate sustainability assessment in the insurance sector".*

each beneficiary, subject to the same restrictions (holding period) and determined considering the shares' value at the assignment of the plan, to be calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Parent Company and the consolidated financial statements for the year before that when the Plan is started.

The maximum number of shares that can be granted is 12,100,000, accounting for 0.77% of the current share capital.

In line with the previous plans, the 2021 LTI plan can be treated as an equity-settled share-based payment falling under IFRS 2 scope, which provides a grant date measurement model seeking to capture the value of the contingent right to shares promised at grant date, to the extent that promises become an entitlement of the counterparty, rather than the value of any shares finally delivered.

The condition related to relative TSR configures as a market condition, other conditions mentioned above are considered whether as performance or as service condition.

The value of the right to receive free shares related to the market condition is estimated at grant date using a statistical model which estimates the statistically probable positioning of relative TSR of the Generali share compared to a peer group panel of selected companies.

The fair value of the bonus right linked to market condition is made by multiplying the forward price of assignable shares (taking into account the lock-up period set by the plan for the different beneficiary types) to the grant date with the pay-out ratio of the relative TSR. Such pay-out is determined as the average of the pay-outs resulting from the processing of a series of scenarios using a statistical model. The pay-out of the single simulation is zero in the case of the TSR of Generali's shares positioning below the median of the panel peer group, while it is positive in the case of the TSR of Generali's shares positioning above the median of the panel peer group. The maximum pay-out is recognized in the case of the relative TSR value of Generali shares positioning above the 90th percentile.

The estimated fair value of LTI 2021 plan at the grant date of the bonus right related to the performance level in terms of relative TSR is € 10.17 with reference to the members of the GLG category.

The related cost on the overall plan is obtained by multiplying the fair value mentioned above by the number of rights related to the market condition, to be assigned based on the satisfaction of the vesting condition. A similar calculation was applied to the bonus portion linked to Net Holding Cash Flow (NHCF), identifying the pay-out through the linear interpolation applied to the level of performance considered most probable. The range applied to the linear interpolation of NHCF is included between the maximum pay-out, granted in case of level equal to or greater than € 8.1 billion and a pay-out equal to 0 in case of a level equal or lower than € 6.6 billion. The value assumed by the ESG multiplier/reducer is obtained by applying a linear interpolation, based on which, depending on the Group's positioning within the main sustainability indices, assigns to the factor a value between 0.8 and 1.2. Finally, the cost related to the recognition of dividends paid during the period (so called dividend equivalent) was estimated by applying an estimated dividend to the expected number of shares to be assigned under the plan, based on the degree of achievement assessed as above described. For additional information related to incentive plans refer to the 2021 Remuneration Report.

At reporting date, the share plan for the benefit of the Managing Director/Group CEO and the share plan for Group employees (We Share) are still in force.

The overall cost of the LTI plans 2018, 2019, 2020 and 2021, the share plan for the benefit of the Managing Director/Group CEO and the share plan for Group employees (We Share) is allocated over the period of maturity (vesting period) starting from the first financial year on which the performance levels are assessed, with a corresponding increase in equity.

The cost associated with all above-mentioned outstanding plans recognized during the period amounted to € 73 million. The maximum number of shares that can be granted in relation to mentioned plans is approximately 30.5 million.

## 45.2 Share-based compensation plans granted by the other Group companies

The main share-based payments granted by the other Group companies are detailed here below.

### Share-based compensation plans granted by Banca Generali

At the date of 31 December 2021 there are the following share-based compensation plans:

- the plans implemented regarding the Banca Generali Group remuneration and incentive policy in force at the time, based on which a portion of variable remuneration to key personnel must be paid through payments based on own financial instruments;
- the plans implemented as part of the 2017-2026 framework loyalty programme, approved by the Shareholders' Meeting of 20 April 2017, which had reached the fifth annual cycle 2021-2026 and contemplates payment of a portion of the indemnity accrued up to a maximum of 50% in own financial instruments;
- the new LTI (Long Term Incentive) plans for the top management of the banking group based on Banca Generali shares activated starting from financial year 2018.

4. Bank of Italy Circular no.285/2013 Supervisory provisions for banks - Part I Title IV Chapter 2 Remuneration and Incentive Policies and Practices.

## Share-based payment plans linked to the variable portion of remuneration based on performance objectives

As part of the policy on remuneration and incentives in relation to key personnel of Banca Generali Group, adopted to comply with the Supervisory Provisions in force[4], it is established that a portion of the variable remuneration, both current and deferred, takes place through the allocation of financial instruments of Banca Generali based on the rules submitted to the approval of the Shareholders' Meeting of the Bank each year.

In particular for the key personnel, including the main network managers, the variable remuneration linked to short-term targets is paid out 25% in Banca Generali shares, subject to a retention period up to the end of the year when granted[5]. If, however, the bonus accrued is higher than the € 75 thousand threshold, the following assignment and retention mechanism is applied:

- 60% of the bonus is paid out up front during the year following the one of reference for 75% in cash and 25% in Banca Generali shares, subject to a retention period up until the end of the year when granted;
- 20% of the bonus is paid out with a one-year deferral: for 75% in cash and 25% in Banca Generali shares, subject to a retention period up until the end of the year when granted;
- the remaining 20% of the bonus is paid out with a two-year deferral: for 75% in cash and 25% in Banca Generali shares, subject to a retention period up until the end of the year when granted.
- The methodology applied for calculating the number of share due to the receivers considers:
- to the numerator, the amount of variable remuneration subject to payment in shares accrued in relation to the meeting of targets set for the year in question and,
- to the denominator, the average Banca Generali share price in the three months prior to the meeting of the Board of Directors when both the draft statutory and consolidated financial statements for the year before that when the cycle of reference begins are approved.

The payment in shares is made after the Board of Directors verifies the economic results of the relevant year and is therefore conditioned not only by the meeting of the set targets[6], but also by surpassing access gates of the Banking Group (TCR Total Capital Ratio, LCR Liquidity Coverage Ratio) relating to the year the remuneration accrues and the two years following the deferral, if necessary. The Remuneration Policy of the Banking Group for the year of reference, together with the authorization to purchase treasury shares to use for it are submitted each year to the Shareholders' Meeting that approves the financial statements of the previous year. Actual purchase of the treasury shares is also authorized by the Bank of Italy in advance.

Any other compensation paid in shares in connection with the following is also part of these categories of plans:

- ordinary sales incentives and programmes to hire financial consultants other than the main network managers and sales personnel with a contract of employment;
- agreements entered into in view or at the time of the early termination of employment or agency regarding beneficiaries falling under the classification of key personnel.

The methods for paying the variable remuneration, examined in the paragraph above, take the shape of share-based payment transactions settled with own instruments representing capital (equity settled) for those falling under the sphere of application of IFRS 2 - Share-based payments.

The accounting treatment for these transactions consists of recognizing the estimated cost of the services received in the most appropriate item of the financial statements (personnel expenses, commissions payable). This cost is determined based on the fair value of the assigned rights (stock option/stock grant), as a contra entry for an increase in equity by charging it to a specific provision.

Since the share-based payment agreements made in connection with the plans under review do not include an exercise price, they are comparable to free grants (stock grants) and are treated in compliance with the rules established for this type of transaction.

The total charge relating to these agreements is then calculated based on the number of shares estimated to be granted, multiplied by the fair value of the Banca Generali share at the grant date.

The fair value of the Banca Generali share at the grant date is measured based on the stock market price recorded on the date of the Shareholders' Meeting approving, each year, the Remuneration Policy for the current year, adjusted to take into account the estimate of expected dividends not received by the beneficiaries during the deferral period.

Recognition of the value of the plans determined in this manner in the equity is done pro-rata temporis based on the period of accrual of the vesting conditions, i.e. the period elapsing between the grand and the final accrual of the right to receive the shares, also taking into account the probability that the conditions for all recipients to exercise it do take place.

Since the plans are usually broken down into multiple tranches with differentiated vesting periods, each of them is measured separately.

Specifically, in the case shares are granted in three tranches, with the first amount up front (60%) following approval of the financial statements of the year of reference and two deferred annual amounts (40%), conditioned both by continuation in service and surpassing access gates established each year, the period for them to accrue (vesting period) is determined for the up-front amount from 1 January to 31 December of the year of reference of the remuneration (12 months) and for the two deferred amount extended further up until 31 December of the first year that follows (24 months) and of the second year that follows (36 months)[7].

5. No limits for exercising voting rights and for awarding property rights are contemplated during the retention period unless receiving dividends is not provided for; however, for the plans in place prior to 2019, no dividends were planned to be distributed.
6. Required by the Management by Objective (MBO) mechanism or by specific incentive/hire plans.
7. Starting from the year 2018 the IFRS2 recorded in the income statement charges relating to the ordinary incentives accrued by the financial consultants and linked to net inflow or new customer acquisition targets that may be paid out in shares are recorded along the broader 5-year time horizon. Furthermore, the disbursements in shares relating to several plans to hire financial consultants included in the key personnel can be covered by prior allocations to provisions for commission risks and charges only after the plan is concluded.

The actual number of shares allocated to beneficiaries can in any case vary in relation to the verification of the effective achievement targets set at the individual level.
The IFRS 2 charge relating to any beneficiaries belonging to banking group companies other than the parent company Banca Generali is recognised directly by these companies. Nevertheless, the Bank charges back an amount corresponding to the fair value of the plans in question at the time they are actually granted the repurchased treasury shares[8].
Three share-based payment cycles tied to the Remuneration Policies for the years 2019, 2020 and 2021 are active as at 31 December 2021, while the cycle relating to the year 2018 is basically depleted during this year with the payment of the second deferred tranche.
In addition, there is also a limited number of non-standardised entry plans providing for a higher deferral over a multi-year time frame.
The share-based payment plan linked to the 2018 Remuneration Policies, approved by the Shareholders' Meeting of 12 April 2018, has the following characteristics:

- the reference price of the Banca Generali share, for the purposes of determining the number of shares to be allocated, was determined as the average of the official quotations between 28 December 2017 and 1 March 2018, at € 28.57;
- the fair value of the Banca Generali share on the grant date of the shares was determined based on the market price recorded as at 20 April 2017, amounting to approximately € 27.00, later adjusted to take into account the loss of the dividends expected in the period.

At the end of this cycle, the shares allocated to key personnel totaled 133,844, of which 116,247 assigned to network managers, and to ordinary incentives and hiring bonuses paid to financial consultants considered key personnel owing to the commission volume accrued, 16,180 to employees and 1,417 relating to the subsidiary BG Fund Management Luxemburg S.A. (BGFML), for a total fair value of about € 3.2 million.
A transaction with a former Area Manager was also stipulated during 2019. Based on the current Remuneration Policy, this transaction involved paying a portion of the indemnity for the estimated amount of 2,957 Banca Generali shares.
The share-based payment plan linked to the 2019 Remuneration Policies, approved by the Shareholders' Meeting of 18 April 2019, has the following characteristics:

- the reference price of the Banca Generali share, for the purposes of determining the number of shares to be allocated, was determined as the average of the official quotations between 10 December 2018 and 8 March 2019, at € 20.25;
- the fair value of the Banca Generali share on the grant date of the shares was determined based on the market price recorded as at 18 April 2019, amounting to approximately € 24.23, later adjusted to take into account the loss of the dividends expected in the period of deferral.

Within this cycle, the shares allocated to key personnel amounted to 215,254, of which 186,100 assigned to network managers, and to ordinary incentives and hiring bonuses paid to financial consultants considered key personnel owing to the commission volume accrued, 24,057 to employees and 5,097 relating to the subsidiary BGFML, for a total fair value of about € 4.7 million.
The share-based payment plan linked to the 2020 Remuneration Policies, approved by the Shareholders' Meeting of 23 April 2020, has the following characteristics:

- the reference price of the Banca Generali share, for the purposes of determining the number of shares to be allocated, was determined as the average of the official quotations between 9 December 2019 and 9 March 2020, at € 29.71;
- the fair value of the Banca Generali share on the grant date of the shares was determined based on the market price recorded as at 23 April 2020, amounting to approximately € 20.76, later adjusted to take into account the loss of the dividends expected in the period of deferral.

Within this cycle, the shares to be allocated to key personnel amounted to 155,631, of which 129,713 assigned to network managers and to ordinary incentives and hiring bonuses paid to financial consultants considered key personnel owing to the commission volume accrued, 19,765 to employees and 6,153 relating to the subsidiaries BGFML and BG Valeur, for a total fair value of about € 3.1 million.
The share-based payment plan linked to the 2021 Remuneration Policies, approved by the Shareholders' Meeting of 22 April 2021, has the following characteristics:

- the reference price of the Banca Generali share, for the purposes of determining the number of shares to be allocated, was determined as the average of the official quotations between 7 December 2020 and 5 March 2021, at € 27.58;
- the fair value of the Banca Generali share on the grant date of the shares was determined based on the market price recorded as at 22 April 2021, amounting to approximately € 30.69, later adjusted to take into account the loss of the dividends expected in the period of deferral.

In relation to the assessment of the achievement by the key personnel of the objectives set for 2020 it is estimated that the share of variable compensation subject to payment of shares amounts to approximately 153 thousand shares, for a total fair value of the plan of € 4.0 million.
With reference to meeting the performance targets set out in the Remuneration Policy for 2018, 2019 and 2020, during the year 165,523 treasury shares were granted to executives and network managers, of which 137,845 to managers' and financial consultants' area, 20,701 shares were granted to employees and 5,155 to other beneficiaries of the group.
More specifically, the grants concerned, respectively, the first and second deferred tranche with one-year deferral (20%) relating to the years 2018 and 2019, the up-front portion (60%) relating to 2020 and, for a residual portion, prior plans with different deferral characteristics for former employees and financial consultants.

8. Particularly falling within this category are the bonuses in shares paid to the key personnel and, in some cases, to the managers of the subsidiary BGFML and to the key personnel of the subsidiary BG Valeur.

| (€ thousand) | Date of General Shareholders' Meeting | Bank of Italy's authorisation | Price of allotment | Weighted average FV | Total | | Azioni vested | Azioni assegnate 2018 | Azioni da assegnare | Fair value piano (milioni di euro) |
|---|---|---|---|---|---|---|---|---|---|---|
| Year 2018 | 12/04/2018 | 11/06/2018 | 28.57 | 23.54 | 133.8 | *133.8* | 25.2 | 0.0 | 0.0 | 3.2 |
| Year 2019 | 18/04/2019 | 21/06/2019 | 20.25 | 21.80 | 215.3 | *187.5* | 41.5 | 27.7 | 27.7 | 4.7 |
| Year 2020 | 23/04/2020 | 16/07/2020 | 29.71 | 18.06 | 155.6 | *108.6* | 96.3 | 47.0 | 22.2 | 3.1 |
| Year 2021 | 22/04/2021 | 01/07/2021 | 27.58 | 26.43 | 152.9 | 0.0 | 0.0 | 152.9 | 92.6 | 4.0 |
| Other multi-year plans | | | | 15.36 | 47.1 | 23.2 | 2.5 | 23.9 | 2.8 | 0.7 |
| **Total (*)** | | | | | **704.8** | **453.2** | **165.5** | **251.6** | **145.3** | **15.7** |

(*) including the retirement incentive agreements

## 2017-2026 Framework Sales Network Loyalty Programme

The 2017-2026 Framework Sales Network Loyalty Programme was approved by the Board of Directors during its meeting on 21 March 2017 and was later ratified by the Shareholders' Meeting on 20 April 2017.

The Framework Loyalty Programme provides the possibility to activate 8 single annual plans with fixed expiration on 31 December 2026 and decreasing duration, subject to the annual authorization of the Banca Generali Shareholders' Meeting.

Payment of the indemnity accrued along the entire time span of the Programme will however be made at one single time, within 60 days from the Shareholders' Meeting called to approve the 2026 financial statements.

The payment of a portion of the accrued indemnity up to 50% at the most, partly in Banca Generali shares subject to the assessment of potential effects on the equity ratio and floating capital by the corporate bodies (Board of Directors and Shareholders' Meeting), can be allowed.

Participation in each of the plans included in the Programme is offered to the financial Consultants and Relationship Managers who have accrued at least 5 years of company seniority by 31 December of the corporate year before the one of reference of the single plans.

The following is necessary in order to be able to gain access to the benefits of the activated plans:

- reach a minimum volume of total AUM and qualified AUM growing over time and with non-negative net inflows (condition for accrual) by the end of the year of reference;
- be regularly in service and not having given advance notice as at the date of payment, except for the cases in which termination depends on causes of death or permanent disability, retirement or withdrawal from the relationship by Banca Generali not backed by just cause (service condition).

In the event of death, the accrued indemnities are considered definitively acquired by are subject to settlement with the heirs applying the same methods as those applied to the other beneficiaries.

Lastly, the accrued indemnity is proportionate to a rate of the verified AUM for every single plan and is differentiated based on the type of subject (Consultant/RM) and on seniority of service up to reaching a cap.

Recognition of the indemnity at the day of payment is also subordinated to surpassing banking group gates of access as defined in the Remuneration Policies in force at the time and with the rules of correctness.

The number of Banca Generali shares due is determined with the same methods established for the share-based payment plans linked to the Remuneration Policies, i.e. on the basis of the average Banca Generali share price in the three months prior to the meeting of the Board of Directors when both the draft statutory and consolidated financial statements for the year before the annual plan of reference.

Payment in shares of 50% of the accrued indemnity has been established for both of the annual plans activated up until now.

The value of the accrued indemnity was determined based on the AUM of the potential beneficiaries of the plans at the closing date of the year of reference, respectively, while the number of grantable financial instruments was determined based on the same value of reference of the Banca Generali share applied for the Remuneration Policies of the same years.

As a whole, the shares granted and under accrual to serve the five plans amount to approximately 1,444 thousand (1,345 thousand net of the estimated turnover) for a total value of € 20.7 million, of which 5.4 already recorded in the income statement.

| (Thousands of shares) | Max no. of shares | No. of shares net estimated turnover | Fair value plan (million euros) | IFRS 2 |
|---|---|---|---|---|
| Plan 2017- 2026 | 208 | 194 | 2.5 | 1.1 |
| Plan 2018- 2026 | 164 | 153 | 2.3 | 0.9 |
| Plan 2019- 2026 | 338 | 315 | 4.5 | 1.5 |
| Plan 2020- 2026 | 282 | 262 | 2.7 | 0.7 |
| Plan 2021- 2026 | 452 | 421 | 8.7 | 1.2 |
| | **1,444** | **1,345** | **20.7** | **5.4** |

## LTI Plans - Long Term Incentives

From 2018, Banca Generali started, in each year, long-term incentive plans for the top management of the banking group, fully based on Banca Generali S.p.A. shares.

The new plans have characteristics similar to the corresponding plans activated every year by the parent company Assicurazioni Generali and based on the granting of its shares, but are even more aimed at pursing the goal of increasing the value of the Banca Generali shares by strengthening the bond between the remuneration of the beneficiaries and the performance of the banking group, although consistent with the expected results within the scope of the strategic plan of the insurance group.

It is for this reason that the new incentive plans provide for:

- the granting to beneficiaries of Banca Generali shares purchased on the market in place of shares of the parent company Assicurazioni Generali that it directly grants;
- greater impact of the targets pertaining to the banking group, which weigh 80%.

The key characteristics of the plan are the following[9]:

- the maximum number of shares to grant is determined at the beginning of the period of reference based on a multiplier of the current remuneration of the beneficiaries[10] and is divided into three notional tranches that refer to each of the three years of duration of the plan;
- after verifying the surpassing of the access gates[11] of the banking group and insurance group, each year the Board of Directors of Banca Generali assesses the level of meeting the targets set at the beginning of the three-year period and determines the actual number of shares potentially due with reference to the specific tranche;
- at the end of the three-year period, having verified that the access gates have been surpassed, the entirety of the shares accrued for each of the three tranches is disbursed at a single time by free granting to the beneficiaries ordinary treasury shares repurchased on the market (stock granting), provided that the beneficiary is still employed by a banking group company (service condition);
- 50% of the granted shares are immediately available at the time of granting, while the remaining 50% is subject to an addition two-year lock-up period[12];
- the plan does not contemplate dividend equivalent mechanisms, in line with the regulations and with the most common practices in the banking market;
- usual malus and claw back clauses are also included.

The level of meeting the targets, expressed as a percentage, is determined separately for each basket, consisting of an indicator and of its relevant weight, using the methodology of linear interpolation compared to the levels of reference set at the beginning of the plan (minimum, target, maximum)[13].

9. Additional information on the functioning of the LTI plans is found in the Remuneration Report, approved each year by the ordinary shareholders' meeting of Banca Generali, in Section 2 Remuneration and incentive policies of the banking group.
10. The maximum potential bonus to be disbursed in shares amounts to 175% of the gross annual remuneration of the plan's participants for the Top Management members, while it is 87.5% for the other beneficiaries.
11. As regards the access gates, the following is considered:
    - two indicators representing specific access thresholds of the banking group connected with the Total Capital Ratio and the Liquidity Capital Ratio, to whose attainment the right to grant shares is subordinate (100%);
    - an indicator representing an access threshold of the Generali Group connected with the Regulatory Solvency Ratio, to whose attainment the right to grant only the part of shares linked to meeting Generali Group targets is subordinate (20%).
12. Without prejudice to the Managing Director's right to retain an adequate number of granted shares until the end of the mandate in progress at the lock-up date.
13. In particular, a percentage of 175% is associated with the maximum performance level.

The performance indicators defined for the plans activated up until now are shown below.

| | KPI Weight Banking-Insurance Group | Access gate Banking Group | Access gate Insurance Group | KPI Banking Group | KPI Insurance Group |
|---|---|---|---|---|---|
| LTI 2018 | 80% -20% | | | 1. tROE; 2. EVA | 1. Operating ROE; 2. rTSR |
| LTI 2019 | 80% -20% | Total Capital Ratio (TCR), Liquidity Coverage Ratio (LCR) (*) | Regulatory Solvency ratio | 1. tROE; 2. Recurring Net Profit; 3. adjusted EVA | 1. Net ROE medio; 2. EPS growth; 3.rTSR |
| LTI 2020 | 80% -20% | | | 1. tROE; 2. adjusted EVA | 1. .Net Holding Cash Flow; 2. rTSR |
| LTI 2021 | 80% -20% | | | 1. tROE; 2. adjusted EVA; 3.AUM ESG | 1. .Net Holding Cash Flow; 2. rTSR; 3. Sustainability indices (MSCI ESG rating e S&P Global Corporate Sustainability Assessment Percentile) |

(*) in particular, for 2021, the banking gates are TCR >=13% and LCR >=130%, while the insurance gate is TRR >150%.

The assessment of the number of shares due is made distinctly for each plan year and for each of the weighed baskets linked to the targets of the banking group and the insurance group.
As a whole, the shares granted and under accrual to serve the three plans amount to approximately 343 thousand for a total value of € 6.1 million, of which € 3.7 million already recorded in the income statement (€ 3.6 million in 2020).

## Share-based compensation plans granted by Generali France

At the balance sheet date, there are the following share-based compensation plans granted by Generali France to the employees of Generali France Group: thirteen stock grant plans approved by the board on 21 December 2006, 20 December 2007, 4 December 2008, 10 December 2009, 9 December 2010, 14 March 2012, 25 June 2013, 7 March 2014, 6 March 2015, 9 March 2016, 9 March 2017, 1 March 2018, 7 March 2019, 11 March 2020 and 8 March 2021.
At 31 December 2021, the number of shares granted amounted to 6,945,455 preferred shares, of which 161,233 related to the plan granted for 175th anniversary of foundation of Parent Company.
With reference to the stock granting plans assigned by Generali France within the scope of IFRS 2, the charge recognized in the profit or loss amounted to € 19.7 million. The plans are considered as cash-settled, for which a liability is recorded in the balance sheet equaling € 95.5 million.

## Share-based compensation plans granted by Cattolica Assicurazioni S.p.A.

The share-based compensation plans granted by Cattolica Assicurazioni S.p.A. to the employees of the Cattolica Group still active at the reporting date, refer to the deferral of shares of two Performance Share Plans.

With respect to the stock granting plans as at 31 December 2021, the following should be considered:

- LTI 2018 - 2020 Performance Share Plan: the share allocation of the up-front portions relating to such Plan, for which the vesting period expired on 31 December 2020, has been provided for in October 2021. The deferred portion will be allocated according to the timing and methods reported in the relevant Regulations, unless otherwise decided by the Board of Directors;
- LTI 2021 - 2023 Performance Share Plan: following the positive conclusion of the tender offer promoted by Assicurazioni Generali on Cattolica Assicurazioni S.p.A., on 5 October 2021, the Board of Directors stated the advanced assignment to the beneficiaries of a pro rata portion of the shares related to the Plan for an annuity (12 months out of 36), terminating, at the same time, the abovementioned Performance Share Plan. The deferred portion will be allocated according to the timing and methods reported in the relevant Regulations, unless otherwise stated by the Board of Directors.

With reference to the stock granting plans assigned by Cattolica Assicurazioni S.p.A. within the scope of IFRS 2, the charge recognized in the profit or loss amounted to € 568 thousand; for which a liability of € 2.7 million is recorded in the balance sheet.

# 46 Contingent liabilities, commitments, guarantees, pledged assets and collateral

## 46.1 Contingent liabilities

In the course of the ordinary business, the Group may be involved in agreements or transactions which do not lead to the recognition of these commitments as assets and liabilities in the consolidated financial statements according to the IFRS definitions and requirements (contingent assets and liabilities). As at 31 December 2021 the estimate of the contingent liabilities results as of € 3 million, related to some disputes for which the probability of occurrence is not considered as remote, however not sufficiently material to recognise them as liabilities on the balance sheet.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because:
  (i) it is not probable than an outflow of resources embodying economic benefits will be required to settle the obligation; or
  (ii) the amount of the obligation cannot be measured with sufficient reliability.

## 46.2 Commitment

Generali Group at 31 December 2021 held outstanding commitments for a total amount of € 17,210 million, related to potential commitments on investments, loans and other commitments.

Because part of these commitments may expire without being called, the amounts disclosed are not indicative of the actual liquidity needs arising from these commitments.

In particular, € 10,704 million represent commitments associated with alternative investments (private equity), mainly allocated in private equity funds which are consolidated line-by-line by the Group. Moreover, € 5,637 million refer to several investment opportunities and, in particular, to real estate investment funds and equities. The potential commitments to grant loans amount to € 361 million, mainly associated to liquidity or funding needs of the customers of the Group's banking operations.

Other commitments amounted totally to € 508 million and the main part refers to potential commitments of the German life companies towards a specific German entity founded in order to protect the local policyholders if the funds already available within the policyholders protection scheme are not sufficient to face the insolvency of one or more insurers.

## 46.3 Guarantees

The Group's nominal exposure towards third parties amounts to € 224 million, of which € 68 million refer to guarantees provided in the context of the Group's real estate development and € 145 million to sureties normally granted as part of the Group's banking business and other services provided by some Group Companies.

Furthermore, the Group in the context of its business operations in some countries receives guarantees provided by third parties, mainly in the form of letters of credit.

## 46.4 Pledged assets and collaterals

As at 31 December 2021, as already mentioned in the chapter *Assets transferred that do not qualify for derecognition* of the section *Investments*, the Group has pledged € 18,556 million of its assets as collateral. In particular, € 3,468 million have been pledged to cover loans and bonds issued, mainly related to the Group's real estate activities, € 858 million to cover its reinsurance activities, € 2,639 million have been pledged in repurchase agreements (REPO) and € 10,131 million has been subject to securities lending operations. Residual part is related to collateral pledged in relation to transactions in derivatives and other operations.

Furthermore, the Group has received assets as collateral for € 7,188 million, in particular for transactions in bonds and loans for € 6,267, in Reverse REPO for € 316 million and € 536 million to cover Group reinsurers' obligations. Residual part is related to collateral pledged in relation to transactions in derivatives and other operations.

# 47 Significant non-recurring events and transactions

There are no significant non-recurring events or transactions in 2021 in addition to what already reported about the Cattolica transaction described in the *Goodwill* chapter, paragraph *Information on the acquisition of Cattolica*.

# 48 Leases

IFRS 16 - Leases replaces the requirements in IAS 17 - Leases. The new Standard provides presentation and disclosure requirements on leasing operations, involving in particular:

- the effects of first-time application of the new lease Standard, which are described in section *Basis of presentation and accounting principles*;
- ad hoc presentation and disclosure for lessees;
- ad hoc presentation and disclosure for lessors.

Main differences compared to previous IAS 17 requirements relate to presentation and disclosures related to Companies acting as lessees.
Here below details on lessees and lessors activities and related disclosures can be found.

## 48.1 Lessees

Group companies acting as lessees are mainly involved in real estate leases, mainly of offices, agencies and similar items, land leases, company cars leases and other assets leases.

### Right of use assets

Right of use assets are not to presented separately from other assets in the balance sheet, they are allocated based on their nature within specific Balance sheet items.
Balance sheet items Land and buildings (self-used) and Other tangible assets are the ones impacted by the new IFRS 16 requirements.
In details, below the carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset can be found.

Right of use assets by class of underlying assets subject to leasing

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| **Land and buildings (self-used) subject to leasing** | **473** | **454** |
| Properties used for own activities subject to leasing | 417 | 402 |
| Land and agricultural property subject to leasing | 56 | 53 |
| Other real right subject to leasing | 0 | 0 |
| **Company cars subject to leasing** | **31** | **30** |
| **Other tangible assets subject to leasing** | **52** | **22** |
| **Intangible assets subject to leasing** | **3** | **2** |
| **Total right of use assets** | **559** | **509** |

Main changes incurred during the period are reported below by class of underlying items.

Land and buildings (Self used) subject to leasing

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Carrying amount as at 31 December previous year (*) | 454 | 529 |
| Foreign currency translation effects | 10 | -8 |
| Acquisition of the period | 39 | 25 |
| Changes in consolidation scope | 12 | 28 |
| Reclassifications | -0 | -0 |
| Sales of the period | 1 | -1 |
| Depreciation of the period | -108 | -98 |
| Impairment loss of the period | 0 | 0 |
| Reversal of impairment of the period | 0 | 0 |
| Other changes | 65 | -21 |
| **Carrying amount as at the end of the period** | **473** | **454** |

Fair value of assets subject to leasing is estimated to be, besides for some rare cases, aligned to its carrying amount.

Tangible assets subject to leasing

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Carrying amount as at 31 December previous year (*) | 52 | 44 |
| Foreign currency translation effects | -0 | -0 |
| Acquisition of the period | 7 | 6 |
| Changes in consolidation scope | 10 | 3 |
| Sales of the period | 0 | -0 |
| Amortization of the period | -25 | -23 |
| Net impairment losses of the period | 0 | 0 |
| Other variations | 39 | 22 |
| **Carrying amount as at the end of the period** | **82** | **52** |

## Focus on impairment of right of use assets

Under IFRS 16, new right-of-use assets are subject to impairment requirements of IAS 36.
Similar to other assets, a right-of-use-asset is tested for impairment when impairment indicators exist.
In general, if impairment indicators exist, an entity must determine whether the right-of-use-asset can be tested on a stand-alone basis or whether it will have to be tested at a cash generating unit (CGU) level. This will depend on whether the right-of-use-asset generates largely independent cash inflows from other assets or groups of assets.
At Group level, based on facts and circumstances, it is considered that right-of-use-assets are not able to generate largely independent cash inflows and therefore they have been assessed for impairment at a CGU level rather than at an individual asset level.
In the majority of situations, CGUs to which right-of-use assets belong are the same ones used for impairment test of goodwill, as described in specific chapter, established in accordance with the Group's participation structure and considering the IFRS 8 requirements relating to operating segments. Therefore, the impairment test has been performed at that level, and according to Group methodology already in place for impairment test of goodwill.
In this context, the carrying amount of a CGU is calculated considering right of use assets and lease liabilities belonging to that unit, if any, and therefore they are tested for impairment.
If the recoverable amount of the CGU is less than its carrying amount, carrying amount of goodwill represents the first asset to be reduced. Then, impairment loss is allocated to other assets of the CGU pro rata based on the carrying amount of each asset in the unit to which the specific right of use asset belongs.
For additional information on impairment test of goodwill please refer to the chapter *Goodwill*.

## Lease liabilities

Lease liabilities as at 31 December 2021 amounted to € 642 million, while total cash outflows of the period amounted to € 123 million.
Lease liabilities are included in item Other financial liabilities on the Balance sheet.
Here below a maturity analysis of undiscounted lease payments can be found.

Maturity analysis of undiscounted lease liabilities

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Maturity less than one year | 98 | 116 |
| Maturity between 1 and 2 years | 94 | 98 |
| Maturity between 2 and 3 years | 80 | 86 |
| Maturity between 3 and 4 years | 64 | 72 |
| Maturity between 4 and 5 years | 54 | 49 |
| Maturity more than 5 years | 570 | 425 |
| **Total undiscounted lease liabilities** | **961** | **847** |

Amount of undiscounted lease payments as at 31 December 2021 with maturity of more than 5 years includes, among others, a peculiar lease contract with a duration of almost 200 years.

Short-term leases to which Group lessees are committed and exposed in the next reporting year amounted to € 5 million.

## Expenses for lessees

Main impacts on expenses for lessees are reported below.

Expenses related to lease contracts

| (€ million) | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Interest expenses for lease payments (*) | 13 | 13 |
| Depreciation of properties used for own activities subject to leasing | 108 | 98 |
| Depreciation of tangible assets subject to leasing | 10 | 9 |
| Depreciation of company cars subject to leasing | 15 | 15 |
| Amortisation of intangible assets subject to leasing | 2 | 2 |
| Impairment and other expenses from assets subject to leasing | 3 | 3 |
| Expenses for leases of low value assets | 1 | 1 |
| Expenses for short term leases | 16 | 18 |
| **Total expenses from lease contracts** | **168** | **157** |

(*) In this item is also included income arising from leases with negative yields.

Income from sub-leasing right-of use assets was not material for the period since it is not Group practice to undertake this kind of business. There have been no sale and leaseback transactions during the period.

# 48.2 Lessors

## Operating leases

Group companies act also as lessors, mainly related to real estate rentals through operating leases. The majority of investment properties are consequently leased out for different uses. Group presents underlying assets subject to operating leases according to the nature of the underlying asset. Please refer to section *Investments for additional information on investment properties*.
Income from operating leases has been allocated according to the nature of the underlying item rented. Please refer to section *Income from other financial instruments and land and buildings (investment properties)* for additional information.
Income from variable lease payments that do not depend on an index or a rate amounted are not material.

## Financial leases

There are limited activities related to automobile/vehicle leasing solutions provided by a Group financial lessor to the private and business sector.

# 49 Other information

With reference to the transparency of public funds legislation introduced by art. 1 of Law 124/2017, paragraphs 125, 125-bis and following, as modified by art. 35 of Legislative Decree 34/2019, converted into Law 58/2019 (so-called Decreto Crescita), during the 2021 financial year, Generali Group received public funds mainly related to training activities which are reported in the Registro Nazionale degli Aiuti di Stato pursuant to art. 52 of Law 234/2012 and subsequent amendments and additions, to which reference is made in the specific Transparency section, pursuant to art. 1, paragraph 125-quinquies of the aforementioned Law 124/2017.

# 50 Audit and other service fees for the fiscal year

In the table below, drawn up pursuant to the article 149-duodecies of Consob Regulation, are reported the 2021 fees for auditing and other services to Parent company's audit and companies within audit company's network.

Audit and other service fees

| (€ thousand) | KPMG Italy | KPMG Network |
|---|---|---|
| | 31/12/2021 | 31/12/2021 |
| **Parent Company** | **4,311** | **575** |
| Audit fee | 669 | 527 |
| Attestation service fees | 630 | 48 |
| Other services | 3,012 | |
| **Subsidiaries** | **7,540** | **18,099** |
| Audit fee | 2,820 | 14,943 |
| Attestation service fees | 4,578 | 2,600 |
| Other service fees | 142 | 556 |
| **Total** | **11,851** | **18,674** |

# 51 Information about Covid-19

With reference to the impacts of Covid-19 please refer to the Management Report, *Group's performance* section – *Life segment* at page 120 and *Property & Casualty segment* at page 129, for the estimation methodology and the quantitative impacts. In the *Challenges and opportunities of the market context* section, *Pandemics and extreme events* part at page 25, we described the related risks and opportunities and how they are managed by the Group.

# 52 Information about climate changes

Pursuant to the ESMA Public Statement of 29 October 2021, this chapter describes how the assessment of climatic risks is considered in the valuation of the most material assets for the Group such as: financial instruments, real estates and premiums / technical provisions.
For further information about climate changes please refer to the Management Report, *Challenges and opportunities of the market context* section at page 31.

## Financial Instruments

Climate-related matters may be relevant as they could affect the range of potential future economic scenarios, the lender's assessment of significant increases in credit risk, whether a financial asset is credit impaired and/ or the measurement of expected credit losses.

Regarding pricing topic, the level of the prices of actively traded securities (e.g. listed equities and bonds) should reflect the appetite of the market for the issuer of the security itself. Prices include any forecast of possible losses due to possible adverse economic scenarios - climate-related matters included. For this reason, no particular adjustment is made to the prices retrieved from the market.
Concerning not actively traded securities, for which a reliable pricing source is not available (mark to market approach), the valuation is performed in terms of mark to model, estimating the relevant factors, such as:

- Structure of the note. The appropriate model and numerical method is chosen according to the structure of the note;
- The risk-free rates curve;
- The issuer specific credit curve;
- The liquidity premium.

In particular, the estimation of the credit spread curves and the liquidity premiums is performed starting from liquid prices, of the same issuer or peers, observed in the market.
As liquid prices should include futures economic scenarios – among them climate-related matters – also prices of not actively traded securities are indirectly affected by any positive/ negative opinion of the market regarding the potential impact that climate-related matters could have on the issuer.

## Real Estates

Our internal Generali Real Estate Valuation Policy follows the general principles and definitions from the RICS - Red Book published by the Royal Institution of Chartered Surveyors (RICS) – in particular with reference to the article 2.6 - and the European Valuation Standards - Blue Book issued by the European Group of Valuers' Associations.
The valuation of each asset is carried out by an External Independent Valuer who, following the abovementioned global

standards, considers the Sustainability, ESG, and Climate change aspects that could affect the property value, and that must be declared by the Asset Manager, such as:

- The presence of hazardous materials, that could have harmful impacts to the building or physical persons;
- The zone map, assessing the key physical risks (including flooding, wildfires, storms and others) for each asset location;
- The Insurance premiums paid for each building, that also integrate the climate risk.

The climate risk is therefore an integral part of our valuation process, that will be further strengthen as the global regulation and the local best practices on the topic will evolve.

Generali Real Estate has launched a process of further integration of ESG topics also in the valuation area, which will lead to greater involvement of valuation companies, a strengthening of the Valuation Policy and in general the implementation of a shared framework.

### Non-Life technical provisions

In non-life, climate change may potentially affect (for climate change effects that have already occurred) or could affect (for climate change effects that may arise in the future) the frequency and magnitude of insured events, in a way that is strongly dependent on geography and peril. There is still much uncertainty on the exact extent of these effects until now and in the future, given the volatility of the phenomena being measured. However, Generali is following rigorous practices to tackle this challenge.

Regarding non-life liabilities, Generali regularly monitors risk within its system of risk governance. Materiality assessments are made regularly to verify what territory and perils may be subject to either:

- an increase in frequency and severity of known risks in specific territories and perils or
- to the emergence of new risks.

This allows the Group to adjust to changes, if any, and to put in place the necessary measures that may help in mitigating the risk, as better outlined in the following paragraphs.

Generali is exposed to natural events and to a number of hazards that may be impacted by climate change within the territories where it operates. The main exposures are in continental Europe, where the Group is most concentrated, although the Group also sells covers and is therefore exposed in a number of territories worldwide. The Group regularly monitors its concentrations of risks and uses external models and actuarial techniques to assess the probability of insured losses under the current climate. Sensitivity analyses may be conducted to evaluate the models used in a number of areas. This allows the Group to monitor the risk within its Partial Internal Model, which is recognized under Solvency II, and to adopt and calibrate the most suitable mitigation strategies. Given that most policies being sold are one-year policies, and that multiyear policies often include contractual clauses that allow flexibility, e.g. in case of losses, this approach is deemed appropriate for assessing the current challenges of climate change.

Regarding premiums, tariffs and rates are constantly monitored and updated as necessary, also to capture chronic and acute climate related hazards, as appropriate. Technically, actuarial models and techniques are being used in a growing number of cases, to ensure the best pricing of risk possible.

Regarding claims and technical reserves, these are regularly processed and estimated using up-to-date accounting and actuarial techniques, which continue to be adequate also in case of claims tied to events that can be impacted by climate change.

## 53 Events after the reporting period

With reference to the recent Russian-Ukrainian conflict, the Group considered the events in question as a non-adjusting event pursuant to IAS 10. The Group will continue to monitor the overall evolution of the conflict in order to assess the potential impacts in the business segments and in the various geographical areas in which it operates, continuing to implement, other than those already announced, all possible risk mitigation measures.

For further details relating to subsequent events, please refer to the Management Report, section *Significant events after 31 December 2021 and 2022 corporate event calendar* at page 19.

# Appendices to the Notes

## Tangible and intangible assets

## Appendix 3

| (€ million) | At cost | At revalued amount or at fair value | Total |
|---|---|---|---|
| Land and buildings (investment properties) | 16,867 | | 16,867 |
| Land and buildings (self used) | 2,965 | | 2,965 |
| Other tangible assets | 1,025 | | 1,025 |
| Other intangible assets | 2,363 | | 2,363 |

## Amounts ceded to reinsurers from insurance provisions

## Appendix 4

| (€ million) | Direct insurance | | Accepted reinsurance | | Total book value | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Non-life amounts ceded to reinsurers from insurance provisions (*)** | **2,197** | **1,713** | **1,629** | **851** | **3,825** | **2,565** |
| Provisions for unearned premiums | 346 | 207 | 135 | 91 | 481 | 298 |
| Provisions for outstanding claims | 1,848 | 1,505 | 1,493 | 760 | 3,342 | 2,265 |
| Other insurance provisions | 2 | 1 | 1 | 0 | 3 | 2 |
| **Life amounts ceded to reinsurers from insurance provisions (*)** | **1,235** | **1,058** | **1,585** | **1,484** | **2,821** | **2,542** |
| Provisions for outstanding claims | 660 | 555 | 795 | 749 | 1,456 | 1,304 |
| Mathematical provisions | 506 | 411 | 725 | 670 | 1,231 | 1,081 |
| Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds | 37 | 43 | 0 | 0 | 37 | 43 |
| Other insurance provisions | 32 | 50 | 65 | 65 | 97 | 115 |
| **Total** | **3,432** | **2,772** | **3,214** | **2,335** | **6,646** | **5,107** |

(*) After the elimination of intra-group transactions between segments.

## Financial assets

Appendix 5

| (€ million) | Held to maturity investments | | Loans and receivables | | Available for sale financial assets | | Financial assets at fair value through profit or loss | | | | Total book value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Financial assets held for trading | | Financial assets designated as at fair value through profit or loss | | | |
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Equities at cost | | | | | 21 | 20 | | | | | 21 | 20 |
| Equities at fair value | | | | | 10,278 | 7,872 | 0 | 0 | 5,236 | 3,896 | 15,514 | 11,768 |
| of which quoted equities | | | | | 8,402 | 6,063 | 0 | 0 | 3,823 | 2,731 | 12,226 | 8,794 |
| Bonds | 1,687 | 1,983 | 12,317 | 13,051 | 289,930 | 289,158 | 5 | 3 | 11,440 | 9,381 | 315,379 | 313,575 |
| of which quoted bonds | 1,687 | 1,983 | | | 286,249 | 285,988 | 5 | 2 | 10,546 | 8,444 | 298,487 | 296,417 |
| Investment fund units | | | | | 45,800 | 37,128 | 423 | 0 | 106,257 | 87,896 | 152,481 | 125,023 |
| Loans and receivables from customers | | | 1,933 | 1,754 | | | | | | | 1,933 | 1,754 |
| Loans and receivables from banks | | | 336 | 206 | | | | | | | 336 | 206 |
| Deposits under reinsurance business accepted | | | 3,382 | 3,278 | | | | | | | 3,382 | 3,278 |
| Deposit components of reinsurance contracts | | | | | | | | | | | 0 | 0 |
| Other loans and receivables | | | 13,452 | 12,567 | | | | | | | 13,452 | 12,567 |
| Derivatives | | | | | | | 1,147 | 1,197 | 27 | 209 | 1,174 | 1,406 |
| Hedging derivatives (*) | | | | | | | | | 686 | 1,549 | 686 | 1,549 |
| Other financial investments | 0 | 0 | | | 2,543 | 2,828 | 0 | 0 | 1,785 | 1,318 | 4,328 | 4,146 |
| **Total** | **1,687** | **1,983** | **31,420** | **30,856** | **348,572** | **337,005** | **1,576** | **1,200** | **125,431** | **104,248** | **508,685** | **475,292** |

(*) In accordance with Regolamento n° 7 of 13 July 2007 hedging derivatives are only derivatives for which hedge accounting is applied.

## Assets and liabilities related to policies where the investment risk is borne by policyholders and to pensions funds

**Appendix 6**

| (€ million) | Policies where the investment risk is borne by the policyholders | | Pension funds | | Total | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Assets | 103,105 | 81,248 | 4,138 | 3,665 | 107,243 | 84,914 |
| Intra-group assets (*) | | | | | | |
| **Total** | **103,105** | **81,248** | **4,138** | **3,665** | **107,243** | **84,914** |
| Financial liabilities | 2,209 | 1,675 | 3,829 | 3,606 | 6,038 | 5,281 |
| Insurance provisions (**) | 102,187 | 80,315 | 257 | 13 | 102,444 | 80,328 |
| Intra-group liabilities (*) | | | | | | |
| **Total** | **104,396** | **81,989** | **4,086** | **3,620** | **108,482** | **85,609** |

(*) Intra-group assets and liabilities refer to assets and liabilities which are eliminated in the consolidation process.

(**) Insurance provisions are net of amounts ceded to reinsurers from insurance provisions.

## Insurance provisions

## Appendix 7

| (€ million) | Direct insurance | | Accepted reinsurance | | Total book value | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Non-life insurance provisions (*)** | **36,163** | **31,463** | **1,922** | **1,537** | **38,086** | **33,000** |
| Provisions for unearned premiums | 7,110 | 5,933 | 232 | 205 | 7,342 | 6,138 |
| Provisions for outstanding claims | 28,710 | 25,202 | 1,680 | 1,326 | 30,389 | 26,528 |
| Other insurance provisions | 343 | 329 | 11 | 6 | 355 | 335 |
| of which provisions for liability adequacy test | 0 | 0 | 0 | 0 | 0 | 0 |
| **Life insurance provisions (*)** | **436,057** | **404,317** | **5,306** | **5,013** | **441,363** | **409,330** |
| Provisions for outstanding claims | 6,567 | 5,981 | 2,452 | 2,320 | 9,019 | 8,301 |
| Mathematical provisions | 277,779 | 259,437 | 2,598 | 2,449 | 280,377 | 261,886 |
| Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds | 102,477 | 80,365 | 5 | 5 | 102,481 | 80,370 |
| Other insurance provisions | 49,235 | 58,534 | 252 | 238 | 49,487 | 58,772 |
| of which provisions for liability adequacy test | 1,287 | 1,062 | 5 | 5 | 1,292 | 1,067 |
| of which deferred policyholder liabilities | 22,356 | 33,833 | | | 22,356 | 33,833 |
| **Total provisions** | **472,221** | **435,780** | **7,228** | **6,550** | **479,449** | **442,330** |

(*) After the elimination of intra-group transactions between segments.

## Financial liabilities

## Appendix 8

| (€ million) | Financial liabilities at fair value through profit or loss | | | | Other financial liabilities | | Total book value | |
|---|---|---|---|---|---|---|---|---|
| | Financial liabilities held for trading | | Financial liabilities designated as at fair value through profit or loss | | | | | |
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Preference shares | | | | | | | 0 | 0 |
| Subordinated liabilities | | | | | 8,760 | 7,681 | 8,760 | 7,681 |
| Financial liabilities related to investment contracts issued by insurance companies | | | 6,246 | 5,435 | 2,070 | 6,386 | 8,316 | 11,822 |
| where the investment risk is borne by the policyholders | | | 2,209 | 1,675 | | | 2,209 | 1,675 |
| pension funds | | | 3,829 | 3,606 | | | 3,829 | 3,606 |
| other liabilities related to investment contracts | | | 208 | 154 | 2,070 | 6,386 | 2,278 | 6,541 |
| Deposits received from reinsurers | | | | | 1,676 | 1,629 | 1,676 | 1,629 |
| Deposit components of insurance contract | | | | | | | 0 | 0 |
| Bonds | | | | | 1,737 | 1,738 | 1,737 | 1,738 |
| Liabilities to customers | | | | | 18,078 | 15,430 | 18,078 | 15,430 |
| Liabilities to banks | | | | | 728 | 494 | 728 | 494 |
| Other loans | | | | | 5,347 | 3,511 | 5,347 | 3,511 |
| Derivatives | 1,074 | 799 | | | | | 1,074 | 799 |
| Hedging derivatives (*) | | | 1,966 | 925 | | | 1,966 | 925 |
| Other financial liabilities | | | 32 | 39 | | | 32 | 39 |
| **Total** | **1,074** | **799** | **8,244** | **6,399** | **38,396** | **36,871** | **47,713** | **44,068** |

(*) In accordance with Regolamento n° 7 of 13 July 2007 hedging derivatives are only derivatives for which hedge accounting is applied.

## Technical insurance items

## Appendix 9

| (€ million) | 31/12/2021 | | | 31/12/2020 | | |
|---|---|---|---|---|---|---|
| | Gross amount | Reinsurers' share | Net amount | Gross amount | Reinsurers' share | Net amount |
| **NON-LIFE SEGMENT** | | | | | | |
| NET EARNED PREMIUMS | 23,799 | -1,649 | 22,151 | 22,175 | -1,289 | 20,886 |
| a Premiums written | 24,120 | -1,740 | 22,380 | 22,211 | -1,323 | 20,888 |
| b Change in the provisions for unearned premiums | -321 | 91 | -230 | -36 | 34 | -2 |
| NET INSURANCE BENEFITS AND CLAIMS | -15,304 | 1,439 | -13,866 | -13,409 | 665 | -12,744 |
| a Claims paid | -14,095 | 758 | -13,337 | -13,468 | 696 | -12,772 |
| b Change in the provisions for outstanding claims | -1,200 | 682 | -519 | 162 | -36 | 126 |
| c Change in claims to be recovered | 56 | -1 | 55 | 15 | 6 | 20 |
| d Change in other insurance provisions | -65 | 0 | -65 | -117 | -1 | -118 |
| **LIFE SEGMENT** | | | | | | |
| NET PREMIUMS | 50,185 | -1,652 | 48,533 | 45,218 | -1,637 | 43,582 |
| NET INSURANCE BENEFITS AND CLAIMS | -60,475 | 1,370 | -59,105 | -48,647 | 1,380 | -47,267 |
| a Claims paid | -37,694 | 1,190 | -36,504 | -33,343 | -0 | -33,344 |
| b Change in the provisions for outstanding claims | -244 | 109 | -135 | -1,522 | 715 | -807 |
| c Change in the mathematical provisions | -3,390 | 77 | -3,313 | -6,985 | 588 | -6,397 |
| d Change in the provisions for policies where the investment risk is borne by the policyholders and the provisions for pension funds | -17,622 | -8 | -17,630 | -5,175 | 1 | -5,174 |
| e Change in other insurance provisions | -1,525 | 2 | -1,523 | -1,621 | 76 | -1,545 |

## Income and expenses from investments, receivables and payables

Appendix 10

| (€ million) | Interests | Other income | Other expenses | Realized gains | Realized losses | Total realized gains and losses | Unrealized gains and reversal of impairment losses | | Unrealized losses and impairment losses | | Total unrealized gains and losses | Total income and expenses 31/12/2021 | Total income and expenses 31/12/2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Unrealized gains | Reversal of impairment losses | Unrealized losses | Impairment losses | | | |
| **Income and expenses from investments** | **7,934** | **3,773** | **-455** | **3,893** | **-1,682** | **13,463** | **11,934** | **30** | **-3,677** | **-510** | **7,777** | **21,240** | **12,780** |
| a from land and buildings (investment properties) | | 955 | -455 | 507 | -11 | 996 | | 13 | | -105 | -92 | 903 | 469 |
| b from investments in subsidiaries, associated companies and joint ventures | | 215 | | 29 | -1 | 243 | | 1 | | -8 | -8 | 235 | 42 |
| c from held to maturity investments | 131 | | 0 | 1 | 0 | 133 | | 0 | | -4 | -3 | 129 | 162 |
| d from loans and receivables | 901 | | 0 | 109 | -2 | 1,008 | | 16 | | -116 | -99 | 909 | 873 |
| e from available for sale financial assets | 6,359 | 2,266 | -0 | 1,792 | -455 | 9,961 | | 0 | | -277 | -277 | 9,684 | 9,146 |
| f from financial assets held for trading | 102 | 10 | 0 | 425 | -651 | -114 | 214 | | -333 | | -119 | -233 | 201 |
| g from financial assets designated as at fair value through profit or loss | 441 | 327 | 0 | 1,030 | -561 | 1,237 | 11,719 | | -3,344 | | 8,376 | 9,613 | 1,887 |
| **Income and expenses from receivables** | **7** | | | **0** | **-7** | **0** | | **56** | | **-34** | **22** | **22** | **33** |
| **Income and expenses from cash and cash equivalents** | **50** | | | | | **50** | | | | | **0** | **50** | **41** |
| **Income and expenses from financial liabilities** | **-1,173** | **0** | **-0** | **97** | **-66** | **-1,142** | **415** | **0** | **-555** | **0** | **-140** | **-1,282** | **-1,243** |
| a from financial liabilities held for trading | -65 | | | 97 | -66 | -34 | 409 | | -555 | | -146 | -181 | -95 |
| b from financial liabilities designated as at fair value through profit or loss | -371 | | | 0 | -0 | -371 | 6 | | 0 | | 6 | -365 | -216 |
| c from other financial liabilities | -736 | | -0 | 0 | -0 | -736 | | | | | 0 | -736 | -932 |
| **Income and expenses from payables** | | | | | | **0** | | | | | **0** | **0** | |
| **Total** | **6,818** | **3,773** | **-455** | **3,990** | **-1,755** | **12,371** | **12,349** | **86** | **-4,232** | **-545** | **7,658** | **20,030** | **11,612** |

## Acquisition and administration costs of insurance business

**Appendix 11**

| (€ million) | Non-life segment | | Life segment | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Commissions and other acquisition costs | 5,436 | 4,956 | 4,652 | 4,201 |
| a Acquisition and administration commissions | 4,393 | 3,914 | 3,600 | 3,153 |
| b Other acquisition costs | 929 | 931 | 986 | 950 |
| c Change in deferred acquisition costs | -12 | -4 | 15 | 47 |
| d Collecting commissions | 125 | 116 | 51 | 51 |
| Commissions and profit commissions from reinsurers | -270 | -152 | -297 | -272 |
| Commissions and other acquisition costs net of commissions and profit commissions from reinsurers (*) | 101 | 85 | 471 | 429 |
| Other administration costs | 1,117 | 1,095 | 957 | 910 |
| **Total** | **6,383** | **5,984** | **5,782** | **5,269** |

(*) Before the elimination of intra-group transactions between segments.

## Details on other comprehensive income

## Appendix 12

| (€ million) | Allocation | | Transfer to profit and loss account | | Other transfer | | Total variation | | Taxes | | Amounts | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Items that may be reclassified to profit and loss in future periods** | | | | | | | | | | | | |
| Reserve for currency translation differences | 498 | -544 | 56 | -5 | | | 555 | -549 | -1 | 0 | -94 | -649 |
| Net unrealized gains and losses on investments available for sale | -2,040 | 1,131 | 125 | 274 | | | -1,915 | 1,406 | 599 | -328 | 7,131 | 9,046 |
| Net unrealized gains and losses on cash flows hedging derivatives | -129 | 58 | 53 | -29 | | | -76 | 29 | 16 | -14 | 46 | 123 |
| Net unrealized gains and losses on hedge of a net investment in foreign operations | -17 | 15 | -64 | -3 | | | -81 | 13 | 0 | 0 | -202 | -121 |
| Share of other comprehensive income of associates | 11 | 0 | -29 | 0 | | | -19 | 0 | -2 | 0 | 65 | 84 |
| Result of discontinued operations | 0 | 0 | 3 | 0 | | | 3 | 0 | 0 | 0 | 3 | 0 |
| Others | | | | | | | | | | | | |
| **Items that may not be reclassified to profit and loss in future periods** | | | | | | | | | | | | |
| Revenue reserve from valuation of equity | -0 | 0 | | | | | -0 | 0 | -2 | 0 | 0 | 0 |
| Result of discontinued operations | 0 | 0 | | | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserve for revaluation model on intangible assets | | | | | | | | | | | | |
| Reserve for revaluation model on tangible assets | | | | | | | | | | | | |
| Actuarial gains or losses arising from defined benefit plans | 366 | -180 | | | | | 366 | -180 | -134 | 77 | -1,100 | -1,466 |
| **TOTAL OTHER COMPREHENSIVE INCOME** | **-1,310** | **481** | **144** | **237** | | | **-1,167** | **718** | **476** | **-265** | **5,850** | **7,016** |

## Assets and liabilities measured at fair value on recurring and non-recurring basis: fair value hierarchy

Appendix 14

| (€ million) | Level 1 | | Level 2 | | Level 3 | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Financial assets and liabilities at fair value through profit or loss on recurring basis** | | | | | | | | |
| Available for sale financial assets | 288,332 | 300,963 | 46,684 | 27,089 | 13,557 | 8,953 | 348,572 | 337,005 |
| Financial assets at fair value through profit or loss | 111,116 | 93,837 | 13,552 | 8,497 | 2,338 | 3,114 | 127,006 | 105,447 |
| Financial assets held for trading | 64 | 14 | 1,506 | 1,185 | 5 | 0 | 1,576 | 1,200 |
| Financial assets designated at fair value through profit or loss | 111,052 | 93,822 | 12,046 | 7,312 | 2,333 | 3,114 | 125,431 | 104,248 |
| Investment properties | | | | | | | | |
| Tangible assets | | | | | | | | |
| Intangible assets | | | | | | | | |
| **Total financial assets at fair value** | **399,448** | **394,799** | **60,235** | **35,586** | **15,895** | **12,067** | **475,578** | **442,453** |
| Financial liabilities at fair value through profit or loss | 5,459 | 4,750 | 3,658 | 2,278 | 200 | 169 | 9,317 | 7,198 |
| Financial liabilities held for trading | 14 | 4 | 1,060 | 795 | 0 | 0 | 1,074 | 799 |
| Financial liabilities designated at fair value through profit or loss | 5,445 | 4,747 | 2,598 | 1,483 | 200 | 169 | 8,244 | 6,399 |
| **Total financial liabilities on recurring basis** | **5,459** | **4,750** | **3,658** | **2,278** | **200** | **169** | **9,317** | **7,198** |
| **Total financial assets and liabilities at fair value on non recurring basis** | | | | | | | | |
| Non-current assets or of discontinued operations | | | | | | | | |
| Non-current liabilities or of discontinued operations | | | | | | | | |

## Details of the variations of assets and liabilities measured at fair value on a recurring basis classified in Level 3

**Appendix 15**

| (€ million) | Available for sale financial assets | Financial assets at fair value through profit or loss | | Investment properties | Tangible assets | Intangible assets | Financial liabilities at fair value through profit or loss | |
|---|---|---|---|---|---|---|---|---|
| | | Financial assets held for trading | Financial assets designated as at fair value through profit or loss | | | | Financial liabilities held for trading | Financial liabilities designated as at fair value through profit or loss |
| **Opening balance** | **8,953** | **0** | **3,114** | | | | **0** | **169** |
| Purchases and issues | 3,224 | 450 | 362 | | | | 0 | 25 |
| Disposals through sales and settlements | -1,136 | -444 | -145 | | | | 0 | 0 |
| Pay-backs | -50 | 0 | -34 | | | | 0 | 0 |
| Net gains and losses recognized in P&L | 0 | 0 | -113 | | | | 0 | 0 |
| of which net unrealised gains and losses | | 0 | -113 | | | | 0 | 0 |
| Net unrealised gains and losses recognized in OCI | 1,789 | 0 | 0 | | | | 0 | 0 |
| Net transfers in Level 3 | 673 | 0 | 53 | | | | 0 | 0 |
| Net transfers out of Level 3 | -31 | 0 | -261 | | | | 0 | 0 |
| Other changes | 134 | 0 | -644 | | | | 0 | 6 |
| **Closing balance** | **13,557** | **5** | **2,333** | | | | **0** | **200** |

## Assets and liabilities not measured at fair value: fair value hierarchy

**Appendix 16**

| (€ million) | Book value | | Fair Value | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Level 1 | | Level 2 | | Level 3 | | Total | |
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Assets** | | | | | | | | | | |
| Held to maturity investments | 1,687 | 1,983 | 1,277 | 1,526 | 544 | 618 | 0 | 0 | 1,821 | 2,143 |
| Loans and receivables | 26,271 | 26,265 | 1,135 | 1,688 | 19,442 | 20,914 | 7,936 | 6,894 | 28,514 | 29,496 |
| Investments in subsidiaries, associated companies and joint ventures | 2,353 | 2,107 | 0 | 0 | 0 | 0 | 2,353 | 2,107 | 2,353 | 2,107 |
| Land and buildings (investment properties) | 16,867 | 15,124 | 0 | 0 | 0 | 0 | 27,103 | 24,660 | 27,103 | 24,660 |
| Other assets | 2,965 | 2,764 | 0 | 0 | 0 | 0 | 3,901 | 3,772 | 3,901 | 3,772 |
| **Totale assets** | **50,143** | **48,243** | **2,412** | **3,213** | **19,986** | **21,532** | **41,292** | **37,433** | **63,690** | **62,178** |
| **Liabilities** | | | | | | | | | | |
| Other liabilities | 34,008 | 28,263 | 10,456 | 10,273 | 18,210 | 13,409 | 6,600 | 6,142 | 35,266 | 29,824 |

## Consolidation area: interests in entities with significant minority interests

**Appendix 17**

| Entity Name | % Minority interests | % Availability to Minority Interests of voting rights in the General Shareholders' meeting | Consolidated Profit (loss) attributable to minority interests | Shareholders' equity attributable to minority interests | Summarised financial information | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Total Assets | Investments | Technical provisions | Financial Liabilities | Total liabilities and shareholders' equity | Net profit (loss) of the period | Dividends distributed to minority interests | Gross Premiums |
| Banca Generali Group | 48.86% | 48.86% | 158 | 569 | 16,481 | 13,749 | - | 14,515 | 1,182 | 325 | 140 | - |
| Generali China Life Insurance Co. Ltd | 50.00% | 50.00% | 69 | 706 | 14,564 | 13,966 | 10,250 | 2,041 | 1,331 | 146 | 36 | 2,449 |

# Change in the consolidation area*

| Newly consolidated: | |
|---|---|
| 1. | Agianico s.p. z.o.o., Warsaw |
| 2. | Alto 1 S.à r.l., Luxembourg |
| 3. | Andron RE, Trieste |
| 4. | BCC Assicurazioni S.p.A., Milan |
| 5. | BCC Vita S.p.A., Milan |
| 6. | BG (Suisse) SA, Lugano |
| 7. | Cattolica Agricola S.a.r.l., Verona |
| 8. | Cattolica Beni Immobili S.r.l., Verona |
| 9. | Cattolica Services S.c.p.a., Verona |
| 10. | CattRe S.A., Luxembourg |
| 11. | Dreiundvierzigste Verwaltungsgesellschaft DWI Grundbesitz MBH, Hamburg |
| 12. | Elics Services Holding SAS, Nanterre |
| 13. | Europ Assistance Malaysia SDN. BHD., Kuala Lumpur |
| 14. | Europ Assistance Singapore Pte. Ltd, Singapore |
| 15. | Europ Assistance (Thailand) Company Limited, Bangkok |
| 16. | Fondo Andromaca, Conegliano |
| 17. | Fondo Euripidem Conegliano |
| 18. | Fondo Girolamo, Milan |
| 19. | Fondo Innovazione Salute, Milan |
| 20. | Fondo Perseide, Milan |
| 21. | Fondo San Zeno, Milan |
| 22. | Generali Slovenská distribúcia, a. s., Bratislava |
| 23. | GREDIF Finance Sarl, Luxembourg |
| 24. | Living Fund PropCo I S.à r.l., Luxembourg |
| 25. | NEC Initiative, Paris |
| 26. | PAN EU London 1 Sarl, Luxembourg |
| 27. | Pankrác East a.s., Prague |
| 28. | Pankrác West a.s., Prague |
| 29. | Savatiano s.p. z.o.o., Warsaw |
| 30. | S.C. Genagricola Romania S.r.l., Sannicolau Mare |
| 31. | Società Cattolica di Assicurazioni S.p.A., Verona |
| 32. | TS PropCo Ltd, St. Helier |
| 33. | TUA Assicurazioni S.p.A., Milan |
| 34. | Vera Assicurazioni S.p.A., Verona |
| 35. | Vera Financial, Dublin |
| 36. | Vera Protezione S.p.A., Verona |
| 37. | Vera Vita S.p.A., Verona |

| Company disposed of/wound up/merged in: | |
|---|---|
| 1. | AG SE&A Prestação de Serviços e Partecipações Ltda., San Paolo |
| 2. | Atacama Investments Ltd, Tortola - Merged in Asesoria e Inversiones Los Olmos SA |
| 3. | Bien Être Assistance S.A.S., Clichy - Merged in Europ Assistance France S.A.S. |
| 4. | BILIKI Plac M, Warsaw - Merged in Plac M LP Spółka Z Ograniczoną Odpowiedzialnością |
| 5. | British Corner s.r.o., Prague |
| 6. | Calm Eagle Portugal, Sociedad Unipersonal, Lda., Lisbon - Merged in AdvanceCare, Gestão de Serviços de Saúde, S.A. |
| 7. | Care Consult Versicherungsmakler GmbH, Vienna - Merged in Europäische Reiseversicherung Aktiengesellschaft |
| 8. | CareLinx Inc., San Bruno |
| 9. | Česká pojišťovna ZDRAVÍ a.s., Prague - Merged in Generali Česká Pojišťovna a.s. |
| 10. | Concordia Polska Towarzystwo Ubezpieczeń S.A., Poznan - Merged in Generali Towarzystwo Ubezpieczeń Spółka Akcyjna |
| 11. | CP Strategic Investments N.V., Amsterdam - Merged in CZI Holdings N.V. |
| 12. | CZI Holdings N.V., Amsterdam - Merged in Generali CEE Holding B.V. |
| 13. | Direct Care s.r.o., Prague - Merged in Acredité s.r.o. |
| 14. | Europ Assistance France S.A., Gennevilliers |
| 15. | Europ Assistance Insurance Brokers Co., Ltd. (China), Shanghai |
| 16. | Europ Téléassistance S.A.S., Gennevilliers |
| 17. | Fondo Immobiliare Schubert - comparto 2, Trieste |
| 18. | Fondo Rubens, Trieste |
| 19. | Generali Cliente, Agencia de Seguros Exclusiva, SL, Madrid |
| 20. | Generali Insurance Brokers – Russia and CIS Limited Liability Company, Moscow |
| 21. | Generali Warranty Services, LLC, Wilmington |
| 22. | GRE PAN-EU Berlin 1 S.à r.l., Luxembourg |
| 23. | Grundstücksgesellschaft Einkaufszentrum Marienplatz-Galerie Schwerin mbH & Co. KG, Cologne - Merged in Generali Deutschland Versicherung AG |
| 24. | GSS - Generali Shared Services S.c.a.r.l., Trieste - Merged in Generali Operations Service Platform S.r.l. |
| 25. | Ocealis S.A.S., Clichy |
| 26. | Plac M GP Spółka Z Ograniczoną Odpowiedzialnością, Warsaw - Merged in Plac M LP Spółka Z Ograniczoną Odpowiedzialnością |
| 27. | Pojišťovna Patricie a.s., Prague - Merged in Generali Česká Pojišťovna a.s. |
| 28. | SCI Iris La Défense, Paris |
| 29. | SCI Terra Nova Montreuil, Paris |
| 30. | Transformovaný fond Generali penzijní společnosti, a.s., Prague |
| 31. | Transocean Holding LLC, Wilmington - Merged in Assicurazioni Generali S.p.A. |

* Consolidation area consists of companies consolidated “line by line”.

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| Assicurazioni Generali S.p.A. | 086 | EUR | 1,581,069,241 | G | 1 | 0.39 | | | 0.41 | 100.00 |
| | | | | | | | 0.01 | Generali Italia S.p.A. | | |
| Genertel S.p.A. | 086 | EUR | 23,000,000 | G | 1 | | 100.00 | Genertellife S.p.A. | 100.00 | 100.00 |
| UMS - Immobiliare Genova S.p.A. | 086 | EUR | 15,993,180 | G | 10 | | 99.90 | Generali Italia S.p.A. | 99.90 | 99.90 |
| Europ Assistance Italia S.p.A. | 086 | EUR | 12,000,000 | G | 1 | | 53.96 | Europ Assistance Holding S.A.S. | 100.00 | 100.00 |
| | | | | | | | 19.99 | Europ Assistance S.A. | | |
| | | | | | | | 26.05 | Generali Italia S.p.A. | | |
| Europ Assistance Trade S.p.A. | 086 | EUR | 540,000 | G | 11 | | 91.56 | Europ Assistance Italia S.p.A. | 100.00 | 100.00 |
| | | | | | | | 8.44 | Europ Assistance VAI S.p.A. | | |
| Europ Assistance VAI S.p.A. | 086 | EUR | 4,325,000 | G | 11 | | 100.00 | Europ Assistance Italia S.p.A. | 100.00 | 100.00 |
| Generali Investments Partners S.p.A. Società di Gestione Risparmio | 086 | EUR | 1,000,000 | G | 8 | | 68.54 | Alleanza Assicurazioni S.p.A. | 100.00 | 99.85 |
| | | | | | | | 31.46 | Generali Investments Holding S.p.A. | | |
| Generali Welion S.c.a.r.l. | 086 | EUR | 10,000 | G | 11 | | 1.00 | Genertel S.p.A. | 100.00 | 100.00 |
| | | | | | | | 1.00 | Generali Business Solutions S.c.p.A. | | |
| | | | | | | | 2.00 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 2.00 | Genertellife S.p.A. | | |
| | | | | | | | 94.00 | Generali Italia S.p.A. | | |
| Alleanza Assicurazioni S.p.A. | 086 | EUR | 210,000,000 | G | 1 | | 100.00 | Generali Italia S.p.A. | 100.00 | 100.00 |
| Società Cattolica di Assicurazioni S.p.A. | 086 | EUR | 685,043,940 | G | 1 | 84.64 | | | 84.64 | 84.64 |
| BCC Assicurazioni S.p.A. | 086 | EUR | 14,448,000 | G | 1 | | 70.00 | Società Cattolica di Assicurazioni S.p.A. | 70.00 | 59.25 |
| BCC Vita S.p.A. | 086 | EUR | 62,000,000 | G | 1 | | 70.00 | Società Cattolica di Assicurazioni S.p.A. | 70.00 | 59.25 |
| Genagricola - Generali Agricoltura S.p.A. | 086 | EUR | 219,900,000 | G | 11 | | 100.00 | Generali Italia S.p.A. | 100.00 | 100.00 |
| Agricola San Giorgio S.p.A. | 086 | EUR | 22,160,000 | G | 11 | | 100.00 | Genagricola - Generali Agricoltura S.p.A. | 100.00 | 100.00 |
| GenerFid S.p.A. | 086 | EUR | 240,000 | G | 11 | | 100.00 | Banca Generali S.p.A. | 100.00 | 51.01 |
| Banca Generali S.p.A. | 086 | EUR | 116,851,637 | G | 7 | | 9.69 | Generali Vie S.A. | 51.14 | 51.01 |
| | | | | | | | 0.44 | Genertel S.p.A. | | |
| | | | | | | | 2.45 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 4.91 | Genertellife S.p.A. | | |
| | | | | | | | 33.65 | Generali Italia S.p.A. | | |
| Fondo Scarlatti - Fondo Immobiliare chiuso | 086 | EUR | 528,779,228 | G | 10 | | 2.73 | Generali Vie S.A. | 87.83 | 87.79 |
| | | | | | | | 2.14 | Genertel S.p.A. | | |
| | | | | | | | 8.50 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 8.26 | Genertellife S.p.A. | | |
| | | | | | | | 66.19 | Generali Italia S.p.A. | | |
| Generali Real Estate S.p.A. | 086 | EUR | 780,000 | G | 10 | 100.00 | | | 100.00 | 100.00 |
| Fondo Immobiliare Mascagni | 086 | EUR | 2,215,542,221 | G | 10 | | 1.17 | Genertel S.p.A. | 100.00 | 100.00 |
| | | | | | | | 30.18 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 18.04 | Genertellife S.p.A. | | |
| | | | | | | | 50.61 | Generali Italia S.p.A. | | |
| Fondo Immobiliare Toscanini | 086 | EUR | 901,020,466 | G | 10 | | 1.45 | Generali Vie S.A. | 100.00 | 99.98 |
| | | | | | | | 0.28 | Genertel S.p.A. | | |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 33.23 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 22.10 | Genertellife S.p.A. | | |
| | | | | | | | 42.94 | Generali Italia S.p.A. | | |
| Generali Business Solutions S.c.p.A. | 086 | EUR | 7,853,626 | G | 11 | 1.22 | | | 100.00 | 99.72 |
| | | | | | | | 0.25 | Genertel S.p.A. | | |
| | | | | | | | 0.01 | Europ Assistance Italia S.p.A. | | |
| | | | | | | | 0.01 | Generali Welion S.c.a.r.l. | | |
| | | | | | | | 0.01 | Alfuturo Servizi Assicurativi s.r.l. | | |
| | | | | | | | 0.01 | Generali Real Estate S.p.A. SGR | | |
| | | | | | | | 0.01 | Generali Jeniot S.p.A. | | |
| | | | | | | | 1.29 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 0.57 | Banca Generali S.p.A. | | |
| | | | | | | | 0.27 | Genertellife S.p.A. | | |
| | | | | | | | 0.27 | Generali Insurance Asset Management S.p.A. Società di Gestione del Risparmio | | |
| | | | | | | | 0.05 | Generali Operations Service Platform S.r.l. | | |
| | | | | | | | 96.04 | Generali Italia S.p.A. | | |
| Axis Retail Partners S.p.A. | 086 | EUR | 120,000 | G | 10 | | 59.50 | Generali Investments Holding S.p.A. | 59.50 | 59.22 |
| Nextam Partners SIM S.p.A. | 086 | EUR | 1,100,000 | G | 8 | | 100.00 | Banca Generali S.p.A. | 100.00 | 51.01 |
| Fondo Living Fund Italia | 086 | EUR | 155,069,775 | G | 11 | | 15.86 | Fondo Immobiliare Mascagni | 100.00 | 100.00 |
| | | | | | | | 84.14 | Generali Real Estate Living Fund SICAV RAIF | | |
| Cattolica Agricola S.a.r.l. | 086 | EUR | 35,500,000 | G | 11 | | 100.00 | Società Cattolica di Assicurazioni S.p.A. | 100.00 | 84.64 |
| Cattolica Beni Immobili S.r.l. | 086 | EUR | 7,000,000 | G | 11 | | 100.00 | Società Cattolica di Assicurazioni S.p.A. | 100.00 | 84.64 |
| Cattolica Services S.c.p.a. | 086 | EUR | 20,954,083 | G | 11 | | 99.98 | Società Cattolica di Assicurazioni S.p.A. | 99.99 | 84.63 |
| | | | | | | | 0.01 | BCC Assicurazioni S.p.A. | | |
| | | | | | | | 0.01 | TUA Assicurazioni S.p.A. | | |
| | | | | | | | 0.00 | BCC Vita S.p.A. | | |
| | | | | | | | 0.00 | Cattolica Immobiliare S.p.A. | | |
| Fondo Andromaca | 086 | EUR | 27,995,742 | G | 10 | | 100.00 | Società Cattolica di Assicurazioni S.p.A. | 100.00 | 84.64 |
| Fondo Euripide | 086 | EUR | 504,534,842 | G | 10 | | 67.95 | Società Cattolica di Assicurazioni S.p.A. | 83.89 | 66.93 |
| | | | | | | | 2.50 | BCC Vita S.p.A. | | |
| | | | | | | | 1.82 | TUA Assicurazioni S.p.A. | | |
| | | | | | | | 0.50 | Vera Assicurazioni S.p.A. | | |
| | | | | | | | 1.30 | Vera Protezione S.p.A. | | |
| | | | | | | | 9.82 | Vera Vita S.p.A. | | |
| Fondo Girolamo | 086 | EUR | 132,580,952 | G | 10 | | 74.51 | Società Cattolica di Assicurazioni S.p.A. | 100.00 | 80.49 |
| | | | | | | | 0.61 | BCC Assicurazioni S.p.A. | | |
| | | | | | | | 15.75 | BCC Vita S.p.A. | | |
| | | | | | | | 9.13 | TUA Assicurazioni S.p.A. | | |
| Fondo Innovazione Salute | 086 | EUR | 78,908,185 | G | 10 | | 74.91 | Società Cattolica di Assicurazioni S.p.A. | 82.14 | 69.35 |
| | | | | | | | 0.67 | BCC Assicurazioni S.p.A. | | |
| | | | | | | | 6.56 | TUA Assicurazioni S.p.A. | | |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % | | | | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Direct | Indirect | Through | Total | |
| CityLife S.p.A. | 086 | EUR | 351,941 | G | 10 | | 100.00 | Generali Italia S.p.A. | 100.00 | 100.00 |
| Residenze CYL S.p.A. | 086 | EUR | 39,921,667 | G | 10 | | 0.30 | CityLife S.p.A. | 66.67 | 66.67 |
| | | | | | | | 66.37 | Generali Italia S.p.A. | | |
| CityLife Sviluppo 2 S.r.l. | 086 | EUR | 10,000 | G | 10 | | 100.00 | Fondo Immobiliare Mantegna | 100.00 | 99.65 |
| D.A.S. Difesa Automobilistica Sinistri - S.p.A. di Assicurazione | 086 | EUR | 2,750,000 | G | 1 | | 50.01 | Generali Italia S.p.A. | 50.01 | 50.01 |
| D.A.S. Legal Services S.r.l. | 086 | EUR | 100,000 | G | 11 | | 100.00 | D.A.S. Difesa Automobilistica Sinistri - S.p.A. di Assicurazione | 100.00 | 50.01 |
| Generali Real Estate Debt Investment Fund Italy (GREDIF ITA) | 086 | EUR | 297,400,000 | G | 10 | | 100.00 | Generali Real Estate Debt Investment Fund S.C.Sp RAIF | 100.00 | 92.70 |
| Alfuturo Servizi Assicurativi s.r.l. | 086 | EUR | 70,000 | G | 11 | | 100.00 | Alleanza Assicurazioni S.p.A. | 100.00 | 100.00 |
| Fondo Canaletto | 086 | EUR | 270,394,219 | G | 10 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Generali Real Estate S.p.A. SGR | 086 | EUR | 6,732,889 | G | 8 | | 100.00 | Generali Real Estate S.p.A. | 100.00 | 100.00 |
| Generali Investments Holding S.p.A. | 086 | EUR | 41,360,000 | G | 9 | 37.72 | | | 100.00 | 99.52 |
| | | | | | | | 28.29 | Generali Deutschland AG | | |
| | | | | | | | 33.99 | Generali France S.A. | | |
| Fondo Donizetti | 086 | EUR | 2,306,880,179 | G | 10 | | 0.81 | Europ Assistance Italia S.p.A. | 100.00 | 100.00 |
| | | | | | | | 27.83 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 16.55 | Genertellife S.p.A. | | |
| | | | | | | | 54.81 | Generali Italia S.p.A. | | |
| Fondo Immobiliare Mantegna | 086 | EUR | 342,414,014 | G | 10 | | 100.00 | Generali Core High Street Retail Fund | 100.00 | 99.65 |
| Fondo Immobiliare Tiepolo | 086 | EUR | 230,385,916 | G | 10 | | 100.00 | Generali Real Estate Asset Repositioning S.A. | 100.00 | 99.47 |
| Fondo Immobiliare Schubert - comparto 1 | 086 | EUR | 110,353,775 | G | 10 | | 100.00 | Generali Core+ Fund GP | 100.00 | 96.48 |
| Fondo Immobiliare Segantini | 086 | EUR | 148,449,830 | G | 10 | | 100.00 | Generali Real Estate Logistics Fund S.C.S. SICAV-RAIF | 100.00 | 98.15 |
| Genertellife S.p.A. | 086 | EUR | 168,200,000 | G | 1 | | 100.00 | Generali Italia S.p.A. | 100.00 | 100.00 |
| Generali Operations Service Platform S.r.l. | 086 | EUR | 494,030 | G | 11 | 95.00 | | | 95.00 | 95.00 |
| Fondo Perseide | 086 | EUR | 140,830,278 | G | 10 | | 79.42 | Società Cattolica di Assicurazioni S.p.A. | 89.14 | 74.28 |
| | | | | | | | 4.63 | BCC Vita S.p.A. | | |
| | | | | | | | 5.09 | TUA Assicurazioni S.p.A. | | |
| Fondo San Zeno | 086 | EUR | 213,604,064 | G | 10 | | 67.89 | Società Cattolica di Assicurazioni S.p.A. | 87.50 | 69.08 |
| | | | | | | | 19.61 | BCC Vita S.p.A. | | |
| Generali Jeniot S.p.A. | 086 | EUR | 3,100,000 | G | 11 | | 100.00 | Generali Italia S.p.A. | 100.00 | 100.00 |
| TUA Assicurazioni S.p.A. | 086 | EUR | 23,160,630 | G | 1 | | 100.00 | Società Cattolica di Assicurazioni S.p.A. | 100.00 | 84.64 |
| Vera Assicurazioni S.p.A. | 086 | EUR | 63,500,000 | G | 1 | | 65.00 | Società Cattolica di Assicurazioni S.p.A. | 65.00 | 55.02 |
| Vera Protezione S.p.A. | 086 | EUR | 47,500,000 | G | 1 | | 100.00 | Vera Assicurazioni S.p.A. | 100.00 | 55.02 |
| Vera Vita S.p.A. | 086 | EUR | 219,600,005 | G | 1 | | 65.00 | Società Cattolica di Assicurazioni S.p.A. | 65.00 | 55.02 |
| Generali Italia S.p.A. | 086 | EUR | 1,618,628,450 | G | 1 | 100.00 | | | 100.00 | 100.00 |
| Generali Insurance Asset Management S.p.A. Società di Gestione del Risparmio | 086 | EUR | 60,085,000 | G | 8 | | 100.00 | Generali Investments Holding S.p.A. | 100.00 | 99.52 |
| Plenisfer Investments S.p.A. SGR | 086 | EUR | 5,000,000 | G | 8 | | 70.00 | Generali Investments Holding S.p.A. | 70.00 | 69.67 |
| Andron RE | 086 | EUR | 35,000,000 | G | 11 | | 50.00 | Generali Italia S.p.A. | 100.00 | 100.00 |
| | | | | | | | 30.00 | Genertellife S.p.A. | | |
| | | | | | | | 20.00 | Alleanza Assicurazioni S.p.A. | | |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % | | | | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Direct | Indirect | Through | Total | |
| Dialog Lebensversicherungs-Aktiengesellschaft | 094 | EUR | 2,045,200 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| GDPK-FI1 GmbH & Co. offene Investment KG | 094 | EUR | 10,000 | G | 9 | | 100.00 | Generali Deutschland Pensionskasse AG | 100.00 | 100.00 |
| Generali Health Solutions GmbH | 094 | EUR | 25,000 | G | 11 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Generali Deutschland AG | 094 | EUR | 137,560,202 | G | 5 | 4.04 | | | 100.00 | 100.00 |
| | | | | | | | 94.10 | Generali Beteiligungs-GmbH | | |
| | | | | | | | 1.86 | Alleanza Assicurazioni S.p.A. | | |
| Generali Deutschland Lebensversicherung AG | 094 | EUR | 71,269,998 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Generali Deutschland Versicherung AG | 094 | EUR | 136,463,896 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Generali Deutschland Krankenversicherung AG | 094 | EUR | 34,017,984 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Europ Assistance Services GmbH | 094 | EUR | 250,000 | G | 11 | | 100.00 | Europ Assistance S.A. | 100.00 | 99.99 |
| Cosmos Lebensversicherungs Aktiengesellschaft | 094 | EUR | 11,762,200 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Cosmos Versicherung Aktiengesellschaft | 094 | EUR | 9,205,200 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| ENVIVAS Krankenversicherung Aktiengesellschaft | 094 | EUR | 1,022,800 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| ADVOCARD Rechtsschutzversicherung AG | 094 | EUR | 12,920,265 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Generali Deutschland Pensionskasse AG | 094 | EUR | 7,500,000 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Generali Beteiligungs-GmbH | 094 | EUR | 1,005,000 | G | 4 | 100.00 | | | 100.00 | 100.00 |
| Generali Deutschland Finanzierungs-GmbH | 094 | EUR | 17,895,500 | G | 10 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 |
| VVS Vertriebsservice für Vermögensberatung GmbH | 094 | EUR | 250,000 | G | 11 | | 100.00 | ATLAS Dienstleistungen für Vermögensberatung GmbH | 100.00 | 74.00 |
| Generali Pensionsfonds AG | 094 | EUR | 5,100,000 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Generali European Real Estate Income Investments GmbH & Co. Geschlossene Investment KG | 094 | EUR | 509,663,042 | G | 10 | | 2.60 | Dialog Lebensversicherungs-Aktiengesellschaft | 100.00 | 100.00 |
| | | | | | | | 29.05 | Generali Deutschland Lebensversicherung AG | | |
| | | | | | | | 7.87 | Generali Deutschland Versicherung AG | | |
| | | | | | | | 29.53 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 22.49 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 1.20 | Cosmos Versicherung Aktiengesellschaft | | |
| | | | | | | | 1.02 | ADVOCARD Rechtsschutzversicherung AG | | |
| | | | | | | | 6.24 | Dialog Versicherung Aktiengesellschaft | | |
| Generali Northern America Real Estate Investments GmbH & Co. KG | 094 | EUR | 17,387,755 | G | 10 | | 45.42 | Generali Deutschland Lebensversicherung AG | 99.89 | 99.89 |
| | | | | | | | 27.24 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 27.24 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| AM Erste Immobilien AG & Co. KG | 094 | EUR | 53,875,499 | G | 10 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| CENTRAL Erste Immobilien AG & Co. KG | 094 | EUR | 4,823,507 | G | 10 | | 100.00 | Generali Deutschland Krankenversicherung AG | 100.00 | 100.00 |
| CENTRAL Zweite Immobilien AG & Co. KG | 094 | EUR | 12,371,997 | G | 10 | | 100.00 | Generali Deutschland Krankenversicherung AG | 100.00 | 100.00 |
| Deutsche Bausparkasse Badenia Aktiengesellschaft | 094 | EUR | 40,560,000 | G | 7 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| AM Vers Erste Immobilien AG & Co. KG | 094 | EUR | 16,775,749 | G | 10 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 |
| Generali Finanz Service GmbH | 094 | EUR | 26,000 | G | 11 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| AM Sechste Immobilien AG & Co. KG | 094 | EUR | 85,025,000 | G | 10 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| DBB Vermögensverwaltung GmbH & Co. KG | 094 | EUR | 21,214,579 | G | 10 | | 100.00 | Deutsche Bausparkasse Badenia Aktiengesellschaft | 100.00 | 100.00 |
| Generali Deutschland Services GmbH | 094 | EUR | 100,000 | G | 11 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| ATLAS Dienstleistungen für Vermögensberatung GmbH | 094 | EUR | 4,100,000 | G | 11 | | 74.00 | Generali Deutschland Lebensversicherung AG | 74.00 | 74.00 |
| Generali Deutschland Gesellschaft für bAV mbH | 094 | EUR | 60,000 | G | 11 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| Cosmos Finanzservice GmbH | 094 | EUR | 25,565 | G | 11 | | 100.00 | Cosmos Versicherung Aktiengesellschaft | 100.00 | 100.00 |
| Generali Vitality GmbH | 094 | EUR | 250,000 | G | 11 | 100.00 | | | 100.00 | 100.00 |
| FPS Immobilien Verwaltung SW 13 GmbH | 094 | EUR | 25,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| FLI Immobilien Verwaltungs SW 13 GmbH | 094 | EUR | 25,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| FFDTV Immobilien Verwaltung SW 13 GmbH | 094 | EUR | 25,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Generali Pensions- und SicherungsManagement GmbH | 094 | EUR | 25,000 | G | 11 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Grundstücksgesellschaft Einkaufszentrum Louisen-Center Bad Homburg mbH & Co. KG | 094 | EUR | 57,975,829 | G | 10 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| Dreiundvierzigste Verwaltungsgesellschaft DWI Grundbesitz MBH | 094 | EUR | 25,002 | G | 10 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| GID Fonds AAREC | 094 | EUR | 1,542,777,017 | G | 11 | | 0.99 | Dialog Lebensversicherungs-Aktiengesellschaft | 100.00 | 100.00 |
| | | | | | | | 41.32 | Generali Deutschland Lebensversicherung AG | | |
| | | | | | | | 46.44 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 11.25 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| GID Fonds ALAOT | 094 | EUR | 824,541,656 | G | 11 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| GID Fonds CLAOT | 094 | EUR | 274,669,026 | G | 11 | | 100.00 | Cosmos Lebensversicherungs Aktiengesellschaft | 100.00 | 100.00 |
| GID Fonds AVAOT | 094 | EUR | 96,323,444 | G | 11 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 |
| GID Fonds CEAOT | 094 | EUR | 763,364,727 | G | 11 | | 100.00 | Generali Deutschland Krankenversicherung AG | 100.00 | 100.00 |
| GID Fonds GDRET | 094 | EUR | 175,807,521 | G | 11 | | 21.38 | Generali Deutschland AG | 100.00 | 100.00 |
| | | | | | | | 2.95 | Cosmos Versicherung Aktiengesellschaft | | |
| | | | | | | | 28.51 | ADVOCARD Rechtsschutzversicherung AG | | |
| | | | | | | | 47.16 | Dialog Versicherung Aktiengesellschaft | | |
| GID Fonds AMLRET | 094 | EUR | 584,069,884 | G | 11 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| GID Fonds GVMET | 094 | EUR | 339,405,338 | G | 11 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 |
| Vofü Fonds I Hamburgische Grundbesitz und Anlage GmbH & Co.KG | 094 | EUR | 14,800,000 | G | 10 | | 54.19 | Generali Deutschland AG | 54.19 | 54.19 |
| GID-Fonds GPRET | 094 | EUR | 43,527,318 | G | 11 | | 94.35 | Generali Pensionsfonds AG | 94.35 | 94.35 |
| GID Fonds AVAOT II | 094 | EUR | 44,475,479 | G | 11 | | 74.93 | Generali Deutschland Versicherung AG | 100.00 | 100.00 |
| | | | | | | | 20.89 | Cosmos Versicherung Aktiengesellschaft | | |
| | | | | | | | 4.18 | Dialog Versicherung Aktiengesellschaft | | |
| GID Fonds ALRET | 094 | EUR | 2,374,522,987 | G | 11 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| GID Fonds CERET | 094 | EUR | 2,582,065,143 | G | 11 | | 100.00 | Generali Deutschland Krankenversicherung AG | 100.00 | 100.00 |
| GID-Fonds CLRET | 094 | EUR | 742,861,398 | G | 11 | | 100.00 | GID-Fonds CLRET 2 | 100.00 | 100.00 |
| GID Fonds DLRET | 094 | EUR | 79,010,376 | G | 11 | | 100.00 | Dialog Lebensversicherungs-Aktiengesellschaft | 100.00 | 100.00 |
| GID Fonds GDPRET | 094 | EUR | 2,582,636 | G | 11 | | 100.00 | Generali Deutschland Pensionskasse AG | 100.00 | 100.00 |
| GID Fonds GVRET | 094 | EUR | 325,717,484 | G | 11 | | 58.16 | Generali Deutschland Versicherung AG | 100.00 | 100.00 |
| | | | | | | | 41.84 | Dialog Versicherung Aktiengesellschaft | | |
| Gentum Nr. 1 | 094 | EUR | 766,218,873 | G | 11 | | 0.83 | Dialog Lebensversicherungs-Aktiengesellschaft | 100.00 | 100.00 |
| | | | | | | | 30.71 | Generali Deutschland Lebensversicherung AG | | |
| | | | | | | | 23.94 | Generali Deutschland Versicherung AG | | |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 24.47 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 9.39 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 1.15 | Cosmos Versicherung Aktiengesellschaft | | |
| | | | | | | | 2.44 | ADVOCARD Rechtsschutzversicherung AG | | |
| | | | | | | | 7.08 | Dialog Versicherung Aktiengesellschaft | | |
| GID Fonds AVRET | 094 | EUR | 143,018,851 | G | 11 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 |
| GID Fonds DLAET | 094 | EUR | 51,583,447 | G | 11 | | 100.00 | Dialog Lebensversicherungs-Aktiengesellschaft | 100.00 | 100.00 |
| GID-Fonds AAINF | 094 | EUR | 190,681,676 | G | 11 | | 45.90 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| | | | | | | | 29.10 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 25.00 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| GID-Fonds CLRET 2 | 094 | EUR | 1,990,238,947 | G | 11 | | 100.00 | Cosmos Lebensversicherungs Aktiengesellschaft | 100.00 | 100.00 |
| GID-Fonds ALAET | 094 | EUR | 293,791,687 | G | 11 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| GID-Fonds CLTGP | 094 | EUR | 1,734,678 | G | 11 | | 100.00 | Cosmos Lebensversicherungs Aktiengesellschaft | 100.00 | 100.00 |
| GID-Fonds ALAET II | 094 | EUR | 273,290,293 | G | 11 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| Dialog Versicherung Aktiengesellschaft | 094 | EUR | 5,000,000 | G | 2 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 |
| GIE-Fonds AADMSE | 094 | EUR | 955,022,615 | G | 11 | | 0.89 | Dialog Lebensversicherungs-Aktiengesellschaft | 100.00 | 100.00 |
| | | | | | | | 49.21 | Generali Deutschland Lebensversicherung AG | | |
| | | | | | | | 18.72 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 19.77 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 1.59 | ENVIVAS Krankenversicherung Aktiengesellschaft | | |
| | | | | | | | 9.82 | Generali Deutschland Pensionskasse AG | | |
| GIE-Fonds AASBWA | 094 | EUR | 339,522,431 | G | 11 | | 1.58 | Dialog Lebensversicherungs-Aktiengesellschaft | 100.00 | 100.00 |
| | | | | | | | 51.70 | Generali Deutschland Lebensversicherung AG | | |
| | | | | | | | 26.70 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 20.02 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| Main Square Beteiligungsgesellschaft mbH | 094 | EUR | 25,000 | G | 11 | | 5.04 | Gentum Nr. 1 | 100.00 | 99.34 |
| | | | | | | | 47.48 | SC GF Pierre | | |
| | | | | | | | 47.48 | Generali Real Estate Living Fund SICAV RAIF | | |
| Generali IARD S.A. | 029 | EUR | 94,630,300 | G | 2 | | 100.00 | Generali France S.A. | 100.00 | 98.60 |
| Generali Vie S.A. | 029 | EUR | 336,872,976 | G | 2 | | 100.00 | Generali France S.A. | 100.00 | 98.60 |
| L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature | 029 | EUR | 26,469,320 | G | 2 | | 99.99 | Generali IARD S.A. | 99.99 | 98.60 |
| | | | | | | | 0.01 | Generali Vie S.A. | | |
| GFA Caraïbes | 029 | EUR | 6,839,360 | G | 2 | | 100.00 | Generali IARD S.A. | 100.00 | 98.60 |
| Prudence Creole | 029 | EUR | 7,026,960 | G | 2 | | 95.86 | Generali IARD S.A. | 95.88 | 94.54 |
| | | | | | | | 0.01 | Generali France S.A. | | |
| SAS Lonthènes | 029 | EUR | 529,070 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| Europ Assistance Océanie S.A.S. | 029 | XPF | 24,000,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Generali France S.A. | 029 | EUR | 114,623,013 | G | 4 | 66.92 | | | 98.65 | 98.60 |
| | | | | | | | 31.73 | Generali Participations Netherlands N.V. | | |
| Europ Assistance Holding S.A.S. | 029 | EUR | 23,937,936 | G | 4 | 96.35 | | | 100.00 | 99.99 |
| | | | | | | | 3.65 | Generali Participations Netherlands N.V. | | |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| Cofifo S.A.S. | 029 | EUR | 66,231,390 | G | 9 | | 100.00 | Generali France S.A. | 100.00 | 98.60 |
| Suresnes Immobilier S.A.S. | 029 | EUR | 43,040,000 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| GEII Rivoli Holding SAS | 029 | EUR | 12,000,000 | G | 10 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Immobiliere Commerciale des Indes Orientales IMMOCIO | 029 | EUR | 134,543,500 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SAS IMMOCIO CBI | 029 | EUR | 61,058,016 | G | 10 | | 100.00 | Immobiliere Commerciale des Indes Orientales IMMOCIO | 100.00 | 98.60 |
| Europ Assistance S.A. | 029 | EUR | 48,123,637 | G | 2 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Europ Assistance Brokerage Solutions S.a.r.l. | 029 | EUR | 500,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| SCI Generali Reaumur | 029 | EUR | 10,643,469 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| Gconcierges S.A.S. | 029 | EUR | 50,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Generali Global Infrastructure S.A.S. | 029 | EUR | 1,000,000 | G | 8 | | 51.00 | Generali Investments Holding S.p.A. | 51.00 | 50.76 |
| Sycomore Factory SAS | 029 | EUR | 38,408,540 | G | 9 | | 62.04 | Generali Investments Holding S.p.A. | 62.04 | 61.75 |
| Sycomore Asset Management S.A. | 029 | EUR | 3,600,000 | G | 8 | | 100.00 | Sycomore Factory SAS | 100.00 | 61.75 |
| Sycomore Market Solutions SA | 029 | EUR | 1,000,000 | G | 8 | | 100.00 | Sycomore Factory SAS | 100.00 | 61.75 |
| Elics Services Holding SAS | 029 | EUR | 108,450 | G | 11 | | 80.00 | Europ Assistance Holding S.A.S. | 80.00 | 80.00 |
| NEC Initiative | 029 | EUR | 1,500,000 | G | 11 | | 100.00 | Sycomore Factory SAS | 100.00 | 61.75 |
| GEIH France OPCI | 029 | EUR | 149,271,500 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| SCI GRE PAN-EU 74 Rivoli | 029 | EUR | 1,000 | G | 10 | | 0.10 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| | | | | | | | 99.90 | GEIH France OPCI | | |
| SCI GRE PAN-EU 146 Haussmann | 029 | EUR | 1,000 | G | 10 | | 0.10 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| | | | | | | | 99.90 | GEIH France OPCI | | |
| PARCOLOG France | 029 | EUR | 82,329,809 | G | 10 | | 100.00 | Generali Real Estate Logistics Fund S.C.S. SICAV-RAIF | 100.00 | 98.15 |
| SCI du 68 Pierre Charron | 029 | EUR | 1,000 | G | 10 | | 0.10 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| | | | | | | | 99.90 | GEIH France OPCI | | |
| OPPCI K Archives | 029 | EUR | 16,500 | G | 10 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| OPPCI K Charlot | 029 | EUR | 15,300 | G | 10 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| GRE PANEU Cœur Marais SCI | 029 | EUR | 10,000 | G | 10 | | 0.01 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| | | | | | | | 99.99 | OPPCI K Archives | | |
| GRE PANEU Fhive SCI | 029 | EUR | 10,000 | G | 10 | | 0.01 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| | | | | | | | 99.99 | OPPCI K Charlot | | |
| SAS Retail One | 029 | EUR | 1,700,000 | G | 11 | | 100.00 | Retail One Fund SCSp RAIF | 100.00 | 97.07 |
| Retail One Fund OPPCI | 029 | EUR | 120,999,890 | G | 11 | | 35.29 | Generali Vie S.A. | 100.00 | 97.86 |
| | | | | | | | 15.80 | SC GF Pierre | | |
| | | | | | | | 48.91 | Retail One Fund SCSp RAIF | | |
| SCI Retail One | 029 | EUR | 105,470,860 | G | 10 | | 0.10 | Generali Vie S.A. | 100.00 | 97.86 |
| | | | | | | | 99.90 | Retail One Fund OPPCI | | |
| SCI PARCOLOG ISLE D'ABEAU 4 | 029 | EUR | 4,601,000 | G | 10 | | 0.10 | Sarl Parcolog Lyon Isle d'Abeau Gestion | 100.00 | 98.15 |
| | | | | | | | 99.90 | SC Generali Logistique | | |
| SCI Issy Bords de Seine 2 | 029 | EUR | 7,122,890 | G | 10 | | 50.00 | SC GF Pierre | 100.00 | 97.83 |
| | | | | | | | 50.00 | Generali Europe Income Holding S.A. | | |
| SCI du 54 Avenue Hoche | 029 | EUR | 152,400 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| SCI 42 Notre Dame Des Victoires | 029 | EUR | 12,663,630 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SCI Generali Wagram | 029 | EUR | 284,147 | G | 10 | | 100.00 | Generali IARD S.A. | 100.00 | 98.60 |
| SCI du Coq | 029 | EUR | 12,877,678 | G | 10 | | 0.81 | Generali IARD S.A. | 100.00 | 98.60 |
| | | | | | | | 99.19 | Generali Vie S.A. | | |
| SCI Espace Seine-Generali | 029 | EUR | 1,000 | G | 10 | | 0.10 | Generali IARD S.A. | 100.00 | 98.60 |
| | | | | | | | 99.90 | Generali Vie S.A. | | |
| SC GF Pierre | 029 | EUR | 149,513,936 | G | 10 | | 0.37 | Generali IARD S.A. | 100.00 | 98.60 |
| | | | | | | | 89.62 | Generali Vie S.A. | | |
| | | | | | | | 7.51 | L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature | | |
| | | | | | | | 2.49 | SCI Generali Wagram | | |
| SCI Landy-Novatis | 029 | EUR | 672,000 | G | 10 | | 0.10 | Generali Vie S.A. | 100.00 | 98.60 |
| | | | | | | | 99.90 | SCI Conso simplifiées Generali Vie (virtual entity) | | |
| SCI Cogipar | 029 | EUR | 10,000 | G | 10 | | 0.01 | Generali IARD S.A. | 100.00 | 98.60 |
| | | | | | | | 99.99 | Generali Vie S.A. | | |
| SC Commerce Paris | 029 | EUR | 1,746,570 | G | 10 | | 17.04 | Generali Vie S.A. | 100.00 | 98.60 |
| | | | | | | | 82.96 | SC GF Pierre | | |
| SCI Landy-Wilo | 029 | EUR | 1,000,000 | G | 10 | | 0.10 | Generali IARD S.A. | 100.00 | 98.60 |
| | | | | | | | 99.90 | Generali Vie S.A. | | |
| Europ Assistance Clearing Center GIE | 029 | EUR | | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| S.C. Generali Carnot | 029 | EUR | 10,525,000 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SCI Generali Commerce 1 | 029 | EUR | 100,000 | G | 10 | | 53.90 | SC GF Pierre | 100.00 | 98.60 |
| | | | | | | | 46.10 | SC Commerce Paris | | |
| SCI Generali Commerce 2 | 029 | EUR | 100,000 | G | 10 | | 0.06 | Generali IARD S.A. | 100.00 | 98.60 |
| | | | | | | | 99.94 | Generali Vie S.A. | | |
| SCI Generali le Moncey | 029 | EUR | 1,923,007 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SC Generali Logistique | 029 | EUR | 112,480,703 | G | 10 | | 100.00 | PARCOLOG France | 100.00 | 98.15 |
| SCI Parcolog Lille Hénin Beaumont 2 | 029 | EUR | 476,670 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| OPCI Parcolog Invest | 029 | EUR | 225,848,750 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| Sarl Parcolog Lyon Isle d'Abeau Gestion | 029 | EUR | 8,156 | G | 10 | | 100.00 | PARCOLOG France | 100.00 | 98.15 |
| SCI Parc Logistique Maisonneuve 1 | 029 | EUR | 1,070,000 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parc Logistique Maisonneuve 2 | 029 | EUR | 8,000 | G | 10 | | 0.01 | Generali Vie S.A. | 100.00 | 98.60 |
| | | | | | | | 99.99 | SC Generali Logistique | | |
| SCI Parc Logistique Maisonneuve 3 | 029 | EUR | 6,065,560 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parc Logistique Maisonneuve 4 | 029 | EUR | 5,471,190 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parcolog Isle D'Abeau 1 | 029 | EUR | 5,008,000 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parcolog Isle D'Abeau 2 | 029 | EUR | 2,008,000 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parcolog Isle D'Abeau 3 | 029 | EUR | 4,008,000 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parcolog Combs La Ville 1 | 029 | EUR | 7,001,000 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parcolog Bordeaux Cestas | 029 | EUR | 9,508,000 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parcolog Marly | 029 | EUR | 7,001,000 | G | 10 | | 100.00 | SC Generali Logistique | 100.00 | 98.15 |
| SCI Parcolog Messageries | 029 | EUR | 1,000 | G | 10 | | 1.00 | Generali Vie S.A. | 100.00 | 98.60 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 99.00 | SC Generali Logistique | | |
| SCI Commerces Regions | 029 | EUR | 1,000 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SCI Thiers Lyon | 029 | EUR | 1,000 | G | 10 | | 1.00 | Generali Vie S.A. | 100.00 | 98.60 |
| | | | | | | | 99.00 | SC GF Pierre | | |
| SAS Parcolog Lille Henin Beaumont 1 | 029 | EUR | 302,845 | G | 10 | | 100.00 | OPCI Parcolog Invest | 100.00 | 98.60 |
| OPCI Generali Bureaux | 029 | EUR | 103,996,539 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| OPCI Generali Residentiel | 029 | EUR | 149,607,800 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| OPCI GB1 | 029 | EUR | 153,698,740 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| OPCI GR1 | 029 | EUR | 200,481,793 | G | 10 | | 19.13 | Generali IARD S.A. | 100.00 | 98.60 |
| | | | | | | | 73.69 | Generali Vie S.A. | | |
| | | | | | | | 7.18 | L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature | | |
| SCI 18-20 Paix | 029 | EUR | 20,207,750 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SCI Berges de Seine | 029 | EUR | 6,975,233 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SCI 6 Messine | 029 | EUR | 9,631,000 | G | 10 | | 100.00 | OPCI GR1 | 100.00 | 98.60 |
| SCI 204 Pereire | 029 | EUR | 4,480,800 | G | 10 | | 100.00 | OPCI GR1 | 100.00 | 98.60 |
| SCI du 33 avenue Montaigne | 029 | EUR | 174,496 | G | 10 | | 100.00 | OPCI GR1 | 100.00 | 98.60 |
| SCI 5/7 Moncey | 029 | EUR | 13,263,396 | G | 10 | | 100.00 | OPCI GR1 | 100.00 | 98.60 |
| SCI 28 Cours Albert 1er | 029 | EUR | 10,565,945 | G | 10 | | 100.00 | OPCI GR1 | 100.00 | 98.60 |
| SC Novatis | 029 | EUR | 17,081,141 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SCI Saint Michel | 029 | EUR | 3,713,657 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| Sarl Breton | 029 | EUR | 38,687,973 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SCI Luxuary Real Estate | 029 | EUR | 1,000 | G | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| SCI Galilée | 029 | EUR | 2,825,875 | G | 10 | | 0.00 | Generali Vie S.A. | 99.01 | 97.63 |
| | | | | | | | 99.01 | SC GF Pierre | | |
| SCI 40 Notre Dame Des Victoires | 029 | EUR | 3,121,939 | G | 10 | | 100.00 | SC GF Pierre | 100.00 | 98.60 |
| SCI Living Clichy | 029 | EUR | 250 | G | 10 | | 100.00 | Generali Real Estate Living Fund SICAV RAIF | 100.00 | 100.00 |
| Europäische Reiseversicherung Aktiengesellschaft | 008 | EUR | 730,000 | G | 2 | | 74.99 | Europ Assistance Austria Holding GmbH | 74.99 | 74.97 |
| HSR Verpachtung GmbH | 008 | EUR | 100,000 | G | 10 | | 40.00 | Generali Versicherung AG | 100.00 | 84.96 |
| | | | | | | | 60.00 | BAWAG P.S.K. Versicherung AG | | |
| Generali Versicherung AG | 008 | EUR | 70,000,000 | G | 2 | | 25.00 | Generali Beteiligungs- und Vermögensverwaltung GmbH | 100.00 | 99.95 |
| | | | | | | | 75.00 | Generali Beteiligungsverwaltung GmbH | | |
| BAWAG P.S.K. Versicherung AG | 008 | EUR | 12,000,000 | G | 2 | | 75.00 | Generali Versicherung AG | 75.00 | 74.96 |
| Europ Assistance Gesellschaft mbH | 008 | EUR | 70,000 | G | 11 | | 100.00 | Europ Assistance Austria Holding GmbH | 100.00 | 99.97 |
| Europ Assistance Austria Holding GmbH | 008 | EUR | 100,000 | G | 4 | | 49.99 | Generali Versicherung AG | 100.00 | 99.97 |
| | | | | | | | 50.01 | Europ Assistance S.A. | | |
| Car Care Consult Versicherungsvermittlung GmbH | 008 | EUR | 60,000 | G | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| Generali Beteiligungs- und Vermögensverwaltung GmbH | 008 | EUR | 35,000 | G | 4 | | 100.00 | Generali Beteiligungsverwaltung GmbH | 100.00 | 99.95 |
| Allgemeine Immobilien-Verwaltungs GmbH & Co. KG | 008 | EUR | 17,441,553 | G | 10 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| Generali Immobilien GmbH | 008 | EUR | 4,900,000 | G | 10 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| Generali Beteiligungsverwaltung GmbH | 008 | EUR | 3,370,297 | G | 4 | 67.53 | | | 100.00 | 99.95 |
| | | | | | | | 32.47 | Generali Participations Netherlands N.V. | | |
| Sonnwendgasse 13 Errichtungsgesellschaft m.b.H. | 008 | EUR | 35,000 | G | 11 | | 33.33 | FPS Immobilien Verwaltung SW 13 GmbH | 100.00 | 97.07 |
| | | | | | | | 33.33 | FLI Immobilien Verwaltungs SW 13 GmbH | | |
| | | | | | | | 33.33 | FFDTV Immobilien Verwaltung SW 13 GmbH | | |
| Generali Bank AG | 008 | EUR | 26,000,000 | G | 7 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| Generali Leasing GmbH | 008 | EUR | 730,000 | G | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| TTC - Training Center Unternehmensberatung GmbH | 008 | EUR | 35,000 | G | 11 | | 100.00 | Europäische Reiseversicherung Aktiengesellschaft | 100.00 | 74.97 |
| 3 Banken-Generali-GLStock | 008 | EUR | 4,680 | G | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| 3 Banken Generali GLBond Spezialfonds | 008 | EUR | | G | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| 3 Banken-Generali-GSBond | 008 | EUR | 3,650 | G | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| 3 Banken-Generali - GEN4A Spezialfonds | 008 | EUR | 21,935 | G | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| BAWAG PSK Spezial 6 | 008 | EUR | 15,130 | G | 11 | | 100.00 | BAWAG P.S.K. Versicherung AG | 100.00 | 74.96 |
| 3 Banken-Generali - GNLStock | 008 | EUR | 1,248,500 | G | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| 3 Banken-Generali-GHStock | 008 | EUR | 313,061 | G | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| Generali European Retail Investments Holdings S.A. | 092 | EUR | 1,006,050 | G | 8 | | 100.00 | Generali European Real Estate Investments S.A. | 100.00 | 99.40 |
| Generali Luxembourg S.A. | 092 | EUR | 45,000,000 | G | 2 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| Living Fund Master HoldCo S.à r.l. | 092 | EUR | 12,000 | G | 11 | | 100.00 | Generali Real Estate Living Fund SICAV RAIF | 100.00 | 100.00 |
| Living Fund PropCo I S.à r.l. | 092 | EUR | 20,712,000 | G | 11 | | 100.00 | SC GF Pierre | 100.00 | 98.60 |
| CattRe S.A. | 092 | EUR | 63,600,000 | G | 5 | | 100.00 | Società Cattolica di Assicurazioni S.p.A. | 100.00 | 84.64 |
| Generali Investments Luxembourg S.A. | 092 | EUR | 1,921,900 | G | 8 | | 100.00 | Generali Investments Holding S.p.A. | 100.00 | 99.52 |
| Generali Real Asset Multi-Manager | 092 | EUR | 250,000 | G | 10 | | 100.00 | Generali Real Estate S.p.A. | 100.00 | 100.00 |
| Generali North American Holding 1 S.A. | 092 | USD | 13,246,799 | G | 11 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 |
| Generali North American Holding 2 S.A. | 092 | USD | 7,312,384 | G | 11 | | 100.00 | Generali Northern America Real Estate Investments GmbH & Co. KG | 100.00 | 99.89 |
| Generali North American Holding S.A. | 092 | USD | 15,600,800 | G | 8 | | 22.22 | Alleanza Assicurazioni S.p.A. | 100.00 | 100.00 |
| | | | | | | | 10.56 | Genertellife S.p.A. | | |
| | | | | | | | 67.22 | Generali Italia S.p.A. | | |
| Generali Europe Income Holding S.A. | 092 | EUR | 1,909,423,882 | G | 8 | | 3.77 | Generali Versicherung AG | 98.02 | 97.07 |
| | | | | | | | 2.15 | BAWAG P.S.K. Versicherung AG | | |
| | | | | | | | 0.15 | Generali Immobilien GmbH | | |
| | | | | | | | 1.49 | GP Reinsurance EAD | | |
| | | | | | | | 16.10 | Generali European Real Estate Income Investments GmbH & Co. Geschlossene Investment KG | | |
| | | | | | | | 4.34 | Generali España, S.A. de Seguros y Reaseguros | | |
| | | | | | | | 28.27 | Generali Vie S.A. | | |
| | | | | | | | 0.21 | GFA Caraïbes | | |
| | | | | | | | 0.12 | Prudence Creole | | |
| | | | | | | | 0.36 | Europ Assistance S.A. | | |
| | | | | | | | 40.12 | Fondo Donizetti | | |
| | | | | | | | 0.36 | Generali Luxembourg S.A. | | |
| | | | | | | | 0.57 | Generali Seguros, S.A. | | |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| GRE PAN-EU Munich 1 S.à r.l. | 092 | EUR | 12,500 | G | 9 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| GRE PAN-EU Hamburg 1 S.à r.l. | 092 | EUR | 12,500 | G | 9 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| GRE PAN-EU Hamburg 2 S.à r.l. | 092 | EUR | 12,500 | G | 9 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| GRE PAN-EU Frankfurt 1 S.à r.l. | 092 | EUR | 12,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Cologne 1 S.à.r.l. | 092 | EUR | 64,271,000 | G | 11 | | 89.00 | Generali Europe Income Holding S.A. | 100.00 | 97.33 |
| | | | | | | | 11.00 | Generali Real Estate Asset Repositioning S.A. | | |
| Retail One Fund SCSp RAIF | 092 | EUR | 220,000,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Generali Real Estate Logistics Fund S.C.S. SICAV-RAIF | 092 | EUR | 529,911,138 | G | 10 | | 7.63 | Generali Deutschland Lebensversicherung AG | 98.89 | 98.15 |
| | | | | | | | 4.77 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 4.77 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 52.46 | Generali Vie S.A. | | |
| | | | | | | | 26.08 | Fondo Donizetti | | |
| | | | | | | | 3.17 | Generali Seguros, S.A. | | |
| Generali Core High Street Retail Fund | 092 | EUR | 543,687,636 | G | 10 | | 13.23 | Generali Deutschland Lebensversicherung AG | 100.00 | 99.65 |
| | | | | | | | 8.82 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 7.35 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 7.35 | L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature | | |
| | | | | | | | 18.01 | Generali Vie S.A. | | |
| | | | | | | | 45.24 | Fondo Donizetti | | |
| Generali Real Estate Debt Investment Fund S.C.Sp RAIF | 092 | EUR | 927,345,501 | G | 11 | | 13.13 | Generali Deutschland Lebensversicherung AG | 93.01 | 92.70 |
| | | | | | | | 7.00 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 6.13 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 1.31 | Generali España, S.A. de Seguros y Reaseguros | | |
| | | | | | | | 3.36 | Generali IARD S.A. | | |
| | | | | | | | 17.89 | Generali Vie S.A. | | |
| | | | | | | | 0.88 | L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature | | |
| | | | | | | | 11.90 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 8.14 | Genertellife S.p.A. | | |
| | | | | | | | 23.28 | Generali Italia S.p.A. | | |
| Generali Core+ Fund GP | 092 | EUR | 316,200,100 | G | 11 | | 16.00 | Generali Deutschland Lebensversicherung AG | 96.87 | 96.48 |
| | | | | | | | 9.60 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 6.40 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 22.13 | Generali Vie S.A. | | |
| | | | | | | | 1.81 | GFA Caraïbes | | |
| | | | | | | | 1.06 | Prudence Creole | | |
| | | | | | | | 39.87 | Fondo Donizetti | | |
| Generali SCF Sàrl | 092 | EUR | 12,000 | G | 11 | | 100.00 | Generali Shopping Centre Fund S.C.S. SICAV-SIF | 100.00 | 99.60 |
| Generali High Street Retail Sàrl | 092 | EUR | 12,000 | G | 11 | | 100.00 | Generali Core High Street Retail Fund | 100.00 | 99.64 |
| Generali Real Estate Living Fund SICAV RAIF | 092 | EUR | 196,620,100 | G | 11 | | 100.00 | Fondo Donizetti | 100.00 | 100.00 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| Core+ Fund GP | 092 | EUR | 12,000 | G | 11 | | 100.00 | Generali Real Estate S.p.A. | 100.00 | 100.00 |
| Generali Core+ Soparfi S.à r.l. | 092 | EUR | 12,000 | G | 11 | | 100.00 | Generali Core+ Fund GP | 100.00 | 96.48 |
| GRE PAN-EU LUXEMBOURG 1 Sàrl | 092 | EUR | 12,000 | G | 10 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| GRELIF SPV1 S.à r.l. | 092 | EUR | 12,000 | G | 11 | | 100.00 | Generali Real Estate Living Fund SICAV RAIF | 100.00 | 100.00 |
| Alto 1 S.à r.l. | 092 | EUR | 12,500 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Generali European Real Estate Investments S.A. | 092 | EUR | 154,972,858 | G | 8 | | 7.98 | Generali Versicherung AG | 100.00 | 99.40 |
| | | | | | | | 19.95 | Generali Deutschland Lebensversicherung AG | | |
| | | | | | | | 3.99 | Generali España, S.A. de Seguros y Reaseguros | | |
| | | | | | | | 42.22 | Generali Vie S.A. | | |
| | | | | | | | 23.95 | Generali Italia S.p.A. | | |
| | | | | | | | 1.91 | Generali Seguros, S.A. | | |
| Frescobaldi S.à.r.l. | 092 | EUR | 1,000,000 | G | 9 | | 100.00 | Generali European Real Estate Investments S.A. | 100.00 | 99.40 |
| GLL AMB Generali Cross-Border Property Fund FCP | 092 | EUR | 58,022,943 | G | 9 | | 53.85 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 |
| | | | | | | | 30.77 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 15.38 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| BG Fund Management Luxembourg S.A. | 092 | EUR | 2,000,000 | G | 11 | | 100.00 | Banca Generali S.p.A. | 100.00 | 51.01 |
| Corelli S.à.r.l. | 092 | EUR | 1,000,000 | G | 9 | | 100.00 | Generali European Real Estate Investments S.A. | 100.00 | 99.40 |
| Torelli S.à.r.l. | 092 | EUR | 712,500 | G | 9 | | 100.00 | Generali European Real Estate Investments S.A. | 100.00 | 99.40 |
| GLL AMB Generali Bankcenter S.à.r.l. | 092 | EUR | 41,393,476 | G | 11 | | 100.00 | GLL AMB Generali Cross-Border Property Fund FCP | 100.00 | 100.00 |
| Generali Real Estate Asset Repositioning S.A. | 092 | EUR | 384,793,762 | G | 11 | | 10.29 | Generali Deutschland Lebensversicherung AG | 100.00 | 99.47 |
| | | | | | | | 6.17 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 4.12 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 3.19 | Generali España, S.A. de Seguros y Reaseguros | | |
| | | | | | | | 37.84 | Generali Vie S.A. | | |
| | | | | | | | 38.39 | Fondo Donizetti | | |
| Generali Shopping Centre Fund GP S.à r.l. | 092 | EUR | 12,000 | G | 11 | | 100.00 | Generali Real Estate S.p.A. | 100.00 | 100.00 |
| Generali Shopping Centre Fund S.C.S. SICAV-SIF | 092 | EUR | 157,756,185 | G | 11 | | 11.99 | Generali Deutschland Lebensversicherung AG | 100.00 | 99.60 |
| | | | | | | | 4.50 | Generali Deutschland Versicherung AG | | |
| | | | | | | | 7.49 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 6.00 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 5.00 | Generali España, S.A. de Seguros y Reaseguros | | |
| | | | | | | | 27.98 | Generali Vie S.A. | | |
| | | | | | | | 36.98 | Fondo Donizetti | | |
| | | | | | | | 0.06 | Generali Shopping Centre Fund GP S.à r.l. | | |
| GREDIF Finance Sarl | 092 | EUR | 12,000 | G | 10 | | 100.00 | Generali Real Estate Debt Investment Fund S.C.Sp RAIF | 100.00 | 92.70 |
| PAN EU London 1 Sarl | 092 | GBP | 67,012,000 | G | 10 | | 50.00 | SC GF Pierre | 100.00 | 97.84 |
| | | | | | | | 50.00 | Generali Europe Income Holding S.A. | | |
| Generali Financial Holding FCP-FIS - Sub-Fund 2 | 092 | EUR | 10,387,883 | G | 11 | | 5.38 | Generali Deutschland AG | 100.00 | 99.81 |
| | | | | | | | 11.46 | Generali Vie S.A. | | |
| | | | | | | | 5.41 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 8.24 | Genertellife S.p.A. | | |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 51.06 | Generali Italia S.p.A. | | |
| | | | | | | | 18.45 | Generali Participations Netherlands N.V. | | |
| TS PropCo Ltd | 202 | GBP | 12,000 | G | 10 | | 100.00 | PAN EU London 1 Sarl | 100.00 | 97.83 |
| Generali España, S.A. de Seguros y Reaseguros | 067 | EUR | 60,925,401 | G | 2 | | 95.24 | Generali España Holding de Entidades de Seguros S.A. | 99.91 | 99.90 |
| | | | | | | | 4.67 | Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales | | |
| Cajamar Vida S.A. de Seguros y Reaseguros | 067 | EUR | 9,015,200 | G | 2 | | 50.00 | Generali España Holding de Entidades de Seguros S.A. | 50.00 | 50.00 |
| Cajamar Seguros Generales, S.A. de Seguros y Reaseguros | 067 | EUR | 9,015,200 | G | 2 | | 50.00 | Generali España Holding de Entidades de Seguros S.A. | 50.00 | 50.00 |
| Europ Assistance Servicios Integrales de Gestion, S.A. | 067 | EUR | 400,000 | G | 11 | | 100.00 | Europ Assistance S.A. | 100.00 | 99.99 |
| Generali España Holding de Entidades de Seguros S.A. | 067 | EUR | 563,490,658 | G | 4 | 100.00 | | | 100.00 | 100.00 |
| Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales | 067 | EUR | 24,933,093 | G | 10 | | 100.00 | Generali España, S.A. de Seguros y Reaseguros | 100.00 | 99.90 |
| Vitalicio Torre Cerdà S.l. | 067 | EUR | 1,112,880 | G | 10 | | 90.66 | Generali España, S.A. de Seguros y Reaseguros | 100.00 | 99.90 |
| | | | | | | | 9.34 | Grupo Generali España, A.I.E. | | |
| Grupo Generali España, A.I.E. | 067 | EUR | 35,599,000 | G | 11 | | 99.97 | Generali España, S.A. de Seguros y Reaseguros | 100.00 | 99.90 |
| | | | | | | | 0.01 | Generali España Holding de Entidades de Seguros S.A. | | |
| | | | | | | | 0.01 | Generali Seguros, S.A. | | |
| Preciados 9 Desarrollos Urbanos SL | 067 | EUR | 3,032 | G | 10 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| GRE PAN-EU Madrid 2 SL | 067 | EUR | 3,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Generali Seguros, S.A. | 055 | EUR | 117,597,097 | G | 2 | 100.00 | | | 100.00 | 100.00 |
| AdvanceCare, Gestão de Serviços de Saúde, S.A. | 055 | EUR | 4,500,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Esumédica - Prestação de Cuidados Médicos, S.A. | 055 | EUR | 50,000 | G | 11 | | 100.00 | AdvanceCare, Gestão de Serviços de Saúde, S.A. | 100.00 | 99.99 |
| Advance Mediação de Seguros, Unipessoal Lda | 055 | EUR | 5,000 | G | 11 | | 100.00 | AdvanceCare, Gestão de Serviços de Saúde, S.A. | 100.00 | 99.99 |
| Europ Assistance - Serviços de Assistencia Personalizados S.A. | 055 | EUR | 250,000 | G | 11 | | 99.98 | Europ Assistance S.A. | 99.98 | 99.97 |
| GRE PAN-EU Lisbon 1, S.A. | 055 | EUR | 50,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| GRE PAN-EU Lisbon Office Oriente, S.A. | 055 | EUR | 12,250,000 | G | 11 | | 100.00 | GRE PAN-EU Lisbon 1, S.A. | 100.00 | 97.07 |
| Ponte Alta, SGPS, Unipessoal, Lda. | 055 | EUR | 400,000 | G | 11 | | 100.00 | Europ Assistance S.A. | 100.00 | 99.99 |
| Europ Assistance Services S.A. | 009 | EUR | 186,000 | G | 11 | | 100.00 | Europ Assistance S.A. | 100.00 | 99.99 |
| GRE PAN-EU Brussels 1 s.p.r.l. | 009 | EUR | 18,550 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Project Montoyer S.A. | 009 | EUR | 3,671,500 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Generali Participations Netherlands N.V. | 050 | EUR | 3,000,000,000 | G | 4 | 52.43 | | | 100.00 | 99.84 |
| | | | | | | | 11.21 | Generali Beteiligungs-GmbH | | |
| | | | | | | | 5.32 | Generali IARD S.A. | | |
| | | | | | | | 5.88 | Generali Vie S.A. | | |
| | | | | | | | 2.80 | Genertellife S.p.A. | | |
| | | | | | | | 22.35 | Generali Italia S.p.A. | | |
| Redoze Holding N.V. | 050 | EUR | 22,690,000 | G | 9 | 49.99 | | | 100.00 | 99.92 |
| | | | | | | | 50.01 | Generali Participations Netherlands N.V. | | |
| Generali Asia N.V. | 050 | EUR | 250,000 | G | 4 | | 100.00 | Generali Participations Netherlands N.V. | 100.00 | 99.84 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| Generali Turkey Holding B.V. | 050 | EUR | 100,000 | G | 4 | | 100.00 | Generali Participations Netherlands N.V. | 100.00 | 99.84 |
| Saxon Land B.V. | 050 | EUR | 15,576 | G | 10 | | 30.00 | Generali Deutschland AG | 100.00 | 99.58 |
| | | | | | | | 30.00 | Generali Vie S.A. | | |
| | | | | | | | 10.00 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 10.00 | Genertellife S.p.A. | | |
| | | | | | | | 20.00 | Generali Italia S.p.A. | | |
| Lion River I N.V. | 050 | EUR | 645,851 | G | 9 | 26.80 | | | 100.00 | 99.57 |
| | | | | | | | 0.28 | Generali Versicherung AG | | |
| | | | | | | | 0.03 | BAWAG P.S.K. Versicherung AG | | |
| | | | | | | | 0.03 | GP Reinsurance EAD | | |
| | | | | | | | 0.31 | Generali Assurances Générales SA | | |
| | | | | | | | 0.08 | Generali Česká Pojišťovna a.s. | | |
| | | | | | | | 27.77 | Generali Deutschland AG | | |
| | | | | | | | 0.57 | Generali Deutschland Lebensversicherung AG | | |
| | | | | | | | 0.11 | Generali Deutschland Versicherung AG | | |
| | | | | | | | 0.33 | Generali Deutschland Krankenversicherung AG | | |
| | | | | | | | 0.20 | Cosmos Lebensversicherungs Aktiengesellschaft | | |
| | | | | | | | 0.25 | Generali España, S.A. de Seguros y Reaseguros | | |
| | | | | | | | 0.12 | Generali IARD S.A. | | |
| | | | | | | | 28.72 | Generali Vie S.A. | | |
| | | | | | | | 0.01 | Generali Biztosító Zrt. | | |
| | | | | | | | 0.84 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 0.12 | Genertellife S.p.A. | | |
| | | | | | | | 1.70 | Generali Italia S.p.A. | | |
| | | | | | | | 11.61 | Lion River II N.V. | | |
| | | | | | | | 0.11 | Generali CEE Holding B.V. | | |
| Generali Horizon B.V. | 050 | EUR | 90,760 | G | 9 | | 100.00 | Generali Participations Netherlands N.V. | 100.00 | 99.84 |
| Lion River II N.V. | 050 | EUR | 48,500 | G | 9 | | 2.06 | Generali Beteiligungs-GmbH | 100.00 | 99.82 |
| | | | | | | | 2.06 | Generali Vie S.A. | | |
| | | | | | | | 2.06 | Generali Italia S.p.A. | | |
| | | | | | | | 93.81 | Generali Participations Netherlands N.V. | | |
| Generali CEE Holding B.V. | 275 | EUR | 2,621,820 | G | 4 | 100.00 | | | 100.00 | 100.00 |
| GW Beta B.V. | 050 | EUR | 400,001,626 | G | 4 | | 51.00 | Generali Financial Holding FCP-FIS - Sub-Fund 2 | 100.00 | 99.90 |
| | | | | | | | 49.00 | Generali CEE Holding B.V. | | |
| Lumyna Investments Limited | 031 | USD | 5,000,000 | G | 8 | | 100.00 | Generali Investments Holding S.p.A. | 100.00 | 99.52 |
| Nextam Partners Ltd | 031 | GBP | 1,145,000 | G | 8 | | 100.00 | Banca Generali S.p.A. | 100.00 | 51.01 |
| Aperture Investors UK, Ltd | 031 | USD | 1 | G | 8 | | 100.00 | Aperture Investors, LLC | 100.00 | 69.67 |
| Generali Saxon Land Development Company Ltd | 031 | GBP | 250,000 | G | 11 | | 30.00 | Generali Deutschland AG | 100.00 | 99.58 |
| | | | | | | | 30.00 | Generali Vie S.A. | | |
| | | | | | | | 10.00 | Alleanza Assicurazioni S.p.A. | | |
| | | | | | | | 10.00 | Genertellife S.p.A. | | |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % | | | | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Direct | Indirect | Through | Total | |
| | | | | | | | 20.00 | Generali Italia S.p.A. | | |
| Vera Financial | 040 | EUR | 802,885 | G | 2 | | 100.00 | Vera Vita S.p.A. | 100.00 | 55.02 |
| Genirland Limited | 040 | EUR | 113,660,000 | G | 4 | | 100.00 | Generali Participations Netherlands N.V. | 100.00 | 99.84 |
| Købmagergade 39 ApS | 021 | EUR | 50,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Generali Hellas Insurance Company S.A. | 032 | EUR | 59,576,760 | G | 2 | 100.00 | | | 100.00 | 100.00 |
| Europ Assistance Service Greece Single Member Private Company | 032 | EUR | 940,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Generali Biztosító Zrt. | 077 | HUF | 4,500,000,000 | G | 2 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Európai Utazási Biztosító Zrt. | 077 | HUF | 400,000,000 | G | 2 | | 13.00 | Europäische Reiseversicherung Aktiengesellschaft | 74.00 | 70.75 |
| | | | | | | | 61.00 | Generali Biztosító Zrt. | | |
| Europ Assistance Magyarorszag Kft | 077 | HUF | 632,107,000 | G | 11 | | 74.00 | Europ Assistance Holding S.A.S. | 100.00 | 100.00 |
| | | | | | | | 26.00 | Generali Biztosító Zrt. | | |
| Váci utca Center Űzletközpont Kft | 077 | HUF | 4,497,122 | G | 10 | | 100.00 | Generali Immobilien GmbH | 100.00 | 99.95 |
| Generali-Ingatlan Vagyonkezelő és Szolgáltató Kft. | 077 | HUF | 5,296,788,000 | G | 10 | | 100.00 | Generali Biztosító Zrt. | 100.00 | 100.00 |
| Generali Alapkezelő Zártkörűen Működő Részvénytársaság | 077 | HUF | 500,000,000 | G | 8 | | 74.00 | Generali Biztosító Zrt. | 100.00 | 100.00 |
| | | | | | | | 26.00 | Generali CEE Holding B.V. | | |
| Genertel Biztosító Zrt. | 077 | HUF | 1,180,000,000 | G | 2 | | 100.00 | Generali Biztosító Zrt. | 100.00 | 100.00 |
| Europ Assistance s.r.o. | 275 | CZK | 3,866,666 | G | 11 | | 25.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| | | | | | | | 75.00 | Europ Assistance Holding S.A.S. | | |
| Generali Česká distribuce, a.s. | 275 | CZK | 2,000,000 | G | 10 | | 100.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| GRE PAN-EU Prague 1 s.r.o. | 275 | EUR | 1,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| PCS Praha Center Spol.s.r.o. | 275 | CZK | 396,206,000 | G | 10 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 |
| Pařížská 26, s.r.o. | 275 | CZK | 200,000 | G | 10 | | 100.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| Palac Krizik a.s. | 275 | CZK | 2,020,000 | G | 10 | | 50.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| | | | | | | | 50.00 | Generali Real Estate Fund CEE a.s., investiční fond | | |
| IDEE s.r.o. | 275 | CZK | 200,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Small GREF a.s. | 275 | CZK | 227,000,000 | G | 10 | | 36.56 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| | | | | | | | 15.86 | Generali Biztosító Zrt. | | |
| | | | | | | | 23.35 | Generali Towarzystwo Ubezpieczeń Spółka Akcyjna | | |
| | | | | | | | 24.23 | Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna | | |
| Náměstí Republiky 3a, s.r.o. | 275 | CZK | 1,000,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Mustek Properties, s.r.o. | 275 | CZK | 200,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Office Center Purkyňova, a.s. | 275 | CZK | 2,000,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Ovocný Trh 2 s.r.o. | 275 | CZK | 10,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Palác Špork, a.s. | 275 | CZK | 2,000,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Pankrác West a.s. | 275 | CZK | 2,000,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Pankrác East a.s. | 275 | CZK | 4,000,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| GRE PAN-EU Jeruzalemská s.r.o. | 275 | CZK | 1,000 | G | 11 | | 100.00 | Generali Real Estate Asset Repositioning S.A. | 100.00 | 99.47 |
| PAN EU Kotva Prague a.s. | 275 | CZK | 2,000,000 | G | 11 | | 100.00 | Generali Real Estate Asset Repositioning S.A. | 100.00 | 99.47 |
| PAN EU IBC Prague | 275 | CZK | 30,000 | G | 11 | | 100.00 | Generali Core+ Fund GP | 100.00 | 96.48 |
| Generali Česká Pojišťovna a.s. | 275 | CZK | 4,000,000,000 | G | 2 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| Generali penzijní společnost, a.s. | 275 | CZK | 50,000,000 | G | 11 | | 100.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| Generali Investments CEE, Investiční Společnost, a.s. | 275 | CZK | 91,000,000 | G | 8 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Acredité s.r.o. | 275 | CZK | 100,000 | G | 11 | | 100.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| Generali Real Estate Fund CEE a.s., investiční fond | 275 | CZK | 505,000,000 | G | 9 | | 18.22 | GP Reinsurance EAD | 100.00 | 100.00 |
| | | | | | | | 26.93 | Small GREF a.s. | | |
| | | | | | | | 54.85 | Generali Česká Pojišťovna a.s. | | |
| Solitaire Real Estate, a.s. | 275 | CZK | 128,296,000 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Generali Poisťovňa, a. s. | 276 | EUR | 25,000,264 | G | 2 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Green Point Offices a.s. | 276 | EUR | 25,000 | G | 10 | | 100.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| Generali Slovenská distribúcia, a. s. | 276 | EUR | 25,000 | G | 11 | | 100.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 |
| Generali Towarzystwo Ubezpieczeń Spółka Akcyjna | 054 | PLN | 236,509,000 | G | 2 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna | 054 | PLN | 63,500,000 | G | 2 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A. | 054 | PLN | 21,687,900 | G | 8 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Europ Assistance Polska Sp.zo.o. | 054 | PLN | 5,000,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Plac M LP Spółka Z Ograniczoną Odpowiedzialnością | 054 | EUR | 3,493,490 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| SO SPV 57 Sp. Z o.o. | 054 | EUR | 16,724,050 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Generali Finance spółka z ograniczoną odpowiedzialnością | 054 | PLN | 15,230,000 | G | 11 | | 100.00 | Generali Towarzystwo Ubezpieczeń Spółka Akcyjna | 100.00 | 100.00 |
| Generali Powszechne Towarzystwo Emerytalne S.A. | 054 | PLN | 78,000,000 | G | 11 | | 100.00 | Generali Towarzystwo Ubezpieczeń Spółka Akcyjna | 100.00 | 100.00 |
| Savatiano s.p. z.o.o. | 054 | PLN | 5,000 | G | 10 | | 100.00 | GRELIF SPV1 S.à r.l. | 100.00 | 100.00 |
| PL Investment Jerozolimskie I Spòlka Ograniczona Odpowiedzialnościa | 054 | PLN | 9,050 | G | 11 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| Cleha Invest Sp. z o.o. | 054 | PLN | 1,314,300 | G | 10 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| SIBSEN Invest sp. z o.o. | 054 | PLN | 16,974,000 | G | 11 | | 100.00 | Generali Real Estate Fund CEE a.s., investiční fond | 100.00 | 100.00 |
| LORANZE sp z o.o. | 054 | PLN | 5,000 | G | 11 | | 100.00 | Generali Europe Income Holding S.A. | 100.00 | 97.07 |
| Agianico s.p. z.o.o. | 054 | PLN | 5,000 | G | 11 | | 100.00 | GRELIF SPV1 S.à r.l. | 100.00 | 100.00 |
| Generali zavarovalnica d.d. Ljubljana | 260 | EUR | 39,520,347 | G | 2 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Generali Investments, družba za upravljanje, d.o.o. | 260 | EUR | 1,767,668 | G | 8 | | 100.00 | Generali zavarovalnica d.d. Ljubljana | 100.00 | 100.00 |
| Generali Societate de Administrare a Fondurilor de Pensii Private S.A. | 061 | RON | 67,000,000 | G | 11 | | 0.01 | S.C. Generali Romania Asigurare Reasigurare S.A. | 100.00 | 100.00 |
| | | | | | | | 99.99 | Generali CEE Holding B.V. | | |
| S.C. Genagricola Romania S.r.l. | 061 | RON | 130,570,520 | G | 11 | | 100.00 | Genagricola - Generali Agricoltura S.p.A. | 100.00 | 100.00 |
| S.C. Generali Romania Asigurare Reasigurare S.A. | 061 | RON | 178,999,222 | G | 2 | | 99.97 | Generali CEE Holding B.V. | 99.97 | 99.97 |
| Generali Insurance AD | 012 | BGN | 47,307,180 | G | 2 | | 99.96 | Generali CEE Holding B.V. | 99.96 | 99.96 |
| Generali Zakrila Medical and Dental Centre EOOD | 012 | BGN | 4,114,100 | G | 11 | | 100.00 | Generali Insurance AD | 100.00 | 99.96 |
| GP Reinsurance EAD | 012 | BGN | 53,400,000 | G | 5 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Generali Osiguranje d.d. | 261 | HRK | 81,000,000 | G | 3 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 |
| Generali Assurances Générales SA | 071 | CHF | 27,342,400 | G | 3 | | 99.98 | Generali (Schweiz) Holding AG | 99.98 | 99.95 |
| Generali Personenversicherungen AG | 071 | CHF | 106,886,890 | G | 3 | | 100.00 | Generali (Schweiz) Holding AG | 100.00 | 99.97 |
| Fortuna Rechtsschutz-Versicherung-Gesellschaft AG | 071 | CHF | 3,000,000 | G | 3 | | 100.00 | Generali (Schweiz) Holding AG | 100.00 | 99.97 |
| Europ Assistance (Suisse) S.A. | 071 | CHF | 200,000 | G | 11 | | 100.00 | Europ Assistance (Suisse) Holding S.A. | 100.00 | 70.00 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| Europ Assistance (Suisse) Assurances S.A. | 071 | CHF | 4,900,000 | G | 3 | | 100.00 | Europ Assistance (Suisse) Holding S.A. | 100.00 | 70.00 |
| Europ Assistance (Suisse) Holding S.A. | 071 | CHF | 1,400,000 | G | 4 | | 70.00 | Europ Assistance Holding S.A.S. | 70.00 | 70.00 |
| Generali (Schweiz) Holding AG | 071 | CHF | 4,332,000 | G | 4 | 51.05 | | | 100.00 | 99.97 |
| | | | | | | | 20.01 | Generali Versicherung AG | | |
| | | | | | | | 28.94 | Redoze Holding N.V. | | |
| BG (Suisse) SA | 071 | CHF | 10,000,000 | G | 9 | | 100.00 | Banca Generali S.p.A. | 100.00 | 51.01 |
| Generali Investments Switzerland AG | 071 | CHF | 1,000,000 | G | 8 | | 100.00 | Generali (Schweiz) Holding AG | 100.00 | 99.97 |
| BG Valeur S.A. | 071 | CHF | 3,000,000 | G | 11 | | 90.10 | Banca Generali S.p.A. | 90.10 | 45.96 |
| Fortuna Lebens-Versicherungs AG | 090 | CHF | 11,000,000 | G | 3 | | 100.00 | Generali (Schweiz) Holding AG | 100.00 | 99.97 |
| Generali Sigorta A.S. | 076 | TRY | 435,485,822 | G | 3 | | 100.00 | Generali Turkey Holding B.V. | 100.00 | 99.84 |
| Europ Assistance Yardım ve Destek Hizmetleri Ticaret Anonim Şirketi | 076 | TRY | 18,804,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Akcionarsko društvo za osiguranje Generali Osiguranje Montenegro | 290 | EUR | 4,399,000 | G | 3 | | 26.82 | Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd | 100.00 | 100.00 |
| | | | | | | | 7.93 | Akcionarsko društvo za reosiguranje Generali Reosiguranje Srbija, Beograd | | |
| | | | | | | | 65.24 | Generali CEE Holding B.V. | | |
| Europ Assistance CEI OOO | 262 | RUB | 10,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| OOO Generali Russia and CIS | 262 | RUB | 50,000 | G | 4 | | 100.00 | GW Beta B.V. | 100.00 | 99.90 |
| Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd | 289 | RSD | 2,131,997,310 | G | 3 | | 0.05 | GP Reinsurance EAD | 100.00 | 100.00 |
| | | | | | | | 99.95 | Generali CEE Holding B.V. | | |
| Akcionarsko društvo za reosiguranje Generali Reosiguranje Srbija, Beograd | 289 | RSD | 616,704,819 | G | 6 | | 0.01 | GP Reinsurance EAD | 100.00 | 100.00 |
| | | | | | | | 99.99 | Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd | | |
| Akcionarsko društvo za upravljanje dobrovoljnim penzijskim fondom Generali | 289 | RSD | 135,000,000 | G | 11 | | 100.00 | Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd | 100.00 | 100.00 |
| Generali Global Assistance Inc. | 069 | USD | 5,000,000 | G | 11 | | 100.00 | Europ Assistance North America, Inc. | 100.00 | 99.99 |
| Europ Assistance North America, Inc. | 069 | USD | 122,061,342 | G | 4 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Customized Services Administrators Inc. | 069 | USD | 2,389,162 | G | 11 | | 100.00 | Europ Assistance North America, Inc. | 100.00 | 99.99 |
| GMMI, Inc. | 069 | USD | 2,900,610 | G | 11 | | 100.00 | Europ Assistance North America, Inc. | 100.00 | 99.99 |
| Trip Mate, Inc. | 069 | USD | 26,244,773 | G | 11 | | 100.00 | Europ Assistance North America, Inc. | 100.00 | 99.99 |
| General Securities Corporation of North America | 069 | USD | 364,597 | G | 9 | | 1.00 | Generali North American Holding 1 S.A. | 100.00 | 99.48 |
| | | | | | | | 1.00 | Generali North American Holding 2 S.A. | | |
| | | | | | | | 1.00 | Generali North American Holding S.A. | | |
| | | | | | | | 97.00 | GNAREH 1 Farragut LLC | | |
| Generali Alpha Corp. | 069 | USD | 28,572,000 | G | 9 | | 100.00 | Generali Investments Holding S.p.A. | 100.00 | 99.52 |
| Aperture Investors, LLC | 069 | USD | 40,000,000 | G | 8 | | 70.00 | Generali Alpha Corp. | 70.00 | 69.67 |
| GNAREH 1 Farragut LLC | 069 | USD | 34,421,491 | G | 10 | | 1.00 | General Securities Corporation of North America | 100.00 | 99.47 |
| | | | | | | | 35.73 | Generali North American Holding 1 S.A. | | |
| | | | | | | | 21.09 | Generali North American Holding 2 S.A. | | |
| | | | | | | | 42.18 | Generali North American Holding S.A. | | |
| GNAREI 1 Farragut LLC | 069 | USD | 34,037,500 | G | 10 | | 100.00 | GNAREH 1 Farragut LLC | 100.00 | 99.47 |
| Genamerica Management Corporation | 069 | USD | 100,000 | G | 11 | 100.00 | | | 100.00 | 100.00 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] |
|---|---|---|---|---|---|---|---|---|---|---|
| Generali Consulting Solutions LLC | 069 | USD | 1,000,000 | G | 11 | 100.00 | | | 100.00 | 100.00 |
| CMN Global Inc. | 013 | CAD | 1,208,011 | G | 11 | 100.00 | | | 100.00 | 100.00 |
| Caja de Seguros S.A. | 006 | ARS | 228,327,701 | G | 3 | | 99.01 | Caja de Ahorro y Seguro S.A. | 100.00 | 90.05 |
| | | | | | | | 0.99 | Generali Participations Netherlands N.V. | | |
| Europ Assistance Argentina S.A. | 006 | ARS | 117,863,644 | G | 11 | | 43.91 | Caja de Seguros S.A. | 100.00 | 95.63 |
| | | | | | | | 56.09 | Ponte Alta, SGPS, Unipessoal, Lda. | | |
| Caja de Ahorro y Seguro S.A. | 006 | ARS | 269,000,000 | G | 4 | 62.50 | | | 90.00 | 89.96 |
| | | | | | | | 27.50 | Genirland Limited | | |
| Ritenere S.A. | 006 | ARS | 530,000 | G | 11 | | 2.85 | Caja de Seguros S.A. | 100.00 | 89.96 |
| | | | | | | | 97.15 | Caja de Ahorro y Seguro S.A. | | |
| Generali Brasil Seguros S.A. | 011 | BRL | 1,637,818,725 | G | 3 | 99.41 | | | 100.00 | 100.00 |
| | | | | | | | 0.59 | Generali Participations Netherlands N.V. | | |
| Asesoria e Inversiones Los Olmos SA | 015 | CLP | 4,769,708,625 | G | 11 | | 47.62 | Generali Participations Netherlands N.V. | 47.62 | 47.55 |
| AFP Planvital S.A. | 015 | CLP | 36,243,962,493 | G | 11 | | 86.11 | Asesoria e Inversiones Los Olmos SA | 86.11 | 40.94 |
| Europ Servicios S.p.A. | 015 | CLP | 1,037,476 | G | 11 | | 100.00 | Europ Assistance SA | 100.00 | 50.96 |
| Europ Assistance SA | 015 | CLP | 740,895,029 | G | 11 | | 25.48 | Europ Assistance Holding S.A.S. | 50.96 | 50.96 |
| | | | | | | | 25.48 | Ponte Alta, SGPS, Unipessoal, Lda. | | |
| Generali Ecuador Compañía de Seguros S.A. | 024 | USD | 12,677,741 | G | 3 | 52.82 | | | 52.82 | 52.82 |
| Europ Assistance Pacifique | 253 | XPF | 10,000,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| PT Asuransi Jiwa Generali Indonesia | 129 | IDR | 1,103,000,000,000 | G | 3 | | 98.00 | Generali Asia N.V. | 98.00 | 97.84 |
| PT Generali Services Indonesia | 129 | IDR | 11,376,454 | G | 10 | | 1.00 | Generali IARD S.A. | 100.00 | 98.60 |
| | | | | | | | 99.00 | Generali Vie S.A. | | |
| Generali Life Assurance Philippines, Inc. | 027 | PHP | 2,321,260,600 | G | 3 | | 100.00 | Generali Asia N.V. | 100.00 | 99.84 |
| Generali Life Assurance (Thailand) Public Co. Ltd | 072 | THB | 3,777,000,000 | G | 3 | | 49.00 | Generali Asia N.V. | 93.38 | 91.01 |
| | | | | | | | 44.38 | KAG Holding Company Ltd | | |
| Generali Insurance (Thailand) Public Co. Ltd | 072 | THB | 1,642,000,000 | G | 3 | | 48.96 | Generali Asia N.V. | 90.86 | 88.62 |
| | | | | | | | 41.90 | KAG Holding Company Ltd | | |
| Europ Assistance (Thailand) Company Limited | 072 | THB | 65,200,000 | G | 11 | | 100.00 | Europ Assistance Singapore Pte. Ltd | 100.00 | 99.99 |
| IWF Holding Company Ltd | 072 | THB | 2,300,000 | G | 4 | | 43.48 | Generali Participations Netherlands N.V. | 100.00 | 94.52 |
| | | | | | | | 56.52 | DWP Partnership | | |
| KAG Holding Company Ltd | 072 | THB | 2,423,373,000 | G | 4 | | 5.77 | Generali Asia N.V. | 100.00 | 94.82 |
| | | | | | | | 94.22 | IWF Holding Company Ltd | | |
| FTW Company Limited | 072 | THB | 500,000 | G | 4 | | 90.57 | Generali Asia N.V. | 90.57 | 90.43 |
| MGD Company Limited | 072 | THB | 500,000 | G | 4 | | 90.57 | Generali Asia N.V. | 90.57 | 90.43 |
| DWP Partnership | 072 | THB | 200,000 | G | 4 | | 50.00 | FTW Company Limited | 100.00 | 90.43 |
| | | | | | | | 50.00 | MGD Company Limited | | |
| Generali Vietnam Life Insurance Limited Liability Company | 062 | VND | 7,202,600,000,000 | G | 3 | 100.00 | | | 100.00 | 100.00 |
| Europ Assistance Malaysia SDN. BHD. | 106 | MYR | 500,000 | G | 11 | | 100.00 | Europ Assistance Singapore Pte. Ltd | 100.00 | 99.99 |
| Europ Assistance India Private Ltd | 114 | INR | 296,540,000 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Generali China Life Insurance Co. Ltd | 016 | CNY | 3,700,000,000 | G | 3 | 50.00 | | | 50.00 | 50.00 |

# Subsidiaries Consolidated line by line

| Company | Country | Currency | Share capital in original currency | Method(1) | Activity(2) | Shareholding % | | | | Group Equity Ratio(3) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Direct | Indirect | Through | Total | |
| Europ Assistance Travel Assistance Services (Beijing) Co Ltd | 016 | CNY | 172,372,941 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Generali China Assets Management Company Co. Ltd | 016 | CNY | 200,000,000 | G | 8 | | 80.00 | Generali China Life Insurance Co. Ltd | 80.00 | 40.00 |
| Generali Insurance Agency Company Limited | 016 | CNY | 266,779,913 | G | 11 | | 100.00 | NKFE Insurance Agency Company Limited | 100.00 | 100.00 |
| Europ Assistance Singapore Pte. Ltd | 147 | SGD | 3,483,486 | G | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 |
| Generali Services Pte. Ltd. | 147 | SGD | 490,006 | G | 11 | | 100.00 | Generali Asia N.V. | 100.00 | 99.84 |
| Generali Financial Asia Limited | 103 | HKD | 368,186,875 | G | 9 | 100.00 | | | 100.00 | 100.00 |
| Generali Life (Hong Kong) Limited | 103 | HKD | 725,000,000 | G | 3 | | 100.00 | Generali Asia N.V. | 100.00 | 99.84 |
| NKFE Insurance Agency Company Limited | 103 | HKD | 311,123,100 | G | 11 | | 100.00 | Generali Financial Asia Limited | 100.00 | 100.00 |
| Europ Assistance Worldwide Services (South Africa) (Pty) Ltd | 078 | ZAR | 881,385 | G | 11 | | 87.50 | Europ Assistance Holding S.A.S. | 87.50 | 87.50 |
| EASA Training Academy (Pty) Ltd | 078 | ZAR | 100 | G | 11 | | 100.00 | Europ Assistance Worldwide Services (South Africa) (Pty) Ltd | 100.00 | 87.50 |

The percentage of consolidation in each subsidiaries consolidated line by line is 100%.

(1) Consolidation Method: Line-by-line consolidation method =G, Proportionate consolidation method = P, Line-by-line consolidation method arising from joint management = U

(2) 1=Italian Insurance companies; 2=EU Insurance companies; 3=non EU Insurance companies; 4=Insurance holding companies; 5=EU Reinsurance companies; 6=non EU Reinsurance companies; 7=Banks; 8=Asset Management companies; 9=other Holding companies; 10=Real Estate companies; 11=other

(3) Net Group participation percentage.

The total percentage of votes exercitable at shereholders'general meeting, which differs from that of direct on indirect shareholding, is a follows:

Generali France S.A. 100.00%

Europ Assistance SA 66.66%

# Non-Consolidated Subsidiaries and Associated Companies

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % | | | | Group Equity Ratio[3] | Book Value (€ thousand) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Direct | Indirect | Through | Total | | |
| Generali CyberSecurTech S.r.l. | 086 | EUR | 10,000 | a | 11 | 100.00 | | | 100.00 | 100.00 | 1,410 |
| Risparmio Assicurazioni S.p.A. in liquidazione | 086 | EUR | 150,000 | a | 11 | | 100.00 | Generali Italia S.p.A. | 100.00 | 100.00 | |
| Immobiliare Trentosei S.r.l. | 086 | EUR | 113,050 | a | 10 | | 100.00 | Europ Assistance VAI S.p.A. | 100.00 | 100.00 | 3,525 |
| EpiCura S.r.l. | 086 | EUR | 1,500,000 | b | 11 | | 17.00 | Europ Assistance Italia S.p.A. | 17.00 | 17.00 | 1,500 |
| Initium S.r.l. in liquidazione (*) | 086 | EUR | 250,000 | b | 10 | | 49.00 | Generali Italia S.p.A. | 49.00 | 49.00 | 31 |
| Aladdin S.r.l. | 086 | EUR | 20,000 | b | 11 | | 45.00 | Satec Holding S.r.l. | 45.00 | 38.09 | |
| All Risks Solutions S.r.l. | 086 | EUR | 10,000 | a | 11 | | 100.00 | Satec Holding S.r.l. | 100.00 | 84.64 | |
| Sementi Dom Dotto S.p.A. | 086 | EUR | 3,420,000 | a | 11 | | 100.00 | Leone Alato S.p.A. | 100.00 | 100.00 | |
| Finagen S.p.A. Società in liquidazione | 086 | EUR | 6,700,000 | a | 8 | | 0.10 | Generali Italia S.p.A. | 100.00 | 100.00 | 3,153 |
| | | | | | | | 99.90 | Alleanza Assicurazioni S.p.A. | | | |
| Investimenti Marittimi S.p.A. | 086 | EUR | 39,655,000 | b | 9 | | 30.00 | Generali Italia S.p.A. | 30.00 | 30.00 | |
| Servizi Tecnologici Avanzati S.p.A. | 086 | EUR | 102,000 | b | 11 | 25.00 | | | 25.00 | 25.00 | |
| UrbeRetail (*) | 086 | EUR | 159,331,897 | b | 10 | | 9.23 | Alleanza Assicurazioni S.p.A. | 33.14 | 33.14 | 44,437 |
| | | | | | | | 17.32 | Generali Italia S.p.A. | | | |
| | | | | | | | 6.59 | Genertellife S.p.A. | | | |
| Urbe Retail Real Estate S.r.l. | 086 | EUR | 100,000 | b | 11 | | 100.00 | UrbeRetail | 100.00 | 33.14 | |
| BG Saxo SIM S.p.A. (*) | 086 | EUR | 5,837,167 | c | 8 | | 19.90 | Banca Generali S.p.A. | 19.90 | 10.15 | 894 |
| Campo dei Fiori S.r.l. | 086 | EUR | 10,000 | a | 11 | | 100.00 | Fondo San Zeno | 100.00 | 69.08 | |
| Fondo Rubens (*) | 086 | EUR | 162,840,000 | c | 11 | | 50.00 | Generali Europe Income Holding S.A. | 50.00 | 48.53 | 87,400 |
| Convivit S.r.l. | 086 | EUR | 50,000 | c | 11 | | 50.00 | Generali Welion S.c.a.r.l. | 50.00 | 50.00 | 3,625 |
| Cattolica Immobiliare S.p.A. | 086 | EUR | 400,000 | a | 11 | | 100.00 | Società Cattolica di Assicurazioni S.p.A. | 100.00 | 84.64 | 5,410 |
| Satec Holding S.r.l. | 086 | EUR | 80,798 | a | 11 | | 100.00 | CattRe S.A. | 100.00 | 84.64 | 10,712 |
| Fondo Ca' Tron Hcampus (*) | 086 | EUR | 44,807,774 | b | 10 | | 59.76 | Società Cattolica di Assicurazioni S.p.A. | 59.76 | 50.58 | 27,360 |
| Telco S.p.A. | 086 | EUR | 129,329 | b | 8 | 9.07 | | | 16.98 | 16.98 | 49 |
| | | | | | | | 3.57 | Alleanza Assicurazioni S.p.A. | | | |
| | | | | | | | 3.76 | Generali Italia S.p.A. | | | |
| | | | | | | | 0.11 | Generali Deutschland Krankenversicherung AG | | | |
| | | | | | | | 0.08 | Cosmos Lebensversicherungs Aktiengesellschaft | | | |
| | | | | | | | 0.28 | Generali Deutschland Lebensversicherung AG | | | |
| | | | | | | | 0.12 | Generali Deutschland Versicherung AG | | | |
| Fondo Mercury Adriatico (*) | 086 | EUR | 53,468,132 | c | 10 | | 17.08 | BCC Vita S.p.A. | 51.05 | 38.87 | 29,787 |
| | | | | | | | 33.97 | Società Cattolica di Assicurazioni S.p.A. | | | |
| Fondo Mercury Centro-Nord (*) | 086 | EUR | 56,933,093 | c | 10 | | 52.55 | Società Cattolica di Assicurazioni S.p.A. | 52.55 | 44.48 | 32,363 |
| Smart Citylife S.r.l. | 086 | EUR | 100,000 | a | 10 | | 45.00 | CityLife S.p.A. | 71.00 | 64.26 | 577 |
| | | | | | | | 13.00 | Fondo Rubens | | | |
| | | | | | | | 13.00 | Fondo Immobiliare Mantegna | | | |
| CityLife Square Garden - Gestioni S.r.l. | 086 | EUR | 210,000 | a | 10 | | 100.00 | CityLife S.p.A. | 100.00 | 100.00 | 173 |
| CityLife Sviluppo 5 S.r.l. | 086 | EUR | 10,000 | a | 10 | | 100.00 | Generali Real Estate S.p.A. SGR | 100.00 | 100.00 | 418 |
| Leone Alato S.p.A. | 086 | EUR | 2,000,000 | a | 11 | | 100.00 | Generali Italia S.p.A. | 100.00 | 100.00 | 5,936 |
| Fondo Yielding (*) | 086 | EUR | 248,079,480 | b | 10 | | 45.00 | Generali Europe Income Holding S.A. | 45.00 | 43.68 | 120,254 |

# Non-Consolidated Subsidiaries and Associated Companies

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % | | | | Group Equity Ratio[3] | Book Value (€ thousand) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Direct | Indirect | Through | Total | | |
| Solaris S.r.l. in liquidazione | 086 | EUR | 20,000 | b | 10 | | 50.00 | Generali Italia S.p.A. | 50.00 | 50.00 | |
| D.L.S. & Parners Società tra avvocati a.r.l. | 086 | EUR | 15,000 | b | 11 | | 33.33 | D.A.S. Legal Services S.r.l. | 33.33 | 16.67 | 7 |
| Fondo Mercury Nuovo Tirreno (*) | 086 | EUR | 39,769,233 | c | 10 | | 8.58 | TUA Assicurazioni S.p.A. | 90.04 | 72.59 | 71,878 |
| | | | | | | | 67.18 | Società Cattolica di Assicurazioni S.p.A. | | | |
| | | | | | | | 13.66 | BCC Vita S.p.A. | | | |
| | | | | | | | 0.62 | BCC Assicurazioni S.p.A. | | | |
| Fondo Mercury Tirreno (*) | 086 | EUR | 62,017,847 | c | 10 | | 51.01 | Società Cattolica di Assicurazioni S.p.A. | 51.01 | 43.18 | 34,446 |
| H-FARM S.p.A. | 086 | EUR | 51,445,848 | b | 11 | | 3.67 | Società Cattolica di Assicurazioni S.p.A. | 3.67 | 3.11 | |
| IMA Italia Assistance S.p.A. | 086 | EUR | 3,856,985 | b | 1 | | 35.00 | Società Cattolica di Assicurazioni S.p.A. | 35.00 | 29.62 | 9,064 |
| IMA Servizi S.c.a.r.l. | 086 | EUR | 100,000 | b | 11 | | 81.00 | IMA Italia Assistance S.p.A. | 91.00 | 31.91 | 166 |
| | | | | | | | 6.00 | Società Cattolica di Assicurazioni S.p.A. | | | |
| | | | | | | | 1.00 | Cattolica Services S.c.p.a. | | | |
| | | | | | | | 1.00 | BCC Assicurazioni S.p.A. | | | |
| | | | | | | | 1.00 | TUA Assicurazioni S.p.A. | | | |
| | | | | | | | 1.00 | Vera Assicurazioni S.p.A. | | | |
| Mediterranea Underwriting S.r.l. | 086 | EUR | 60,000 | a | 11 | | 100.00 | Satec Holding S.r.l. | 100.00 | 84.64 | |
| Meteotec S.r.l. | 086 | EUR | 30,000 | a | 11 | | 100.00 | Satec S.r.l. | 100.00 | 84.64 | |
| Qubo Insurance Solutions S.r.l. | 086 | EUR | 10,000 | a | 11 | | 51.00 | Satec Holding S.r.l. | 51.00 | 43.17 | |
| Satec S.r.l. | 086 | EUR | 135,416 | a | 11 | | 100.00 | Satec Holding S.r.l. | 100.00 | 84.64 | |
| TUA Retail S.r.l. | 086 | EUR | 50,000 | a | 11 | | 100.00 | TUA Assicurazioni S.p.A. | 100.00 | 84.64 | 50 |
| Gexta S.r.l. | 086 | EUR | 59,060 | a | 11 | | 100.00 | Generali Italia S.p.A. | 100.00 | 100.00 | 2,173 |
| GRE SICAF Società di Investimento per Azioni a Capitale Fisso | 086 | EUR | 50,000 | a | 11 | | 100.00 | Generali Real Estate S.p.A. SGR | 100.00 | 100.00 | 150 |
| GRE SICAF Comparto 1 | 086 | EUR | 100,000 | a | 11 | | 100.00 | Fondo Donizetti | 100.00 | 100.00 | 100 |
| Arte Generali GmbH | 094 | EUR | 25,000 | a | 11 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 | 11,625 |
| Generali Deutschland Alternative Investments Verwaltungs GmbH | 094 | EUR | 25,000 | a | 9 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 | 25 |
| vSPS Management GmbH i. L. | 094 | EUR | 25,000 | a | 11 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 | 155 |
| Generali Deutschland Rechtsschutz Service GmbH | 094 | EUR | 25,000 | a | 11 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 | 29 |
| Pflegix GmbH | 094 | EUR | 65,743 | c | 11 | | 49.04 | Europ Assistance S.A. | 49.04 | 49.04 | |
| BBG Beteiligungsgesellschaft m.b.H. | 094 | EUR | 25,600 | a | 9 | | 100.00 | Deutsche Bausparkasse Badenia Aktiengesellschaft | 100.00 | 100.00 | 32 |
| Generali Partner GmbH | 094 | EUR | 250,000 | a | 11 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 | 945 |
| Generali Deutschland Immobilien Verwaltungs GmbH | 094 | EUR | 35,000 | a | 10 | | 100.00 | Generali Real Estate S.p.A. | 100.00 | 100.00 | 35 |
| Zweite AM RE Verwaltungs GmbH | 094 | EUR | 25,000 | a | 9 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 | 25 |
| Deutsche Vermögensberatung Aktiengesellschaft DVAG (*) | 094 | EUR | 150,000,000 | b | 11 | | 40.00 | Generali Deutschland AG | 40.00 | 40.00 | 229,537 |
| Generali SicherungsTreuhand GmbH | 094 | EUR | 52,000 | a | 11 | | 100.00 | Generali Deutschland AG | 100.00 | 100.00 | 112 |
| Central Fixed Assets GmbH | 094 | EUR | 25,000 | a | 9 | | 100.00 | Generali Deutschland Krankenversicherung AG | 100.00 | 100.00 | 25 |
| AVW Versicherungsmakler GmbH | 094 | EUR | 1,550,000 | b | 11 | | 26.00 | Dialog Versicherung Aktiengesellschaft | 26.00 | 26.00 | 2,232 |
| AM RE Verwaltungs GmbH | 094 | EUR | 25,000 | a | 9 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 | 25 |

# Non-Consolidated Subsidiaries and Associated Companies

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] | Book Value (€ thousand) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Generali Deutschland Versicherungsvermittlung GmbH | 094 | EUR | 25,000 | a | 11 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 | 25 |
| VOV GmbH | 094 | EUR | 154,000 | b | 11 | | 43.00 | Generali Deutschland Versicherung AG | 43.00 | 43.00 | 1,735 |
| Louisen-Center Bad Homburg Verwaltungsgesellschaft mbH | 094 | EUR | 25,000 | a | 10 | | 94.90 | Generali Deutschland AG | 94.90 | 94.90 | 24 |
| Verwaltungsgesellschaft Marienplatz-Galerie Schwerin mbH | 094 | EUR | 25,000 | a | 10 | | 100.00 | Generali Deutschland Versicherung AG | 100.00 | 100.00 | |
| GLL AMB Generali Properties Fund II GmbH & Co. KG | 094 | EUR | 250,000 | a | 11 | | 99.91 | GLL AMB Generali Cross-Border Property Fund FCP | 99.91 | 99.91 | 250 |
| GLL AMB Generali 200 State Street | 094 | EUR | 7,294,506 | a | 11 | | 99.50 | GLL AMB Generali Cross-Border Property Fund FCP | 99.50 | 99.50 | 7,295 |
| GEDL-FI1 GmbH & Co. KG | 094 | EUR | 100,000 | a | 11 | | 100.00 | Generali Deutschland Lebensversicherung AG | 100.00 | 100.00 | 10 |
| Association pour La Location du Moncey | 029 | EUR | 3,070,809 | a | 11 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 | |
| Generali#Sports S.A.S. | 029 | EUR | 5,207,224 | a | 9 | | 99.86 | Helmett S.A.S. | 99.86 | 98.46 | |
| Europ Assistance France S.A.S. (*) | 029 | EUR | 5,316,384 | c | 11 | | 50.00 | Europ Assistance Holding S.A.S. | 50.00 | 50.00 | 8,894 |
| Ocealis S.A.S. (*) | 029 | EUR | 414,350 | c | 11 | | 100.00 | Europ Assistance France S.A.S. | 100.00 | 50.00 | |
| Helmett S.A.S. | 029 | EUR | 15,608,000 | a | 11 | | 99.95 | Cofifo S.A.S. | 99.95 | 98.55 | 18,718 |
| ASSERCAR SAS | 029 | EUR | 37,000 | b | 11 | | 14.87 | L'Equité S.A. Cie d'Assurances et Réass. contre les risques de toute nature | 29.73 | 29.31 | 660 |
| | | | | | | | 14.87 | Generali IARD S.A. | | | |
| Altaprofits Société par actions simplifiée | 029 | EUR | 4,759,035 | a | 11 | | 92.00 | Cofifo S.A.S. | 92.00 | 90.71 | 41,116 |
| Trieste Courtage S.A. | 029 | EUR | 39,000 | a | 11 | | 99.89 | Generali France S.A. | 99.96 | 98.56 | 39 |
| | | | | | | | 0.04 | Generali IARD S.A. | | | |
| | | | | | | | 0.02 | L'Equité S.A. Cie d'Assurances et Réass. contre les risques de toute nature | | | |
| | | | | | | | 0.02 | Generali Vie S.A. | | | |
| PMC Treize Montluçon S.A.S. | 029 | EUR | 3,371,730 | a | 9 | | 100.00 | Cofifo S.A.S. | 100.00 | 98.60 | 5,699 |
| Kareo Horizon S.A.S. | 029 | EUR | 555,000 | a | 11 | | 60.00 | Cofifo S.A.S. | 60.00 | 59.16 | 685 |
| Risque et Sérénité S.A. | 029 | EUR | 6,135,300 | a | 11 | | 10.00 | Generali France S.A. | 51.52 | 50.80 | 1,561 |
| | | | | | | | 41.52 | Generali Vie S.A. | | | |
| Europ Téléassistance S.A.S. (*) | 029 | EUR | 4,600,000 | c | 11 | | 100.00 | Europ Assistance France S.A.S. | 100.00 | 50.00 | |
| MAPREG | 029 | EUR | 181,374 | b | 11 | | 35.81 | Generali France S.A. | 35.81 | 35.31 | 1,732 |
| ABT SAS | 029 | EUR | 125,000 | c | 11 | | 25.00 | Generali France S.A. | 25.00 | 24.65 | 16 |
| Reunion Aerienne & Spatiale SAS | 029 | EUR | 999,999 | c | 11 | | 33.33 | Generali IARD S.A. | 33.33 | 32.87 | |
| SAP BEA | 029 | EUR | 10,000 | c | 11 | | 100.00 | Europ Assistance France S.A.S. | 100.00 | 50.00 | |
| GGI GP SAS | 029 | EUR | 12,500 | a | 11 | | 100.00 | Generali Global Infrastructure S.A.S. | 100.00 | 50.76 | 13 |
| Generali Global Pension S.A.S. | 029 | EUR | 6,015,000 | a | 11 | | 40.00 | Cofifo S.A.S. | 100.00 | 98.97 | 6,015 |
| | | | | | | | 40.00 | Generali Investments Holding S.p.A. | | | |
| | | | | | | | 20.00 | Generali Luxembourg S.A. | | | |
| Agence Generali Béthune S.A.S. | 029 | EUR | 39,720 | a | 11 | | 100.00 | Cofifo S.A.S. | 100.00 | 98.60 | 40 |
| Agence Generali Vinay S.A.S. | 029 | EUR | 15,000 | a | 11 | | 100.00 | Cofifo S.A.S. | 100.00 | 98.60 | 53 |
| Generali Wealth Solutions S.A.S. | 029 | EUR | 20,051,520 | a | 11 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 | 10,026 |
| Generali Chatou S.A.S. | 029 | EUR | 545,000 | a | 11 | | 100.00 | Helmett S.A.S. | 100.00 | 98.60 | |
| Agence Generali Cognac S.A.S. | 029 | EUR | 15,000 | a | 11 | | 100.00 | Cofifo S.A.S. | 100.00 | 98.60 | 55 |

# Non-Consolidated Subsidiaries and Associated Companies

| Company | Country | Currency | Share capital in original currency | Method(1) | Activity(2) | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio(3) | Book Value (€ thousand) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Generali Collectives S.A.S. | 029 | EUR | 37,000 | a | 11 | | 0.10 | Generali France S.A. | 100.00 | 98.60 | 23 |
| | | | | | | | 99.90 | Generali Vie S.A. | | | |
| Generali 18 S.A. | 029 | EUR | 37,000 | a | 11 | | 99.97 | Generali Vie S.A. | 100.00 | 98.60 | 37 |
| | | | | | | | 0.03 | Generali France S.A. | | | |
| Generali 19 S.A. | 029 | EUR | 37,000 | a | 11 | | 99.97 | Generali France S.A. | 100.00 | 98.60 | 22 |
| | | | | | | | 0.03 | Generali Vie S.A. | | | |
| Aliance Klesia Generali (*) | 029 | EUR | 368,000,250 | b | 4 | | 44.00 | Generali Vie S.A. | 44.00 | 43.38 | 147,963 |
| Advize Group | 029 | EUR | 4,843,809 | b | 11 | | 13.25 | Generali Vie S.A. | 13.25 | 13.07 | 3,003 |
| Klesia SA (*) | 029 | EUR | 341,999,998 | b | 2 | | 100.00 | Aliance Klesia Generali | 100.00 | 43.38 | |
| Future4Care SAS | 029 | EUR | 4,510,000 | b | 11 | | 49.95 | Generali Vie S.A. | 49.95 | 49.25 | 2,253 |
| SAS 100 CE (*) | 029 | EUR | 64,967,080 | c | 10 | | 50.00 | Generali Europe Income Holding S.A. | 50.00 | 48.53 | 19,193 |
| Viavita (*) | 029 | EUR | 1,840,000 | c | 11 | | 100.00 | Europ Assistance France S.A.S. | 100.00 | 50.00 | 2,009 |
| SCI Les 3 Collines Le Ferandou | 029 | EUR | 304,000 | b | 10 | | 33.30 | Generali IARD S.A. | 48.30 | 47.62 | 142 |
| | | | | | | | 15.00 | Generali Vie S.A. | | | |
| SCI Iris La Défense (*) | 029 | EUR | 1,716 | c | 10 | | 18.88 | Generali Vie S.A. | 50.00 | 49.30 | 116,523 |
| | | | | | | | 31.12 | Generali IARD S.A. | | | |
| SCE Château La Pointe | 029 | EUR | 2,068,903 | a | 11 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 | 35,646 |
| Bois Colombes Europe Avenue SCI (*) | 029 | EUR | 1,000 | c | 10 | | 50.00 | Generali Vie S.A. | 50.00 | 49.30 | 6,072 |
| SCI 11/15 Pasquier (*) | 029 | EUR | 6,437,750 | c | 10 | | 50.00 | Generali IARD S.A. | 50.00 | 49.30 | 10,407 |
| SCI 9 Messine (*) | 029 | EUR | 2,420,250 | c | 10 | | 50.00 | Generali Vie S.A. | 50.00 | 49.30 | 5,048 |
| SCI Daumesnil (*) | 029 | EUR | 16,753,270 | c | 10 | | 50.00 | Generali IARD S.A. | 50.00 | 49.30 | 20,324 |
| SCI Malesherbes (*) | 029 | EUR | 32,930,674 | c | 10 | | 50.00 | Generali Vie S.A. | 50.00 | 49.30 | 22,816 |
| SCI 15 Scribe (*) | 029 | EUR | 14,738,000 | c | 10 | | 50.00 | Generali IARD S.A. | 50.00 | 49.30 | 24,658 |
| SCI GFA Caraibes | 029 | EUR | 1,500,000 | a | 10 | | 100.00 | GFA Caraïbes | 100.00 | 98.60 | 1,420 |
| SAS PROMA SERVICES | 029 | EUR | 15,000 | b | 10 | | 49.00 | Generali Real Estate S.p.A. | 49.00 | 49.00 | 4,907 |
| Core+ France OPPCI (*) | 029 | EUR | 72,000,000 | c | 10 | | 50.00 | Generali Core+ Fund GP | 50.00 | 48.24 | 36,087 |
| SCI New Station (*) | 029 | EUR | 250 | c | 10 | | 50.00 | Core+ France OPPCI | 50.00 | 24.12 | |
| SCI Dalle 3 (*) | 029 | EUR | 5,001,680 | c | 10 | | 50.00 | SCI New Station | 50.00 | 12.06 | |
| OPG AVENUE DE FRANCE (*) | 029 | EUR | 28,371,127 | c | 10 | | 50.00 | Generali Europe Income Holding S.A. | 50.00 | 48.53 | 75,278 |
| Bonus Pensionskassen AG (*) | 008 | EUR | 5,087,098 | c | 11 | | 50.00 | Generali Versicherung AG | 50.00 | 49.97 | 29,269 |
| Apleona RE JV | 008 | EUR | 40,000 | c | 11 | | 40.00 | Generali Real Estate S.p.A. | 40.00 | 40.00 | 27 |
| Generali 3 Banken Holding AG (*) | 008 | EUR | 70,000 | b | 9 | | 49.90 | Generali Versicherung AG | 49.90 | 49.87 | 117,642 |
| 3 Banken-Generali Investment-Gesellschaft m.b.H. (*) | 008 | EUR | 3,600,000 | b | 8 | | 48.57 | Generali Versicherung AG | 48.57 | 48.55 | 3,059 |
| Risk-Aktiv Versicherungsservice GmbH | 008 | EUR | 35,000 | a | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 | 35 |
| BONUS Vorsorgekasse AG (*) | 008 | EUR | 1,500,000 | c | 11 | | 50.00 | Generali Versicherung AG | 50.00 | 49.97 | |
| Generali Betriebsrestaurants-GmbH | 008 | EUR | 36,336 | a | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 | 484 |
| Point Partners GP Holdco S.à r.l. (*) | 092 | EUR | 25,000 | b | 11 | | 25.00 | Generali European Retail Investments Holdings S.A. | 25.00 | 24.85 | |
| Point Partners Special Limited Partnership (*) | 092 | GBP | 55,102,630 | b | 11 | | 25.00 | Generali European Retail Investments Holdings S.A. | 25.00 | 24.85 | |
| Generali Employee Benefits Network S.A. | 092 | EUR | 1,000,000 | a | 11 | 100.00 | | | 100.00 | 100.00 | 1,000 |

# Non-Consolidated Subsidiaries and Associated Companies

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % Direct | Indirect | Through | Total | Group Equity Ratio[3] | Book Value (€ thousand) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| GRE PAN-EU Frankfurt 2 S.à r.l. (*) | 092 | EUR | 37,920,558 | c | 10 | | 50.00 | Generali Europe Income Holding S.A. | 50.00 | 48.53 | 13,277 |
| GRE PAN-EU Berlin 1 S.à r.l. (*) | 092 | EUR | 54,874,135 | c | 10 | | 50.00 | Generali Europe Income Holding S.A. | 50.00 | 48.53 | 23,661 |
| GGI Senior Infrastructure Debt GP S.à r.l. | 092 | EUR | 12,000 | a | 11 | | 100.00 | Generali Global Infrastructure S.A.S. | 100.00 | 50.76 | 12 |
| GGI Lux Investments GP S.à. r.l. | 092 | EUR | 13,000 | a | 11 | | 100.00 | Generali Global Infrastructure S.A.S. | 100.00 | 50.76 | 12 |
| Generali K-Europe Investment GP | 092 | EUR | 12,000 | a | 9 | | 100.00 | Generali Real Estate S.p.A. | 100.00 | 100.00 | 12 |
| GLL AMB Generali City22 S.à.r.l. | 092 | EUR | 200,000 | a | 11 | | 100.00 | GLL AMB Generali Cross-Border Property Fund FCP | 100.00 | 100.00 | 200 |
| Holding Klege S.à.r.l. (*) | 092 | EUR | 12,500 | c | 9 | | 50.00 | Torelli S.à.r.l. | 50.00 | 49.70 | |
| Generali Real Estate Logistics GP SARL | 092 | EUR | 12,000 | a | 9 | | 100.00 | Generali Real Estate S.p.A. | 100.00 | 100.00 | 12 |
| Europ Assistance Travel S.A. | 067 | EUR | 60,101 | a | 11 | | 100.00 | Europ Assistance Servicios Integrales de Gestion, S.A. | 100.00 | 99.99 | 219 |
| SEGMAN S.L. | 067 | EUR | 120,200 | a | 11 | | 100.00 | Europ Assistance Servicios Integrales de Gestion, S.A. | 100.00 | 99.99 | 470 |
| Zaragoza Properties, S.A.U. (*) | 067 | EUR | 161,892,124 | c | 10 | | 50.00 | Generali Shopping Centre Fund S.C.S. SICAV-SIF | 50.00 | 49.80 | 85,265 |
| Puerto Venecia Investments, S.A.U. (*) | 067 | EUR | 4,007,000 | c | 11 | | 100.00 | Zaragoza Properties, S.A.U. | 100.00 | 49.80 | |
| GDE Construcciones S.L | 067 | EUR | 594,990 | a | 11 | | 100.00 | Europ Assistance Servicios Integrales de Gestion, S.A. | 100.00 | 99.99 | 3,530 |
| Keviana – Empreendimentos Imobiliários, S.A. | 055 | EUR | 50,000 | a | 10 | | 100.00 | Generali Vie S.A. | 100.00 | 98.60 | |
| Amulio Governance N.V. | 050 | EUR | 18,000 | c | 9 | | 50.00 | Lion River II N.V. | 50.00 | 49.91 | 9 |
| Sigma Real Estate B.V. (*) | 050 | EUR | 18,000 | c | 9 | | 22.34 | Corelli S.à.r.l. | 22.34 | 22.21 | |
| La Reunion Aerienne London Limited | 031 | GBP | 51,258 | b | 11 | | 33.33 | Generali IARD S.A. | 33.33 | 32.87 | |
| Ioca Entertainment Limited (*) | 031 | GBP | 10,000 | b | 11 | | 35.00 | Banca Generali S.p.A. | 35.00 | 17.85 | |
| Citadel Insurance plc | 105 | EUR | 5,000,400 | b | 3 | | 20.16 | Generali Italia S.p.A. | 20.16 | 20.16 | 978 |
| Roar Biztosítási És Pénzügyi Közvetítő Korlátolt Felelősségü Társaság | 077 | HUF | 12,000,000 | a | 11 | | 100.00 | Generali Biztosító Zrt. | 100.00 | 100.00 | 452 |
| Lakits Ház Korlátolt Felelősségű Társaság | 077 | HUF | 284,671 | a | 10 | | 100.00 | Generali-Ingatlan Vagyonkezelő és Szolgáltató Kft. | 100.00 | 100.00 | 776 |
| GP Consulting Pénzügyi Tanácsadó Kft. | 077 | HUF | 22,000,000 | a | 11 | | 100.00 | Generali Biztosító Zrt. | 100.00 | 100.00 | 1,099 |
| Atotal Insurtech Korlátolt Felelősségű Társaság | 077 | HUF | 104,000,000 | a | 11 | | 100.00 | Generali Biztosító Zrt. | 100.00 | 100.00 | 868 |
| Top Torony Zrt. (*) | 077 | HUF | 100,064,644 | c | 11 | | 50.00 | GLL AMB Generali Bankcenter S.à.r.l. | 50.00 | 50.00 | 59,245 |
| Nadace GCP | 275 | CZK | 1,000,000 | a | 11 | | 100.00 | Generali Česká Pojišťovna a.s. | 100.00 | 100.00 | 140 |
| VUB Generali dôchodková správcovská spoločnosť, a.s. (*) | 276 | EUR | 10,090,976 | c | 11 | | 50.00 | Generali Česká Pojišťovna a.s. | 50.00 | 50.00 | 18,004 |
| Generali IT S.r.o. | 276 | EUR | 165,970 | a | 11 | | 100.00 | Generali Versicherung AG | 100.00 | 99.95 | 132 |
| BODiE Sp. Z o.o. | 054 | PLN | 1,156,000 | b | 11 | | 25.95 | Generali Towarzystwo Ubezpieczeń Spółka Akcyjna | 25.95 | 25.95 | 65 |
| Saneo Spółka Akcyjna (*) | 054 | PLN | 133,333 | b | 11 | | 25.00 | Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna | 25.00 | 25.00 | |
| Bezpieczny.pl Sp z.o.o. | 054 | PLN | 125,500 | a | 11 | | 100.00 | Generali Finance spólka z ograniczoną odpowiedzialnością | 100.00 | 100.00 | 3,982 |
| LEV Registracija, registracija vozil, d.o.o. | 260 | EUR | 18,000 | a | 11 | | 100.00 | Generali zavarovalnica d.d. Ljubljana | 100.00 | 100.00 | 65 |
| Generali Investments CP d.o.o. k.d. | 260 | EUR | 83,655 | a | 11 | | 54.79 | Generali Investments, družba za upravljanje, d.o.o. | 54.79 | 54.79 | 128 |
| Prospera d.o.o. | 260 | EUR | 100,000 | a | 11 | | 100.00 | Generali zavarovalnica d.d. Ljubljana | 100.00 | 100.00 | 2,091 |
| Ambulanta ZDRAVJE, zdravstvene storitve, d.o.o. | 260 | EUR | 352,490 | a | 11 | | 100.00 | Generali zavarovalnica d.d. Ljubljana | 100.00 | 100.00 | 159 |

# Non-Consolidated Subsidiaries and Associated Companies

| Company | Country | Currency | Share capital in original currency | Method[1] | Activity[2] | Shareholding % | | | | Group Equity Ratio[3] | Book Value (€ thousand) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Direct | Indirect | Through | Total | | |
| Nama Trgovsko Podjetje d.d. Ljubljana (*) | 260 | EUR | 3,977,325 | b | 11 | | 48.51 | Generali zavarovalnica d.d. Ljubljana | 48.51 | 48.51 | 5,475 |
| IDORU Inteligentni Analiticni Sistemi d.o.o. | 260 | EUR | 7,500 | b | 11 | | 15.00 | Generali zavarovalnica d.d. Ljubljana | 15.00 | 15.00 | |
| Medifit d.o.o. | 260 | EUR | 31,250 | b | 11 | | 48.00 | Generali zavarovalnica d.d. Ljubljana | 48.00 | 48.00 | 32 |
| Generali Investments GP 1 d.o.o. | 260 | EUR | 7,500 | a | 11 | | 100.00 | Generali Investments, družba za upravljanje, d.o.o. | 100.00 | 100.00 | 8 |
| Generali Investments GP 2 d.o.o. | 260 | EUR | 7,500 | a | 11 | | 100.00 | Generali Investments, družba za upravljanje, d.o.o. | 100.00 | 100.00 | 8 |
| Europ Assistance Slovenia d.o.o. | 260 | EUR | 230,000 | a | 11 | | 100.00 | Europ Assistance Holding S.A.S. | 100.00 | 99.99 | 230 |
| S.C. Vignadoro S.r.l. | 061 | RON | 40,835,190 | a | 11 | | 32.26 | Genagricola - Generali Agricoltura S.p.A. | 100.00 | 100.00 | 10,746 |
| | | | | | | | 67.75 | Agricola San Giorgio S.p.A. | | | |
| Genagricola Foreste S.r.l. | 061 | RON | 56,500,000 | a | 11 | | 100.00 | S.C. Genagricola Romania S.r.l. | 100.00 | 100.00 | 11,923 |
| Generali Investments, d.o.o. za upravljanje investicijskim fondovima | 261 | HRK | 4,148,000 | a | 8 | | 100.00 | Generali Investments, družba za upravljanje, d.o.o. | 100.00 | 100.00 | 1,573 |
| House of InsurTech Switzerland AG | 071 | CHF | 6,600,000 | a | 11 | | 100.00 | Generali (Schweiz) Holding AG | 100.00 | 99.97 | 5,402 |
| Generali Investments AD Skopje | 278 | MKD | 995,612 | a | 8 | | 98.34 | Generali Investments, družba za upravljanje, d.o.o. | 98.34 | 98.34 | 2,084 |
| Generali Development d.o.o. Beograd | 289 | RSD | 23,864,000 | a | 11 | | 100.00 | Generali CEE Holding B.V. | 100.00 | 100.00 | 207 |
| Generali Realties Ltd | 182 | ILS | 2 | a | 10 | 100.00 | | | 100.00 | 100.00 | |
| Montcalm Wine Importers Ltd | 069 | USD | 7,277,483 | a | 11 | | 100.00 | Leone Alato S.p.A. | 100.00 | 100.00 | |
| N2G Worldwide Insurance Services, LLC (*) | 069 | USD | 14,000,000 | c | 11 | | 50.00 | Generali Italia S.p.A. | 50.00 | 50.00 | 4,252 |
| Ineba S.A. | 006 | ARS | 4,000,000 | b | 11 | | 48.00 | Caja de Ahorro y Seguro S.A. | 48.00 | 43.18 | 1,115 |
| BMG Seguros S.A. (*) | 011 | BRL | 33,750,000 | b | 3 | 30.00 | | | 30.00 | 30.00 | 2,642 |
| Europ Assistance Brasil Serviços de Assistência S.A. (*) | 011 | BRL | 89,388,209 | c | 11 | | 100.00 | EABS Serviços de Assistencia e Partecipaçoes S.A. | 100.00 | 50.00 | 4,257 |
| EABS Serviços de Assistencia e Partecipaçoes S.A. (*) | 011 | BRL | 106,279,812 | c | 9 | | 50.00 | Ponte Alta, SGPS, Unipessoal, Lda. | 50.00 | 50.00 | 7,176 |
| CEABS Serviços S.A. (*) | 011 | BRL | 39,460,776 | c | 11 | | 100.00 | Europ Assistance Brasil Serviços de Assistência S.A. | 100.00 | 50.00 | 3,694 |
| Generali Pacifique NC | 253 | XPF | 1,000,000 | a | 11 | | 100.00 | Generali France S.A. | 100.00 | 98.60 | 2,095 |
| PT ONB Technologies Indo | 129 | IDR | 2,500,000,000 | c | 11 | | 100.00 | ONB Technologies Pte. Ltd. | 100.00 | 42.75 | |
| MPI Generali Insurans Berhad (*) | 106 | MYR | 100,200,000 | b | 3 | | 49.00 | Generali Asia N.V. | 49.00 | 48.92 | 96,716 |
| Future Generali India Life Insurance Company Ltd (*) | 114 | INR | 19,658,210,090 | c | 3 | | 49.00 | Sprint Advisory Services Private Limited | 74.50 | 48.92 | 19,080 |
| | | | | | | | 25.50 | Generali Participations Netherlands N.V. | | | |
| Future Generali India Insurance Company Ltd (*) | 114 | INR | 9,048,037,050 | c | 3 | | 49.00 | Shendra Advisory Services Private Limited | 74.51 | 48.93 | 53,564 |
| | | | | | | | 25.51 | Generali Participations Netherlands N.V. | | | |
| Sprint Advisory Services Private Limited (*) | 114 | INR | 6,112,123,950 | c | 11 | | 47.96 | Generali Participations Netherlands N.V. | 47.96 | 47.88 | 17,584 |
| Shendra Advisory Services Private Limited (*) | 114 | INR | 2,710,323,220 | c | 11 | | 47.96 | Generali Participations Netherlands N.V. | 47.96 | 47.88 | 49,362 |
| FG&G Distribution Private Limited (*) | 114 | INR | 283,100,000 | c | 11 | | 48.83 | Generali Participations Netherlands N.V. | 48.83 | 48.75 | 941 |
| ONB Technologies India Pvt Ltd | 114 | INR | 500,000 | c | 11 | | 100.00 | ONB Technologies Pte. Ltd. | 100.00 | 42.75 | |
| Generali China Insurance Co. Ltd (*) | 016 | CNY | 1,300,000,000 | b | 3 | 49.00 | | | 49.00 | 49.00 | 60,366 |
| Guotai Asset Management Company (*) | 016 | CNY | 110,000,000 | b | 8 | 30.00 | | | 30.00 | 30.00 | 243,671 |
| Zhonghe Sihai Insurance Agency Company Limited | 016 | CNY | 50,000,000 | b | 11 | | 25.00 | Generali Financial Asia Limited | 25.00 | 25.00 | 1,629 |
| Shanghai Sinodrink Trading Company, Ltd | 016 | CNY | 5,000,000 | b | 11 | | 45.00 | Leone Alato S.p.A. | 45.00 | 45.00 | |

# Non-Consolidated Subsidiaries and Associated Companies

| Company | Country | Currency | Share capital in original currency | Method(1) | Activity(2) | Shareholding % | | | | Group Equity Ratio(3) | Book Value (€ thousand) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Direct | Indirect | Through | Total | | |
| ONB Technologies Pte. Ltd. (*) | 147 | EUR | 1,048 | c | 11 | | 42.75 | Europ Assistance Holding S.A.S. | 42.75 | 42.75 | |
| ONB Technologies Singapore Pte Ltd | 147 | SGD | 3,000 | c | 11 | | 100.00 | ONB Technologies Pte. Ltd. | 100.00 | 42.75 | |
| Tranquilidade Moçambique Companhia de Seguros, S.A. | 134 | MZN | 1,361,260 | a | 3 | | 100.00 | Generali Seguros, S.A. | 100.00 | 100.00 | |
| Tranquilidade Moçambique Companhia de Seguros Vida, S.A. | 134 | MZN | 1,810,332 | a | 3 | | 100.00 | Generali Seguros, S.A. | 100.00 | 100.00 | |
| Tranquilidade - Corporação Angolana de Seguros, S.A. | 133 | AOA | 14,934,484 | a | 3 | | 49.00 | Generali Seguros, S.A. | 49.00 | 49.00 | |

(1) a=non consolidated subsidiaries (IFRS 10); b=associated companies (IAS 28); c=joint ventures (IFRS 11).

(2) 1=Italian Insurance companies; 2=EU Insurance companies; 3=non EU Insurance companies; 4=Insurance holding companies; 5=EU Reinsurance companies; 6=non EU Reinsurance companies; 7=Banks; 8=Asset Management companies; 9=other Holding companies; 10=Real Estate companies; 11=other.

(3) Net Group participation percentage.

(*) Participations valued at equity.

The percentage of voting rights in the Shareholders' Meeting, if different from the direct or indirect shareholding, is as follows:

Deutsche Vermögensberatung Aktiengesellschaft DVAG 40.00%

# List of Countries

| Country | Country Code |
|---|---|
| ANGOLA | 133 |
| ARGENTINA | 006 |
| AUSTRIA | 008 |
| BELGIUM | 009 |
| BRAZIL | 011 |
| BULGARIA | 012 |
| CANADA | 013 |
| CHILE | 015 |
| CHINA | 016 |
| CROATIA | 261 |
| CZECH REPUBLIC | 275 |
| DENMARK | 021 |
| ECUADOR | 024 |
| FRANCE | 029 |
| GERMANY | 094 |
| GREECE | 032 |
| HONG KONG | 103 |
| HUNGARY | 077 |
| INDIA | 114 |
| INDONESIA | 129 |
| IRELAND | 040 |
| ISRAEL | 182 |
| ITALY | 086 |
| JERSEY (ISLE) | 202 |
| LIECHTENSTEIN | 090 |
| LUXEMBOURG | 092 |

| Country | Country Code |
|---|---|
| MACAO | 059 |
| MACEDONIA | 278 |
| MALAYSIA | 106 |
| MALTA | 105 |
| MONTENEGRO, REPUBLIC | 290 |
| MOZAMBIQUE | 134 |
| NETHERLANDS | 050 |
| NEW CALEDONIA | 253 |
| PHILIPPINES | 027 |
| POLAND | 054 |
| PORTUGAL | 055 |
| ROMANIA | 061 |
| RUSSIAN FEDERATION | 262 |
| SERBIA | 289 |
| SINGAPORE | 147 |
| SLOVAKIA | 276 |
| SLOVENIA | 260 |
| SOUTH AFRICA, REPUBLIC | 078 |
| SPAIN | 067 |
| SWITZERLAND | 071 |
| THAILAND | 072 |
| TURKEY | 076 |
| UNITED KINGDOM | 031 |
| UNITED STATES | 069 |
| VIETNAM | 062 |

# List of Currencies

| Currency | Currency Code |
|---|---|
| Kwanza Angola | AOA |
| Argentine Peso | ARS |
| Bulgarian Lev | BGN |
| Brasilian Real (new) | BRL |
| Canadian Dollar | CAD |
| Swiss Franc | CHF |
| Chilean Peso | CLP |
| Chinese Renminbi | CNY |
| Czech Korona | CZK |
| Euro | EUR |
| British Pound | GBP |
| Hong Kong Dollar | HKD |
| Croatian Kuna | HRK |
| Hungarian Forint | HUF |
| Indonesian Rupiah | IDR |
| Israeli Shekel | ILS |
| Indian Rupee | INR |

| Currency | Currency Code |
|---|---|
| Macaon Pataca | MOP |
| Macedonian Dinar | MKD |
| Malaysian Ringi | MYR |
| Metical Mozambique | MZN |
| Philippine Peso | PHP |
| Polish Zloty | PLN |
| Romanian Leu | RON |
| Serbian Dinar | RSD |
| Russian Ruble | RUB |
| Singapore Dollar | SGD |
| Thai Bhat | THB |
| Turkish Lira (new) | TRY |
| US Dollar | USD |
| Vietnamese Dong | VND |
| French Polinesian Franc | XPF |
| South African Rand | ZAR |

# ATTESTATION

**Attestation to the Consolidated Financial Statements** 359
pursuant to art. 154-bis, paragraph 5, of legislative decree of 24 February 1998, no. 58 and art. 81-ter of Consob regulation of 14 May 1999, no. 11971 as amended

# Attestation to the Consolidated Financial Statements

**pursuant to art. 154-bis, paragraph 5, of legislative decree of 24 February 1998, no. 58 and art. 81-ter of Consob regulation of 14 May 1999, no. 11971 as amended**

# Attestation of the Consolidated Financial Statements pursuant to art. 154-*bis*, paragraph 5, of legislative decree of 24 February 1998, no. 58 and art. 81-*ter* of Consob regulation of 14 May 1999, no. 11971 as amended

1. The undersigned, Philippe Donnet, in his capacity as Managing Director and Group CEO, and Cristiano Borean, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A. and Group CFO, having also taken into account the provisions of Art 154-*bis*, paragraphs 3 and 4, of the Italian Legislative Decree No. 58 dated 24 February 1998, hereby certify:
   - the adequacy in relation to the characteristics of the Company and
   - the effective implementation

   of the administrative and accounting procedures for the preparation of the consolidated financial statements over the course of the period from 1 January to 31 December 2021..

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements as at 31 December 2021 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.

3. The undersigned further confirm that:

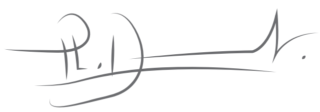
   3.1 the consolidated financial statements as at 31 December 2021:
   - a) are prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and with the applicable provisions and regulations;
   - b) correspond to the related books and accounting records;
   - c) provide a true and fair representation of the financial position of the issuer and the group of companies included in the scope of consolidation;

   3.2 the management report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group companies included in the scope of consolidation and a description of the main risks and uncertain situations to which they are exposed.

Milan, 14 March 2022

Philippe Donnet
*Managing Director and Group CEO*

ASSICURAZIONI GENERALI S.p.A.



Cristiano Borean
*Manager in charge of preparing*
*the Company's financial reports*
*and Group CFO*

ASSICURAZIONI GENERALI S.p.A.

# GLOSSARY

**Absolute emissions**: greenhouse gas emissions associated to an investment portfolio, expressed as ton of $CO_2$ equivalent.

$$ABSOLUTE\ EMISSIONS\ (t) = \sum_{i=1}^{N} Emissions\ company_i * \frac{Exposure\ AG_{\ vs\ company\ i}}{EVIC\ company_i}$$

Definitions:
(t): reference date (as example, year-end 2021).
Emissions of company $_i$: ton of $CO_2$ equivalent emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{in\ company\ i}$: total investment in € million in the company i via the investment portfolio in scope (direct investments of the Group general account in corporate listed equity and bond).
EVIC of company $_i$: Enterprise Value Including Cash of the company, in € million, measured as: market capitalization + preferred shares + minority shares + total debt.

**Accessibility gap to variable remuneration between females and males**: difference in percentage between females' and males' accessibility rate to variable remuneration across the entire organization.

**Adjusted net result**: it is the result of the period adjusted for the impact of gains and losses from acquisitions and disposals.

**Ageing and new welfare**: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to trend of increasing life expectation and reducing birth rates that will make sizeable impacts on the financial sustainability of the social protection systems and might lead to reduced public welfare services. The aging of the population will also influence the job market and consumption, with effects on productivity and the intergenerational relations, with increased welfare costs borne by the working population.

**Agent**: sales force within traditional distribution networks (exclusive agents, non-exclusive agents and employed sales force permanently involved in the activities of promoting and distributing Generali products).

**Asset owner**: who owns investments and bears the related risks.

**Average duration**: it is defined as the average residual economic maturity (considering the first call option date) of the financial debt outstanding as at the reporting date, weighted for the nominal amount.

**Biodiversity degradation**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the rapid extinction of many animal and plant species, with an impoverishment of biological diversity and the gene pool, due to the land conversion, to the increase in pollution levels and to the climate change. The progressive collapse of the natural ecosystems represents a growing risk also for human health as it impairs the food chain, reduces resistance to pathogens and threatens the development of communities and economic sectors that strongly depend on biodiversity, such as farming, fishing, silviculture and tourism. In the face of this threat, the activism of civil society, regulatory pressure and the supervision of the authorities are growing, which broaden the responsibility of companies not only as regards their own operations, but also regarding their supply chain.

**Business for Societal Impact (B4SI)**: it is an international standard for companies to report their activities in the community. It is internationally recognized and follows an Inputs-Outputs-Impact (IOI) logic, assessing community initiatives in terms of the resources committed (inputs) and the results achieved (outputs) and impacts.

**Capitals**: stocks of value as inputs to the business model. They are increased, decreased or transformed through the organization's business activities and outputs. The capitals are categorized in the International <IR> Framework as:
- financial capital: the pool of funds that is available to an organization for use in the production of goods or the provision of services, obtained through financing, such as debt, equity or grants, or generated through operations or investments;
- manufactured capital: manufactured physical objects (as distinct from natural physical objects) that are available to an organization for use in the production of goods or the provision of services;
- intellectual capital: organizational, knowledge-based intangibles;
- human capital: people's competencies, capabilities and experience, and their motivations to innovate;
- social and relationship capital: the institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being;
- natural capital: all renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organization.

**Carbon intensity (EVIC)**: this metric measures the greenhouse gases associated to the investment portfolio, expressed as ton of $CO_2$ equivalent per € million invested, by using Enterprise Value Including Cash (EVIC) as normalization factor for the emissions.

$$CARBON\ INTENSITY\ (EVIC)\ (t) = \sum_{i=1}^{N} \frac{Emissions\ company_i}{EVIC\ company_i} * \frac{Exposure\ AG_{\ vs\ company}}{Total\ portfolio\ AG}$$

Definitions:
(t): reference date (as example, year-end 2021).
Emissions of company $_i$: ton of $CO_2$ equivalent emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{in\ company\ i}$: total investment in € million in the company i via the investment portfolio in scope (direct

investments of the Group general account in corporate listed equity and bond).
EVIC of company $_i$: Enterprise Value Including Cash of the company, in € million, measured as: market capitalization + preferred shares + minority shares + total debt.
Total AG portfolio: total direct investment of the Group general accounts in corporate listed equities and bond, expressed in € million.

**Carbon Intensity (Sales)**: this metric measures the greenhouse gases associated to the investment portfolio, expressed as ton of $CO_2$ equivalent per € million invested, by using sales as normalization factor for the emissions.

$$CARBON\ INTENSITY\ (SALES)\ (t) = \sum_{i=1}^{N} \frac{Emissions\ company_i}{Sales\ company_i} * \frac{Exposure\ AG_{\ vs\ company\ i}}{Total\ portfolio\ AG}$$

Definitions:
(t): reference date (as example, year-end 2021).
Emissions of company $_i$: ton of CO2 equivalent emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{in\ company\ i}$: total investment in € million in the company i via the investment portfolio in scope (direct investments of the Group general account in corporate listed equity and bond).
Sales of company i: sales of the company i for the year t
Total AG portfolio: total direct investment of the Group general accounts in corporate listed equities and bond, expressed in € million.

**Cash and cash equivalents**: it includes cash and highly-liquid short-term financial investments (readily convertible in specific amounts of cash which are subject to an irrelevant risk of change in value). Furthermore, this asset class includes also short-term deposits and money-market investment funds, which are included in the Group liquidity management.

**Cash remittance**: dividends and dividend-equivalent permanent or long-term transactions from subsidiaries towards the Parent Company (e.g. capital reduction or permanent debt reimbursement) measured on a cash basis.

**Change in healthcare**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the transformation of the healthcare systems due to demographic, technological and public policy evolution, leading to a higher demand for increasingly advanced patient-centric healthcare services, with growing healing and quality treatment expectations. That means that the level of sophistication and of healthcare service cost is growing, with an increasing integration of the public offer with private sector initiative.

**Changing nature of work**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the transformation in the labour market due to new technologies, the globalisation and the growth of the service industry which are a leading to the spread of a flatter and more fluid organisation of work, as the diffusion of agile and flexible working arrangements, the job rotation and smart working solutions show. Self-employed workers and freelance collaborations are also on the rise versus a stagnation of employment, which make the labour market less rigid but also more precarious, irregular and discontinuous. In terms of changes in the real economy, the number of SMEs is increasing in Europe and we are witnessing a restructuring of the traditional industrial sectors and the globalization of the production processes with an increased complexity of the supply chains.

**Climate change**: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to global warming due to the emissions rise of greenhouse gases coming from human activities, which is intensifying extreme natural events such as floods, storms, rise in sea level, drought, wildfire and heat waves, with repercussions on the natural ecosystems, human health and the availability of water resources. The policies and efforts required to limit global warming to below 1.5°C through the decarbonisation of the economy will lead to radical changes in the production and energy systems, transforming especially carbon-intensive activities, sectors and countries and encouraging the development of clean technologies. As effective as these efforts may be, some changes will be inevitable, therefore making strategies to adapt and to reduce the vulnerability to the changing climate conditions necessary.

**Climate change adaptation**: the process of adjustment to actual or expected climate and its effects (IPCC AR5). Economic activities contributing to climate change adaptation are described in Annex I of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation).

**Climate change mitigation**: a human intervention to reduce the sources or enhance the sinks of greenhouse gases (GHGs) (IPCC AR5). Economic activities contributing to climate change mitigation are described in Annex II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation).

**Climate-related perils**: chronic and acute events related to temperature, wind, water and solid mass that are projected to increase in frequency and severity due to climate change (EEA, 2017&2020).

**Companies of the coal sector**:
- if identified as issuers of the coal sector:
  - companies for which over 20% of revenues derive from coal;
  - companies for which over 20% of electricity's production derive from coal;
  - companies for which the installed coal electricity generation capacity is greater than 5 GW;
  - companies that extract more than 10 million tons of coal per year;
  - companies actively involved in building new coal capacity (coal plants) for an output exceeding 0.3 GW;
- if identified as customers of the coal sector:
  - companies for which over 30% of revenues derive from coal;

- companies for which over 30% of electricity's production derive from coal;
- companies that extract more than 20 million tons of coal per year;
- companies actively involved in building new coal capacity (coal plants) as identified by Urgewald in its Top 120 Coal Plant Developers' list.

**Companies of the tar sand sector**: companies whose revenues are at least 5% derived from tar sands' extraction or operators of controversial pipelines dedicated to tar sands' transportation.

**CoR, combined ratio**: it is a technical performance indicator of Property & Casualty segment, calculated as the ratio of net insurance benefits and claims as well as administration and acquisition costs to net earned premiums. In other words, it is the sum of loss ratio and expense ratio.

**Current year loss ratio**: it is a further detail of combined ratio calculated as the ratio of:

- current year incurred claims + related claims management costs net of recoveries and reinsurance; to
- net earned premiums.

**Customer**: either a physical person or a legal entity that holds at least one active insurance policy and pays a premium to Generali accordingly, a banking product or a pension fund product (the policy/the product is either with Generali, or other non-Generali local brand, or white labelled).

**Digital revolution and cybersecurity**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the technological innovations introduced by the fourth industrial revolution, including big data, artificial intelligence, the Internet of Things, automation and block chain which are transforming the real economy and the social habits with the spread of services featuring a high level of customization and accessibility. The digital transformation requires new know-how and skills, resulting in a radical change of traditional jobs and in the appearance of new players on the market. The growth in complexity, interdependence and speed of innovation of the new digital technologies are posing challenges associated with the security of IT systems and infrastructures.

**Diversity and Inclusion Index, D&I Index**: it measures the progress of the Group compared to Diversity & Inclusion 2021 ambitions, i.e. objectives set internally on gender, generations, cultures and inclusion through eight indicators: female managers, female talent, talent under the age of 35, new hired employees with average age less than 30 years, *Turn to The New Index*[1], talents with international experience, organizational entities with smart working policy and organizational entities with local action plans on disability.

**Earnings per share**: it is equal to the ratio of Group net result and to weighted average number of ordinary shares outstanding.

**Employees**: all the Group direct people at the end of the period, including managers, employees, sales attendant on payroll and auxiliary staff.

**Environmental products**:

- products designed to promote sustainable transport with reduced environmental impact, including policies that reward responsible driving;
- products that support the energy efficiency of buildings;
- products for covering the risks connected with the production of renewable energies;
- products specifically designed to cover catastrophe risks or specific environmental damage;
- products to companies with environmental certifications (e.g. ISO 14001, EMAS, LEED) or adopting safety measures to prevent environmental damages;
- anti-pollution products.

**Equal pay gap**: difference between females' and males' median base salary for comparable roles, comparing females and males belonging to the same job function and organizational level. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary for comparable roles, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

**Equity investments**: direct investments in quoted and unquoted equity instruments, as well as investment funds that are mainly exposed to equity investments, including private equity and hedge funds.

**Equivalent consolidation area**: constant consolidation scope.

**Equivalent terms**: constant exchange rates and consolidation scope.

**ESG**: acronym which qualifies aspects related to the environment, social and corporate governance.

**Financial asset**: any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

1. The training effort offered to employees by the Group is measured through the *Turn to The New Index*.

- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments.

**Financial liability**: any liability that is:
- a contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments.

**Fixed income instruments**: direct investments in government and corporate bonds, loans, term deposits other than those presented as cash and cash equivalents, and reinsurance deposits. This asset class also includes investments funds that are mainly exposed to investments or risks similar to direct investments presented within this asset class.

**Gender pay gap**: difference between females' and males' median base salary across the entire organization regardless of the roles. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

**General account**: investments reported in the financial statements (excluding financial assets categorized as unit- and index-linked or deriving from pension funds management) and cash and cash equivalents. They also include some liabilities, with features similar to investments, among which derivative liabilities referred to investment portfolio and REPOs.

**Geopolitical and financial instability**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the weakening of multilateralism and of the traditional global governance mechanism that are leading to increased tension between countries and to the resurgence of trade protectionism and populism. Associated with the changing geopolitical balance - with complex cause and effect relationships - is the worsening of macroeconomic conditions and a scenario of a continuing lowering of interest rates. The weakening of the initiative of the traditional political institutions is compensated by the emergence of coalitions and global coordination mechanisms promoted by the private sector and civilian society.

**Green and sustainable investments**: investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.

**Gross direct written premiums**: gross written premiums of direct business.

**Gross written premiums (GWP)**: gross written premiums of direct business and accepted by third parties.

**Increasing inequalities**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the growing gap in the distribution of wealth between social groups and - more in general - the polarisation in accessing self-determination opportunities. These trends are accompanied with a decline in social mobility, leading to a protracted permanence in the state of poverty and exclusion, mainly related to the socio-economic conditions of the household of origin.

**Insurance exposure to fossil fuel sector**: it refers to direct premiums from property and engineering (including marine) coverage for coal activities related to companies of the coal sector and/or from the underwriting of risks related to oil and gas exploration/extraction if not marginal compared to the customer's main activity.

**Integrated report**: concise communication that illustrates how the strategy, governance and future prospects of an organization, in the external environment in which it operates, are used to create value in the short, medium and long term.

**Investment contracts**: contracts that have the legal form of insurance contracts but, as they do not substantially expose the insurer to significant insurance risk (e.g. the mortality risk or similar insurance risks), cannot be classified as insurance contracts. In accordance with the definitions of IFRS 4 and IAS 39 these contracts are recognized as financial liabilities.

**Investments back to unit- and index-linked policies**: various types of investments backing insurance liabilities related to unit and index-linked policies.

**Investments in internal strategic initiatives**: total investments (included in the general expenses, in cash view - capex) included within the expenses baseline as the sum of all strategic initiatives considered in the Generali 2021 strategy.

**Investments properties**: direct investments in properties held in order to receive rent or to achieve targets for capital appreciation, or for both reasons. This asset class also includes investments funds that are mainly exposed to real-estate investments.

**Leads**: number of users who manifested interest for a Generali product/service leaving contact details on company channels.

**Lockup clause**: it imposes the unavailability of the shares assigned with respect to some incentive plans (or a specific share) for a specific time horizon as defined by any individual plan. The clause provides for the commitment of the issuing Company and potentially of some shareholders not to pursue selected actions on the equity of the company itself in the period subsequent to a public offering.

**Managed reports related to the Code of Conduct**: they are the allegations of potential breaches of the Group's Code of Conduct that are managed in accordance with the Group's Process on managing reported concerns. They do not include customer complaints.

**Mathematical provisions**: it is the amount that shall be set aside by the insurance company to meet its future obligations to policyholders.

**Migrations and new households**: ESG factor monitored by the Group; it refers to the migration phenomena and increased international mobility that are broadening the cultural diversity of the modern globalised societies and are transforming the preferences and market of the consumers, the workplace and the political debate. Also the profile of modern family is profoundly changing with a significant increase in households made up of only one person and in single-parent families due to greater women emancipation, growth in separations, longer life expectation and urbanisation. As a result, consumption habits, the distribution of resources and the social risk mitigation mechanisms are changing, and the vulnerability of the single-person households to situations of hardship - such as loss of employment or disease - is growing.

**NBM, new business margin**: it is a performance indicator of the new business of the Life segment, equal to the ratio of NBV to PVNBP. The margin on PVNBP is intended as a prospective ratio between profits and premiums.

**NBV, new business value**: it is an indicator of value created by the new business of the Life segment. It is obtained by discounting at the date of new contracts the corresponding expected profits net of the cost of capital (net of the portion attributable to minority interests).

**Net inflows**: it is an indicator of cash flows generation of the Life segment. It is equal to the amount of premiums collected net of benefits paid.

**Operating result**: it is the result of the period before taxes, before interest expense on liabilities linked to financing activities, certain net financial income as well as non-recurring income and expenses. Please refer to the chapter *Methodological notes on alternative performance measures* for further information.

**Operating return on investments**: it is an alternative performance measure of both the Life and Property & Casualty segments, calculated as the ratio of the operating result to the average investments at IAS/IFRS book value, as described in the chapter *Methodological notes on alternative performance measures*.

**Organizational entities with smart working policy**: organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy.

**Other investments**: it includes participations in non-consolidated companies, associated companies and joint ventures, derivative investments and receivables from banks and customers, the latter mainly related to banking activities by some Group companies.

**Outcomes**: the internal and external consequences (positive and negative) for the capitals as a result of an organization's business activities and outputs.

**Pandemics and extreme events**: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to the fact that the population concentration and the deficiencies in population protection and emergency management mechanisms are increasing the risks associated with extreme events, such as earthquakes and tsunamis, pandemics and health emergencies as well as other man-made catastrophes such as technological, radiological incidents, and terrorism. A strengthening of the system to prevent, prepare for and respond to these events is required in order to increase the resilience of the affected territories and communities.

**P&L return on investments**: it is the sum of the current return on investments and the harvesting rate net of investment management expenses. Please refer to the chapter Methodological notes on alternative performance measures for further information.

**Polarization of lifestyle**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the enhanced awareness of the connection between health, living habits and the environmental, which is favouring the spread of healthier lifestyles, based on the prevention and proactive promotion of well-being, especially in the higher income and higher education social groups. Examples of this are the growing attention to healthy eating and to physical activity. However, amongst the more vulnerable social brackets, unhealthy lifestyles and behaviours at risk are continuing, if not actually increasing, with the spread of different forms of addiction (drugs, alcohol, tobacco, compulsive gambling, Internet and smartphone addiction), mental discomfort, sleep disorders, incorrect eating habits and sedentariness, with high human and social costs related to healthcare expenditure, loss of production and early mortality.

**Prior year loss ratio**: it is a further detail of combined ratio calculated as the ratio of:
- previous year incurred claims + related claims management costs net of recoveries and reinsurance; to
- net earned premiums.

**Provision for outstanding claims**: it comprises the estimated overall amounts which, from a prudent valuation based on objective elements, are required to meet the payment of the claims incurred during the current year or the previous ones, and not yet settled, as well as the related settlement expenses. The outstanding claims provisions shall be estimated as the total ultimate cost taking into account all future foreseeable charges, based on reliable historical and forecast data, as well as the specific features of the company.

**Provision for unearned premiums**: it comprises the unearned premium component, defined as the part of gross premiums written which is to be allocated to the following financial periods, and the provisions for unexpired risk on insurance contracts in force in excess of the related unearned premiums.

**Provisions arising from policies where the investment risk is borne by the policyholders and from pension funds**: they comprise the amounts to be allocated to the policyholders or to the beneficiaries relating to Life segment products where the risk arising from the underlying financial investments backing the technical liabilities is borne by the policyholders.

**Provisions for sums to be paid**: they are technical reserves constituted at the end of each financial year by companies operating in the Life segment in order to cover the overall amounts required to meet the payment of the capitals and annuities accrued, surrenders and claims outstanding.

**PVNBP, present value of new business premiums**: it is the present value of the expected future new business premiums, allowing for lapses and other exits, discounted to point of sale using reference rates.

**Regulatory complexity**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the increase in the production of laws and regulatory mechanisms especially for the financial sector, in order to regulate its complexity and to share the fight against illegal economic activities with the sector's participants. Therefore, the costs for guaranteeing regulatory compliance and the need for greater integration and simplification of the governance systems are increasing.

**Relationship Net Promoter Score, Relationship NPS**: it is an indicator calculated from customer research data. A pre-defined market representative sample is surveyed on a quarterly base. Specifically, customers are asked to assess their likelihood to recommend Generali to their friends, colleagues and family members, using a scale from 0 to 10. Thanks to this feedback, the company is able to identify detractors (rating from 0 to 6), passives (rating of 7 or 8) and promoters (rating of 9 or 10). In order to calculate the RNPS, the percentage of detractors is deducted from the percentage of promoters. The RNPS is not expressed as a percentage but as an absolute number.
At each wave, at least 200 Generali customers and as many customers of our European international peers (AXA, Allianz and Zurich) are surveyed per market to guarantee the robustness of the data surveyed.

**Relevant personnel**: it refers to general managers with strategic tasks, the Heads and the highest-level personnel of the key functions and the other categories of personnel whose activity can have a significant impact on the company risk profile in accordance to IVASS Regulation no. 38/2018, art. 2, paragraph 1, letter m).

**Resource scarcity and sharing economy**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the increase in world population and the excessive exploitation of natural resources such as soil, land water, raw materials and food resources that make the transition to circular and responsible consumption models necessary as they reduce the resources use and the waste production. Technological innovation and the spread of more sustainable lifestyles encourage the spread of new consumption and production patterns based on reuse and sharing, such as car sharing, co-housing, co-working and crowdfunding.

**RoE, Return on Equity**: it is an indicator of return on capital in terms of the Group net result. It is calculated as the ratio of:
- Group net result; to
- average Group shareholders' equity at the beginning and end of the period, adjusted to exclude other gains and losses directly booked to equity, included in Other Comprehensive Income, such as gains and losses on available for sale financial assets, gains and losses on foreign currency translation differences, unrealized gains and losses on hedging derivatives and unrealized gains and losses on defined benefit plans.

**Solvency Ratio**: it is the ratio of the Eligible Own Funds to the Group Solvency Capital requirement, both calculated according to the definitions of the SII regime. Own funds are determined net of proposed dividend. The ratio has to be intended as preliminary since the definitive Regulatory Solvency Ratio will be submitted to the supervisory authority in accordance with the timing provided by the Solvency II regulations for the official reporting.

**Social products**:
- products that respond to the needs of specific categories of customers or particularly unfortunate events in life, including, but not limited to, products dedicated to the young, to the elderly, to the disabled, to immigrants, to the unemployed and to coverage for professional disabilities, or which in some way support and foster social inclusion;
- products that promote a more prosperous and stable society, with particular attention on small and medium-sized enterprises and people involved in voluntary work;
- products with high pension or microinsurance content;
- products that promote responsible and healthy lifestyles, leveraging the opportunities provided by new technologies, on the importance of preventive healthcare or other virtuous behaviours of policyholders;
- products that supplement the public health service, designed to help manage the costs of treatment and assistance, as well as the reduction in earnings of customers in the event of serious illnesses or the loss of self-sufficiency.

**Stock granting**: free shares assignment.

**Stock option**: it represents the right of the holder to buy shares of the Company at a predefined price (so-called strike). These options are assigned free of charge.

**Stranded asset**: invested assets that may lose their economic value in advance of the expected duration, due to regulatory changes, market forces, technological innovation, environmental and social problems associated with the transition to a low-carbon economy. They are typically associated with the coal and fossil fuel sector, with an indirect impact on the utilities and transport sectors.

**Sustainable Development Goals (SDGs)**: 17 objectives contained in the 2030 Agenda for sustainable development, launched by the United Nations.

**Taxonomy-aligned economic activity**: an economic activity that is described in Annexes I and II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation) adopted pursuant to Regulation EU 2020/852 and that meets all of the technical screening criteria laid down in those Annexes.

**Taxonomy-eligible economic activity**: an economic activity that is described in Annexes I and II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation) adopted pursuant to Regulation EU 2020/852 irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those Annexes.

**Trained employees**: employees who attended stand-alone training activities designed for one target group, dealing with one topic and not embedded in daily work. They include those employees trained during the period who left the Group before the end of the period.

**Training investment**: they include all direct costs for formal learning, except for those for on-the-job training.

**Transparency and purpose-driven businesses**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the fact that key stakeholders of companies - such as investors, consumers and employees, especially in Europe and with particular reference to the Millennials - are ever more attentive and demanding on the purpose and the sustainability practices of companies. Also, the regulatory requirements for companies in terms of reporting and transparency are increasing, making it increasingly essential that a company demonstrate its ability to create value for all of its stakeholders, going beyond the shareholders. The growing number of benefit companies, cooperatives and social enterprises stands as proof of this trend.

**Third-Party Assets Under Management, TP AUM**: assets managed by the Group on behalf of its institutional and retail clients, insurance companies and pension funds.

**Undertakings not obliged to publish non-financial information**: undertakings that are not obliged to publish non-financial information in line with the directive EU 2014/95, which are not subject to disclosure obligations relating to EU Taxonomy-aligned activities.

**Unmediated access to information**: ESG factor monitored by the Group; it refers to the increasing speed, ease and amount of information shared between people, governments and companies thanks to the diffusion of new communication technologies, social media and web platforms. In this way, knowledge is increasingly accessible, multi-directional, intergenerational and on a global scale, and is transforming how people form opinions and mutually influence each other. The traditional sources of information, such as newspapers, schools, parties and religious institutions, are undergoing a resizing of their role in mediating knowledge, with consequences for control of the reliability of the information circulated and for manipulating public opinion, as evidenced by the fake news phenomenon.

**Urbanization**: ESG factor monitored by the Group; it refers to the trend of human population concentrating in urban areas. Today over 70% of Europeans live in cities, and the amount should rise to above 80% by the year 2050. At the same time, over the years land consumption to convert natural land into urbanised areas has accelerated. Together with their expansion, the cities find themselves having to take up increasingly urgent challenges, such as social inclusion in the outskirts and the lack of adequate housing, congestion and air pollution. Considerable investments will therefore be necessary for urban regeneration and to modernise infrastructure and mobility systems based on a more sustainable planning.

**Weighted average carbon intensity (WACI)**: portfolio's exposure to carbon-intensive companies, expressed in tons $CO_2e$/€ million revenue.

**Weighted average cost of debt**: it is the annualized cost of financial debt considering the nominal amounts at the reporting date and the related transactions of currency and interest rate hedging.

**Women and minorities inclusion**: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the growing demands for greater inclusion and empowerment of the diversities related to gender, ethnic group, age, religious belief, sexual orientation and disability conditions in the various areas of social life, from the workplace to that of political representation and public communication. The topic of women empowerment and reducing the gender pay and employment gaps has taken on particular emphasis. However, in the face of these trends an increase in forms of intolerance, social exclusion and violence is noted, particularly against women, ethnic and religious minorities, immigrants and LGBTI+ people and those with mental-physical disabilities, especially in the lower income and lower education social brackets.

# CONTACTS


## Group Integrated Reporting
integratedreporting@generali.com
Manager: Massimo Romano

## AG Administration, Finance and Control
bilancioindividualecapogruppo@generali.com
Manager: Nicola Padovese

## Corporate Affairs
corporateaffairs@generali.com
Manager: Giuseppe Catalano

## Group Media, Content and Channels
media@generali.com
Manager: Roberto Alatri

## Group Reward & Institutional HR Governance
group_reward@generali.com
Manager: Giovanni Lanati

## Group Sustainability & Social Responsibility
csr@generali.com
Manager: Lucia Silva

## Investor & Rating Agency Relations
ir@generali.com
Manager: Giulia Raffo

## Shareholders & Governance
governance@generali.com
Manager: Michele Amendolagine

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Coordination
**Group Communications
& Public Affairs**

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