

189th year

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MANAGEMENT REPORT AND PARENT COMPANY FINANCIAL STATEMENTS PROPOSAL 2020



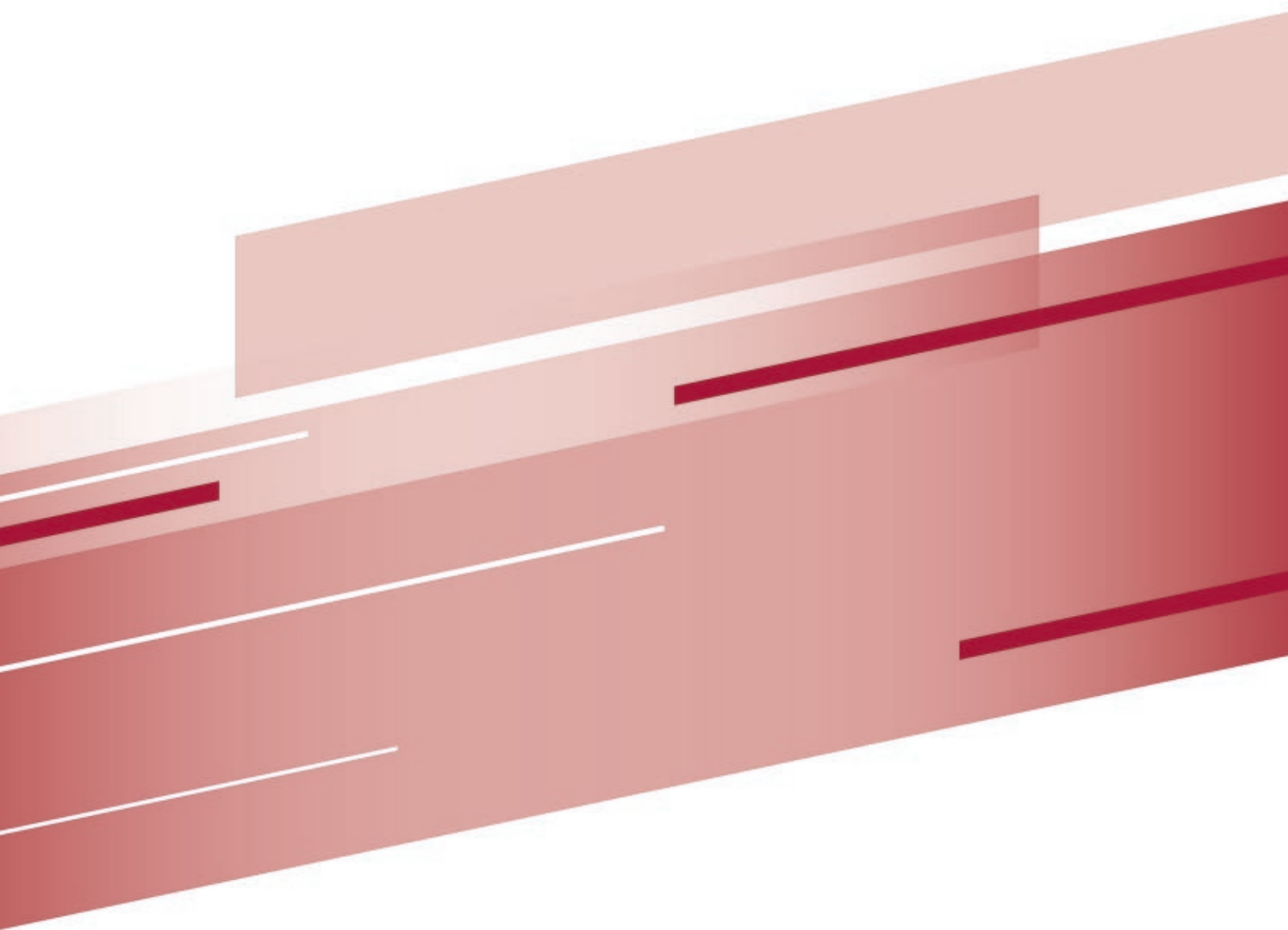
Across almost two centuries of history, Generali has consolidated its resilience and helped people build a safer future by caring for their lives and their dreams.

It remained this way, even in an unprecedented year, such as 2020, and will also be in the future.

The ability to offer solutions with competence and a human touch was celebrated in the Group's first global advertising campaign, from which the images illustrating this Report are taken and which highlight the distinctive characteristics of Generali Red: empathy, passion, dynamism, proactivity.

For us, these are the qualities that people look for in a brand and that add value to the lives of customers, agents, employees, investors and partners.

**MANAGEMENT
REPORT AND PARENT
COMPANY FINANCIAL
STATEMENTS PROPOSAL
2020**



CORPORATE BODIES AT 10 MARCH 2021

CHAIRMAN

Gabriele Galateri di Genola

VICE-CHAIRMEN

Francesco Gaetano Caltagirone
Clemente Rebecchini

MANAGING DIRECTOR AND GROUP CEO

Philippe Donnet

BOARD MEMBERS

Romolo Bardin
Paolo Di Benedetto
Alberta Figari
Ines Mazzilli
Antonella Mei-Pochtler
Diva Moriani
Lorenzo Pellicoli
Roberto Perotti
Sabrina Pucci

BOARD OF STATUTORY AUDITORS

Carolyn Dittmeier (Chairwoman)
Antonia Di Bella
Lorenzo Pozza
Silvia Olivotto (Alternate Auditor)
Tazio Pavanel (Alternate Auditor)

BOARD SECRETARY

Giuseppe Catalano

Assicurazioni Generali S.p.A.

Company established in Trieste in 1831

Registered office in Trieste, piazza Duca degli Abruzzi, 2

Share capital € 1,576,052,047 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

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THE INTEGRATED OVERVIEW OF OUR REPORTS

Our sustainable value creation story continues to be based on integrated thinking. In line with the Core&More¹ approach, the **Annual Integrated Report** is the **Core** report of the Group, providing material financial and non-financial information. We provide further information, mainly addressed to a specialized audience, through the **More reporting**, including other Group's reports and channels of communication.



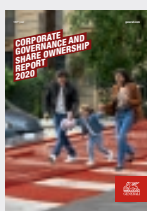
GROUP ANNUAL INTEGRATED REPORT

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.



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.



www.generali.com

for further information on the Group



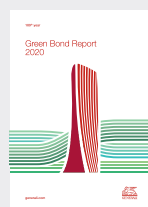
MANAGEMENT REPORT AND PARENT COMPANY FINANCIAL STATEMENTS

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



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 CO₂ emissions.



¹ The Core&More approach developed by Accountancy Europe provides for a core report, including a summary of all key information required to evaluate and understand a company, and more reports, presenting more detailed information. www.accountancyeurope.eu/ for further information.

ABOUT MANAGEMENT REPORT AND PARENT COMPANY FINANCIAL STATEMENTS

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

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

Pursuant to Legislative Decree no. 254/2016, article 6, paragraph 1, the Company is not subject to the obligation of preparing an Individual Statement of a Non-Financial Nature, under article 3 of the Decree itself, since the Company is included in the Consolidated Statement of a Non-Financial Nature, prepared by the Generali Group pursuant to article 4.

The **Report** starts with a foreword, that contains a summary of economics, managerial and governance characteristics of our Group and Assicurazioni Generali S.p.A., with reference to 2020.

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

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

 Annual Integrated Report and Consolidated Financial Statements 2020, p. 139



LETTER FROM THE CHAIRMAN AND THE GROUP CEO

Dear Reader, Dear Generali Shareholder,

Last year was an unprecedented one, characterized by a pandemic that greatly disrupted our daily lives and profoundly changed our world. Covid-19 has had and will continue to have significant and persistent consequences for a long time to come both in the economic and social spheres, on top of the very high cost in terms of human lives.

Faced with this very complex scenario, Generali was able to react quickly and decisively by implementing a series of measures that enabled us to reduce the negative impact of the pandemic on our business and confirm our solidity.

Right from the beginning, the Group gave top priority to the health and well-being of its people by immediately implementing remote working which involved over 90% of our administrative employees worldwide. We were, therefore, able to guarantee full operating continuity and provide maximum support to our customers even in the most critical phases, in line with our ambition to be their Lifetime Partner. All of this was made possible thanks to the commitment of our people and to forward-looking investments made in digitalisation over the past years. Furthermore, important measures to support the communities in which the Group operates were set in place, with the launch of an Extraordinary International Fund of € 100 million and numerous other programs developed locally in different parts of the world. Support measures were also made possible thanks to the generous contribution of our colleagues, management and board members.

We moved forward with the implementation of Generali 2021, a strategic plan that has proven to be fully effective even in the current market context, confirming our full commitment to delivering its financial targets. The focus on technical excellence, the strength of our distribution network, the diversified business model, capital solidity and excellence in innovation have continued to be Generali's core strengths. In addition, we are making a greater commitment to sustainability together with our on-going aim to invest in training our people and in our brand, as demonstrated by the launch of the first global advertising campaign in the Group's history. These factors allowed us to finish 2020 with a record operating result and excellent capital solidity, as evidenced by a Solvency Ratio that remained stable compared to 2019, even in light of the impact of the pandemic. The P&C segment, which has always been distinguished by technical excellence, with the best and least volatile Combined Ratio among our peers, continued to post profitable growth. The contribution of the Asset Management segment increased further. Adjusted net profit was impacted by some extraordinary expenses and impairments, especially in the first part of the year, due to the performance of the financial markets, also affected by the pandemic. All of these results permit us to distribute a proposed dividend of € 1.47 per share¹.



¹ Split into two tranches of € 1.01 and € 0.46, respectively. The first tranche, payable as from 26 May 2021, represents the ordinary pay-out from 2020 earnings: shares will be traded ex-dividend as from 24 May 2021. The second tranche, instead, related to the second part of the 2019 retained dividend, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

These results demonstrate the Group's ability to remain solid and resilient, even when facing what is considered the most serious economic crisis since the Second World War, with global GDP down by 3.8% in 2020, the Eurozone's down by 6.8% and Italy's lower by 8.9%.

In this scenario, the European Union has made extraordinary efforts to boost economic renewal through a series of intervention measures proposed by the European Commission and approved by the European Council on 21 July 2020.

Any important crisis is followed by the opportunity to plan for recovery with a focus on sustainability. Aware of the important role we play within the socio-economic system as a global insurance group and based on the strength of our experience as a long-term investor, we want to do our part.

Firstly, by contributing to making the economic system more resilient, and with it, society as a whole.

Throughout the year, the Group's top management has taken a proactive approach, at national and European level, to forge dialogue with the most important institutional players and with other leading groups in the insurance industry, with a view to implementing solutions that guarantee the ability to tackle future systemic risks, such as pandemics, in the best way possible. Tangible solutions, such as the proposal of an International Pandemic Fund, based on a public-private partnership, to provide support to small- and medium-sized firms if they were obliged to close to secure public health.

Secondly, by responding as insurers to today's modern lifestyles and to the new expectations of customers, who require increasingly personalized and digital products and services.

Lastly, we believe in a green recovery. In the wake of the Green Deal of the European Union, of the United States' re-entry in the Paris Agreement and China's declaration to become carbon-neutral by 2060, we believe that the world is in the presence of an incredible international convergence in which Europe and its citizens can play a central role. This is why in 2020 we joined several international alliances, such as the Net-Zero Asset Owner Alliance and the European Green Recovery Alliance. We have also achieved our target of allocating € 4.5 billion to new green and sustainable investments one year ahead of schedule, and we will continue to work to increase premiums linked to insurance products with socio-environmental impact by 7-9% by year-end 2021.

In 2021, we celebrate the 190th anniversary of the establishment of Generali. In almost two centuries of history, we have successfully overcome numerous other historic crises, without ever wavering from our purpose of enabling people to shape a safer future by caring for their lives and dreams. We will continue to do this even in these times of crisis, with the resilience and the passion that distinguish Generali's people.

Gabriele Galateri di Genola
Chairman



Philippe Donnet
Group CEO



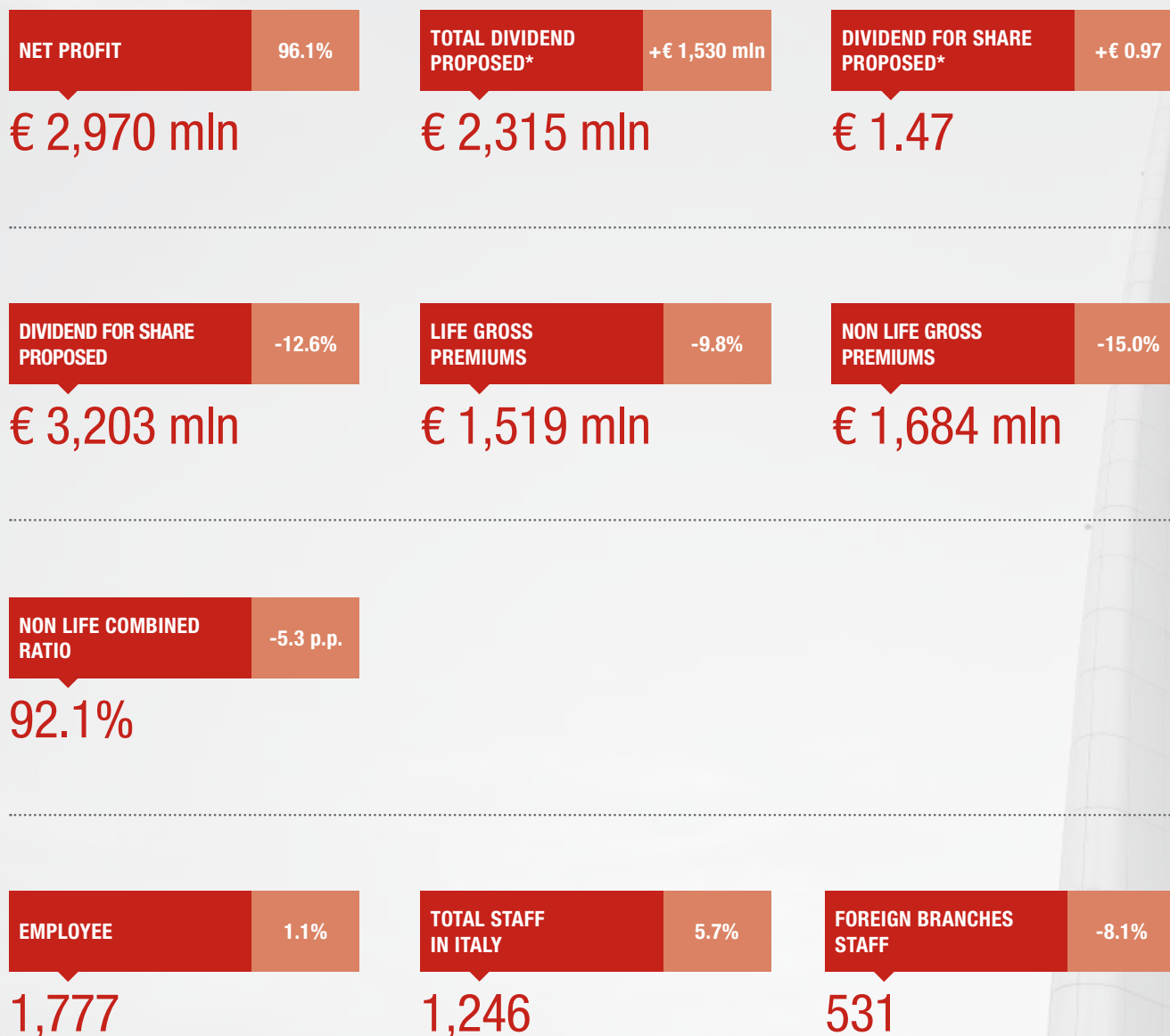



WE, GENERALI

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#WEREALLABOUTYOU

COMPANY HIGHLIGHTS



* Split into two tranches of € 1.01 and € 0.46, respectively. The first tranche, payable as from 26 May 2021, represents the ordinary pay-out from 2020 earnings: shares will be traded ex-dividend as from 24 May 2021. The second tranche, instead, related to the second part of the 2019 retained dividend, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

SHAREHOLDERS' FUND 14.0%

€ 17,191 mln

TOTAL ASSETS 5.2%

€ 47,795 mln

**SHAREHOLDINGS IN
GROUP COMPANIES** 7.9%

€ 31,890 mln

**NET TECHNICAL
PROVISIONS** -9.5%

€ 6,415 mln

**LIFE NET TECHNICAL
PROVISIONS** -10.4%

€ 4,613 mln

**NON LIFE NET TECHNICAL
PROVISIONS** -7.2%

€ 1,801 mln

DEBT -1.3%

€ 15,646 mln

**REGULATORY SOLVENCY
RATIO** -1.6 p.p.


258.8%

2020 KEY FACTS


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

JAN20

Completed the acquisition in **Portugal** of 100% of the company Seguradoras Unidas and the service company AdvanceCare. The transaction, announced in July 2019, represents an important step in the execution of the Group's three-year strategy, which aims to strengthen Generali's leadership in Europe.

 Profitable growth, p. 35

Generali included in the **Corporate Knights' 2020 ranking Global 100 Most Sustainable Corporations**, consisting of the world's 100 most sustainable corporations. This recognition highlights the evolution of Generali's sustainability journey, which is an integral part of the Generali 2021 strategy.

 The Generali 2021 strategy, p. 32

Generali joined the United Nations-convened **Net-Zero Asset Owner Alliance**, a group of 18 pension funds and insurers, committed to decarbonize their portfolios to net-zero emissions to avoid a global temperature increase above the 1.5°C Paris target. The Alliance closely works with companies in portfolios as to change their business models, adopting climate-friendly practices and ideally setting a net-zero target based.


 For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's financial position, p. 75

Energy Hub launched in the Generali Tower in the CityLife district of Milan, an innovative space dedicated to stimulating the physical and mental energy of all employees and promoting a healthy and sustainable lifestyle. Designed in line with the Ministry of Health guidelines as part of a preventive health approach, Energy Hub is the latest stage in a true welfare journey for Group's employees.

FEB20

Bank of Italy authorized **ThreeSixty Investments SGR** (Società di Gestione del Risparmio) to operate as an asset manager under the Italian law. The first Italian boutique of Generali, announced in April 2019, changed its name in Plenisher Investments SGR at the end of 2020. It aims to offer highly diversified multi-asset investments and solutions, with an innovative, integrated investment approach across a wide range of asset classes.

In line with the Group's sustainability and capital management strategy, Generali developed its first **Framework for the Green Insurance Linked Securities**, alternative mechanisms for the transfer of insurance risk to institutional investors.

 Capital management and financial optimization, p. 36


MAR20

The Board of Directors of Assicurazioni Generali approved **2019 Annual Integrated Report and Consolidated Financial Statements** and **2019 Parent Company Financial Statements Proposal**. It also approved a capital increase of € 6,278,644 to implement the 2017 Long-Term Incentive Plan, having ascertained the occurrence of the conditions on which it was based.

The Board of Directors of Assicurazioni Generali established an **Extraordinary International Fund** of € 100 million to assist in the Covid-19 emergency and to support economic recovery efforts in the countries where the Group operates. The Fund also benefited from contributions from the Group's employees. It helped with the health emergency in Italy according to the priorities agreed with the Italian National Health System and the Italian Civil Protection as well as with initiatives for customers, SMEs and their employees across the markets in which the Group operates.

 For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's performance, p. 70

Started a **share buyback for the share plan for the Generali Group's employees**, implementing the resolution of the Shareholders' Meeting held on 7 May 2019 that had authorised the purchase and disposal of a maximum of 6 million of treasury shares until 7 November 2020.

 Our people, p. 43

APR20


The Board of Directors of Assicurazioni Generali decided to confirm the proposal to pay the **dividend per share** equal to € 0.96 at the next Shareholders' Meeting but to divide it into two tranches. The first tranche amounting to € 0.50 was paid in May and the second equal to € 0.46 to be paid by year-end and subject to the Board's verification, inter alia, of the compliance with the limits set by the Group's Risk Appetite Framework at 30 September 2020, as well as to the positive confirmation of the compliance with the norms and regulatory recommendations concerning dividend payments at that time.

In recognition of the difficult global situation caused by the Covid-19 emergency, the Group CEO, the members of the Group Management Committee and the other managers with strategic responsibilities decided voluntarily to reduce their **fixed compensation** by 20% starting in April 2020 until year-end, further increasing the Extraordinary International Fund.


 For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's performance, p. 70

Increased the **share capital of Assicurazioni Generali** to € 1,576,052,047 in execution of the 2017 Long-Term Incentive Plan adopted by the Shareholders' Meeting in 2017.

The Board of Directors of Assicurazioni Generali approved the **Group's Tax Strategy**, an essential part of the tax risk control system. 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 the Company's reputation.

 Our rules for running business with integrity, p. 53

The **Shareholders' Meeting** approved the 2019 financial statements, setting forth the distribution of a dividend per share of € 0.96 to shareholders, divided into two tranches¹²; the Report on the remuneration policy while expressing a non-binding positive resolution on the Report on payments; the Group Long Term Incentive Plan (LTIP) 2020-2022, which provides for the assignment of a maximum 9.5 million shares; the stock plan related to the mandate of the Managing Director/Group CEO, providing for the assignment of a maximum 690,000 shares; and a number of amendments to the Articles of Association. In addition, the Board of Statutory Auditors was appointed for the three-year period 2020-2022. Following the entry into force of decree law no. 18/2020, which has introduced special rules related to the Covid-19 emergency applicable to the shareholders' meetings of listed companies, Assicurazioni Generali decided, inter alia, to make use of the right, established by the decree, according to which the participation of those entitled to vote at the Shareholders' Meeting would have taken place exclusively through the designated, without the physical participation of the shareholders.

 Our governance and remuneration policy, p. 56

MAY20

Regarding the press release issued by Fitch Ratings, that was a direct result of the downgrading of Italy's sovereign debt, Generali confirmed its **solid capital position** and emphasised that the Agency - which changed the Generali rating from A, outlook negative, to A-, outlook stable - had implemented a stress test linked to the Covid-19 pandemic, whose results would have led to the confirmation of Generali rating.

The Board of Directors of Assicurazioni Generali approved the **Financial Information at 31 March 2020**.

Paid the **first tranche¹³ of dividend per share 2019** of Assicurazioni Generali, equal to € 0.50.

1 The first tranche equal to € 0.50 was paid in May 2020. The second tranche equal to € 0.46 was to be paid by year-end and subject to the Board's verification, inter alia, of the compliance with the limits set by the Group's Risk Appetite Framework at 30 September 2020, as well as to the positive confirmation of the compliance with the norms and the regulatory recommendations concerning dividend payments at that time. Please read updates in the November 2020 event.


2 As approved by the Shareholders' Meeting on 30 April 2020.

JUN20

Reached an agreement with BTG Pactual ending the arbitration for the **sale of BSI**. The settlement agreement provides for the payment of CHF 245 million to BTG Pactual as indemnity and price adjustment, the termination of the arbitration and a waiver of the mutual claims and indemnification requests, without any admission of liability or wrongdoing. The net impact on the Generali Group's 2020 results amounts to CHF 195 million, equivalent to about € 183 million, after taking into account pre-existing provisions to cover legal costs.

Generali was honoured at the EFMA Accenture Innovation in Insurance Awards 2020, the competition that showcases the most outstanding technology innovations in the insurance industry. The Group won two out of the total of seven awards given, in the following categories: the **Customer Experience award for Digital Hub**, an omnichannel experience for customers, agents and prospects across all digital touchpoints, with a common user experience and unique visual identity across countries; and the **Workforce Transformation award for We LEARN: A New Way to the Future**, a reskilling initiative that helps employees develop new capabilities needed to grow in the digital era and support the Group's strategic priorities.

 Innovation and digital transformation, p. 39

 Our people, p. 43

Approved the launch of a strategic partnership with **Cattolica Assicurazioni**, which is based on four business areas: Asset Management, Internet of Things, Health Business and Reinsurance. These areas represent important profitable growth opportunities in services for customers in the P&C segment and in the asset management segment, leveraging Generali's competencies and capabilities in investment management, digital innovation and health services. They will allow Cattolica to expand and improve the offer to its customers with new and innovative ancillary services.


 Profitable growth, p. 35

JUL20


Published the first Activity Report of **The Human Safety Net**, sharing the growing Generali's social impact in the communities where the Group is present in Europe, Asia and Latin America.

 A continuous commitment to sustainability, p. 49


Generali successfully concluded the **buyback** of about € 600 million of three series of **subordinated notes** with first call dates in 2022 and the **placement** of its **second green bond** of € 600 million, that attracted an orderbook of € 4.5 billion, more than 7 times the offer, from around 350 highly diversified international institutional investor base including a significant representation of funds with green/SRI mandates. The buyback and the new issue will enable the Group to achieve further savings in interest expenses for its financial debt in line with the similar liability management transaction in September 2019.

 Capital management and financial optimization, p. 36

Launch of the first-ever **global advertising campaign of Generali** in three phases. The first phase was focused on the agents, whose role is key. The second phase, set in October, was dedicated to the brand while the third phase will project key products and hallmarks in 2021.

 A strong brand, p. 48


Signed a Memorandum of Understanding between Generali and Eurochambres, the European organization of Chambers of Commerce and Industry, to cooperate so as to promote and implement a potential **pandemic risk pool**.

 Challenges and opportunities of the market context, p. 22

The Board of Directors of Assicurazioni Generali approved the **Half-Yearly Consolidated Financial Report 2020**.

SEP20


Signed a letter of business leaders and investors, drafted by Corporate Leaders Group, asking European Heads of State and Government to **reduce domestic greenhouse gas emissions by at least 55%** compared with 1990 levels by 2030, raising the previously envisaged target of 40%. Generali reaffirms its commitment to help pace and focus transition efforts from now until 2050, supporting the necessary legal amendments and continuing to invest in the green economy, knowing that an increased global climate ambition is a crucial driver of Europe's competitiveness in the world.

 Challenges and opportunities of the market context, p. 22


 A continuous commitment to sustainability, p. 49

OCT20

Concluded the process of the legal merger of all the 100% owned insurance subsidiaries in Portugal, obtaining all the required approvals from the regulatory authority. **Seguradoras Unidas S.A.** incorporated Generali Companhia de Seguros, S.A and Generali Vida Companhia de Seguros S.A. and changed its name to Generali Seguros, S.A.. The transaction enables Generali to maintain its fast-paced integration project and growth plans in the country.

 Profitable growth, p. 35

The Board of Directors of Assicurazioni Generali approved the **adoption of the new Corporate Governance Code**, that aims to ensure the constant conformity of listed companies with international best practices. Generali will apply the new Code starting from 2021, reporting to the market in its Corporate Governance and Share Ownership Report to be published in 2022.

 Our governance and remuneration policy, p. 56

Fitch confirmed Generali's A- Insurance Financial Strength (IFS) rating and the BBB+ Issuer Default Rating (IDR). The outlook remained stable. The ratings reflected Generali's strong capitalisation and very strong business profile, mainly thanks to its leadership positions in Italy, Germany and France. The Group's financial leverage was seen as moderate for its ratings.

Generali subscribed the reserved share capital increase for **Cattolica Assicurazioni** for a total of € 300 million, thus holding a stake representing 24.46% of the issuer's share capital.

 Profitable growth, p. 35

NOV20

The Board of Directors of Assicurazioni Generali approved the **Financial Information at 30 September 2020** and examined the conditions for the payment of the **second tranche of the 2019 dividend** approved by the Shareholders' Meeting on 30 April 2020, equal to € 0.46 per share, to be paid by year-end and subject to the Board's verification.


In particular, the Board of Directors verified the compliance with the limits set by the Group's Risk Appetite Framework at 30 September 2020.

The Board of Directors took note of the letter received from IVASS on 10 November 2020, in which the Regulator indicated that the application of the European Systemic Risk Board (ESRB) recommendation dated June 2020 - and still in force with regards to dividend distribution - had general application and didn't entail a case by case evaluation, therefore committing the Group not to proceed with the payment of the second tranche. Despite the conditions set out in the Group's Risk Appetite Framework being met, the Board then decided to comply with the current demands of the Regulator and consequently not to proceed with the payment of the second tranche of the 2019 dividend by the end of 2020. In addition, in 2021 the Group, subject to a positive Regulatory position, intends to seek shareholders' approval also for the distribution of the second tranche of the 2019 dividend.

Generali confirmed in the **Dow Jones Sustainability World Index** and in the **Dow Jones Sustainability Europe Index**, a recognition of excellence for approach taken by the Group to integrate sustainability into its core business.

 The Generali 2021 strategy, p. 32

Generali met with the financial community for the **Investor Day**. It **confirmed the strategy is still valid and fully committed itself to financial targets**, drawing attention to its ability to effectively face the global Covid-19 crisis and to the core convictions at the heart of its strategic plan.

 The Generali 2021 strategy, p. 32

Generali won the **2020 Oscar di Bilancio** (the Academy Award for Financial Statements), a prestigious award presented by FERPI (Italian Federation of Public Relations) for its clarity, methodological rigour and transparency, as well as for the innovative and comprehensive approach in “fully integrating non-financial information (Non-Financial Statement) in the annual report [...] with an effective ‘Core and More’ approach.”

Moody's confirmed Generali's IFS rating at Baa1 and all ratings of debt instruments issued or guaranteed by the Group: Baa2 senior unsecured debt; Baa3(hyb) senior subordinated debt; Ba1(hyb) junior subordinated debt, Ba1(hyb) preferred stock. The outlook remained stable.

DEC20

Generali and Accenture created a joint venture (**GOSP - Group Operations Service Platform**) that will leverage cloud technologies and shared technology platforms to accelerate the Group's innovation and digital strategy in line with the Generali 2021 strategic plan. The new solutions, including establishing a more centralized governance, will enable the Group to improve operational efficiencies and profitability, achieve cost savings, and enhance service quality to meet the digital expectations of customers, agents and employees.

 Innovation and digital transformation, p. 39

AM Best confirmed Generali's Financial Strength Rating (FSR) at A (Excellent), the Long-Term Issuer Credit Rating (Long-Term ICR) at a+ and its long-term credit ratings for debt instruments issued or guaranteed by Generali (Long-Term IRs). The outlook was stable.


Generali signed an agreement for the 100% acquisition of AXA Insurance S.A. in **Greece** and renegotiated its distribution agreement in place with Alpha Bank expiring in March 2027, by extending it for twenty years from the closing of the acquisition. The acquisition of the company and the extension of the distribution agreement aim to strengthen the Group's leadership position in Europe, offering meaningful synergies. They are consistent with the Group's capital redeployment strategy in disciplined M&A to support profitable growth.

 Profitable growth, p. 35

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2020 AND 2021 CORPORATE EVENT CALENDAR

JAN21

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.

 Our rules for running business with integrity, p. 53

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 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.

FEB21

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.

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.

MAR21

10 March 2021. 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 2020 and the Report on Remuneration Policy and Payments
11 March 2021. Release of the results at 31 December 2020

APR21

29 April 2021. Shareholders' Meeting: approval of the Parent Company Financial Statements at 31 December 2020 and the Remuneration Policy as well as the other agenda items

MAY21

17 May 2021. Board of Directors: approval of the Financial Information at 31 March 2021
18 May 2021. Release of the results at 31 March 2021
26 May 2021. 2020 dividend payout on the share of Assicurazioni Generali, equal to € 1.01*

AUG21

2 August 2021. Board of Directors: approval of the Consolidated Half-Yearly Financial Report at 30 June 2021
3 August 2021. Release of the results at 30 June 2021

NOV21

10 November 2021. Board of Directors: approval of the Financial Information at 30 September 2021
11 November 2021. Release of the results at 30 September 2021

* The second tranche of the 2019 dividend, equal to € 0.46, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

THE VALUE CREATION PROCESS

EXTERNAL CONTEXT

GEOPOLITICAL AND FINANCIAL INSTABILITY

PANDEMICS AND EXTREME EVENTS

FINANCIAL CAPITAL
HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL

INTELLECTUAL CAPITAL
MANUFACTURED CAPITAL
NATURAL CAPITAL

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



THE GENERALI 2021 STRATEGY

p. 32

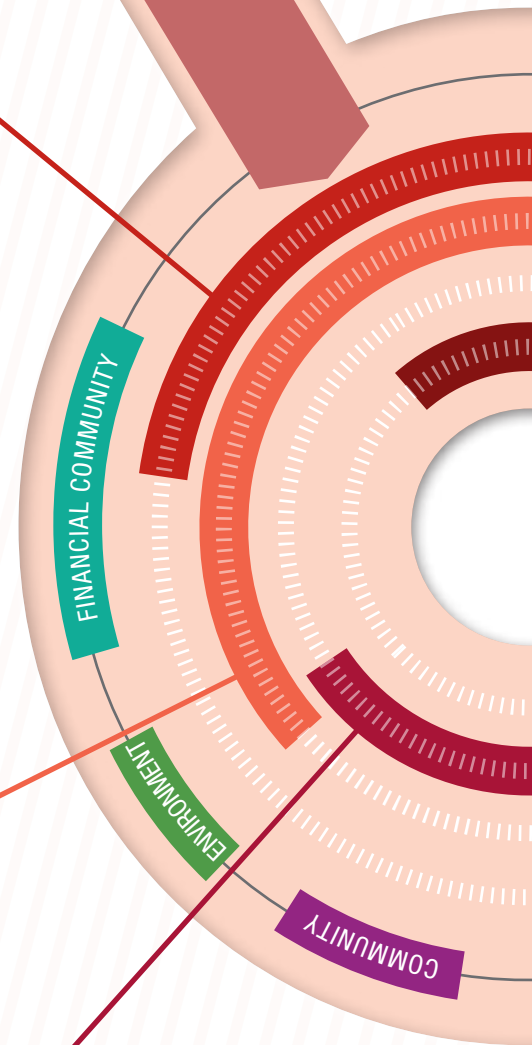
Being a Lifetime Partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network

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. 56

Within a challenging economic and financial environment, we are convinced that our governance - which complies with the best international practices - is adequate for effectively pursuing our strategy the **sustainable success** of the Company



 Glossary available, Annual Integrated Report and Consolidated Financial Statements at the end of this document

DIGITAL REVOLUTION AND CYBERSECURITY

CLIMATE CHANGE

AGING AND NEW WELFARE

 Challenges and opportunities of the market context, p. 22

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 dialogue with and assist customers at their best, striving for customer experience excellence and promoting the Generali brand.

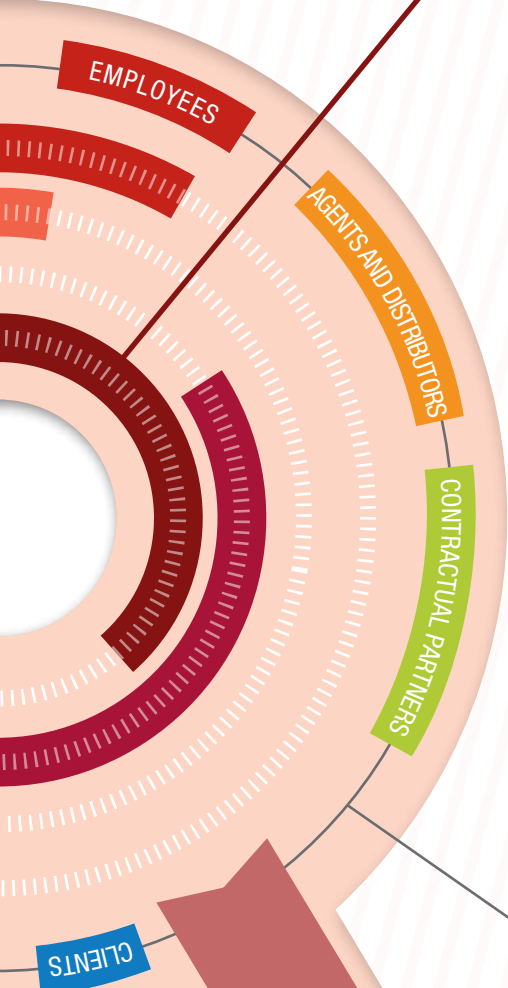
We receive premiums from our customers to enter into insurance contracts. They are responsibly invested in high quality **assets**.

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:

 For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Appendices to the Management Report, p. 152

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



FINANCIAL CAPITAL p. 63*

HUMAN CAPITAL p. 43

SOCIAL AND RELATIONSHIP CAPITAL p. 39, 48, 53

INTELLECTUAL CAPITAL p. 39, 56

MANUFACTURED CAPITAL p. 36, 75*

NATURAL CAPITAL p. 49, 53

* Annual Integrated Report and Consolidated Financial Statements 2020

BUSINESS MODEL OF ASSICURAZIONI GENERALI S.p.A.

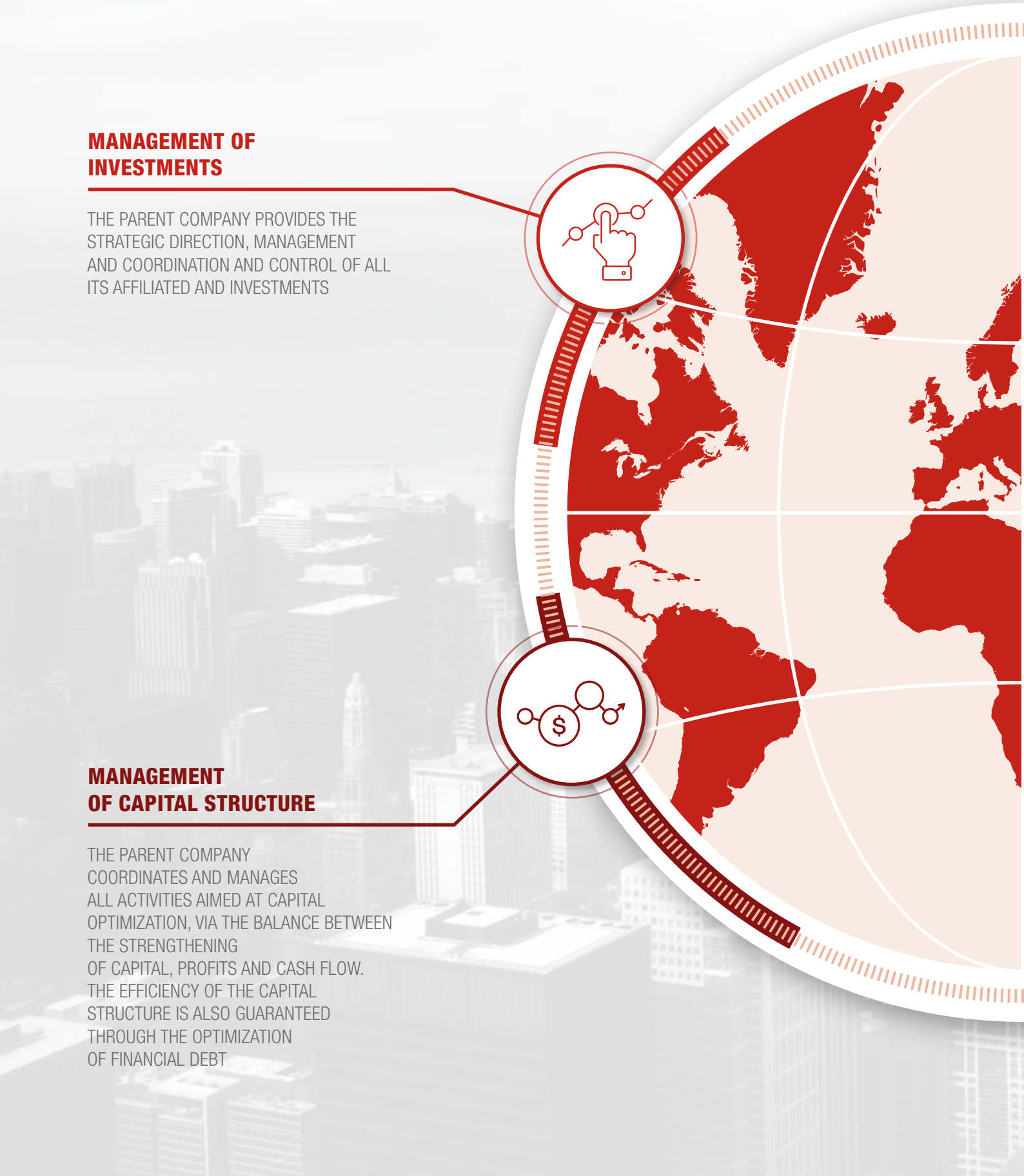
MANAGEMENT OF INVESTMENTS

THE PARENT COMPANY PROVIDES THE STRATEGIC DIRECTION, MANAGEMENT AND COORDINATION AND CONTROL OF ALL ITS AFFILIATED AND INVESTMENTS



MANAGEMENT OF CAPITAL STRUCTURE

THE PARENT COMPANY COORDINATES AND MANAGES ALL ACTIVITIES AIMED AT CAPITAL OPTIMIZATION, VIA THE BALANCE BETWEEN THE STRENGTHENING OF CAPITAL, PROFITS AND CASH FLOW. THE EFFICIENCY OF THE CAPITAL STRUCTURE IS ALSO GUARANTEED THROUGH THE OPTIMIZATION OF FINANCIAL DEBT





DIRECTION AND COORDINATION ACTIVITIES

THE PARENT COMPANY SETS
GUIDELINES TO IMPROVE
EFFICIENCY IN OPERATIONAL
MANAGEMENT

INSURANCE AND REINSURANCE ACTIVITY

THE INSURANCE AND REINSURANCE
BUSINESS OF THE PARENT COMPANY IS
CONDUCTED THROUGH BOTH THE HEAD
OFFICE AND FOREIGN BRANCHES

CHALLENGES AND OPPORTUNITIES OF THE MARKET CONTEXT

In an operating context made even more complex by the pandemic, we have continued to monitor the mega trends that pose significant risks and opportunities for the Group and for our stakeholders, with a view to sustaining our ability to create value over time.

The Generali 2021 strategy has proven to be particularly resilient, enabling us to implement the activities envisaged by our plan, also taking these challenges into account and guaranteeing the systematic assessment⁴ and adequate risk monitoring.



Risk Report, p. 95 in the Management Report and Parent Company Financial Statements 2020 for more detailed information on the risk management model and on the capital requirements

GEOPOLITICAL AND FINANCIAL INSTABILITY

2020 was characterised by the rapid spread of the **Covid-19 pandemic**, the first wave of which started in March, followed by a second wave after the summer. In the spring, the governments of the various countries involved imposed restrictions on mobility to prevent the spread of the virus, and various lockdowns were established, which had negative repercussions on the economy. Even during the second wave, both social distancing and selective lockdown measures were implemented. The economic crisis in the second quarter due to the pandemic proved to be less serious than initially expected; nevertheless, the recovery in the second half of the year, albeit significant, didn't offset the fall in the first half.

Overall, the Covid-19 pandemic is predicted to have caused long-term economic damage. As economic insecurity persists, linked, among others, to **unemployment** and to **low financial returns**, the propensity for saving is likely to increase further and the deterioration of company finances are expected to hinder business investment. In a scenario that as a whole is on a downtrend, the GDP of the Eurozone for 2020 is estimated to be -6.8%, and that of the United States -3.5%. The significant boost of monetary and fiscal policies will contribute to mitigating, but not offsetting, these dynamics. After the setback experienced in the first quarter, in the last few months of the year the financial markets showed a recovery following the result of the US elections and news of the development of vaccines against Covid-19.

Our management

The **asset allocation strategy** is still mostly guided by consistency with liabilities and the Group's return and solvency objectives. The situation of uncertainty due to Covid-19, 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 is performed above all through government bonds with a high credit rating. Investments in the stock market have become increasingly prudent in this period of market volatility. Geographical diversification and selective focus on alternative 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. We have continued to develop the multi-boutique platform for insurance asset managers to enhance investment capacity in these market sectors. We have also further integrated ESG dimensions (Environmental, Social and Governance) 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.



For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's financial position, p. 75

We are exposed to the **market risks** arising from the fluctuations in value investments and to the **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.

³ During 2020, the framework for the assessment and management of operational risks was further improved, allowing the Group to obtain, *inter alia*, approval from the main European regulators for the extension of the use of the Partial Internal Model to calculate capital requirements for Solvency II purposes also for this risk category.

PANDEMICS AND EXTREME EVENTS⁴

The rapid spread of the Coronavirus (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 almost 84 million infections and over 1.8 million deaths at the end of December.

Italy was the first European country to be significantly impacted by the virus at the beginning of March, where the lockdown measures needed to reduce the curve of infections and avoid the collapse of the healthcare system were adopted. The Italian approach was then replicated, with different measures and timing, in other European countries that were particularly affected, such as Spain, France and the United Kingdom. Germany was hit to a lesser extent in the first wave, therefore the shut-down of business activities was less severe than countries in Southern Europe.

The further spread of the virus in the United States and in numerous emerging economies required severe lockdown and social distancing measures, which blocked a large share of the advanced economies. In the Eurozone, employment started to fall, although the impact appears to still be light due to the economic support measures for workers set in place by governments, but is expected to worsen, with serious repercussions for the labour market.

Around mid-March, as news spread about the increase of infections in Italy and Europe, the financial markets started to feel the effects of the pandemic and, in parallel, credit spreads widened significantly. In the main world economies, governments took prompt measures to handle the crisis and the consequent recession. In Europe, the bold monetary stimulus of the Central Bank was combined with the creation of the Next Generation EU. This is a temporary instrument comprised by loans and grants totalling € 750 billion, designed to boost the recovery, and which, coupled with the EU's long-term budget, will be the largest stimulus package ever financed at European level, allocating a total of € 1,800 billion, with the objective of creating a more sustainable, more digital and more resilient Europe.

Over the autumn, the major European countries gradually experienced a resurgence of the pandemic, with a second wave, initially in Spain, France and the United Kingdom, followed by Italy and Germany: social distancing measures were therefore reintroduced.

At global level, the pandemic has continued to escalate in the rest of the world, starting from Eastern Europe, Russia, Latin America, India and the United States, with the notable exception of China and other countries in South-East Asia, which were able to more effectively control the spread of the pandemic, as did Australia and New Zealand.

The better control of the epidemic enabled China to report a 2.3% increase of GDP in 2020, and the IMF has predicted that it will be the only G20 country to record a growth compared to 2019.

About the financial markets, after the significant fall in the first quarter due to the outbreak of the pandemic, the share indices bounced back considerably due to monetary and fiscal stimulus measures, although volatility continued to be high. Furthermore, the propensity to risk has risen both due to the end of uncertainties provoked by the outcome of the US elections, and to promising news about vaccines.

With regard to the **insurance sector**, 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.

In the Life segment, the savings and pension business recorded a fall in new business and, in certain countries, a rise in surrenders. With respect to protection policies, a growing interest was shown in insurance solutions for personal and household protection, both at individual level and as regards company welfare.

In the Property & Casualty segment, the decline of premiums continued to be modest. With regard to the motor line, the restrictions on mobility - both public and private resulting from the lockdown measures and the reduced number of new vehicle registrations - as well as increased competitiveness, placed the increase of average premiums under pressure.

In the non-motor line, a substantial fall in the business relating to travel was reported, due to the economic effects of restrictions to movements and of the other measures to contain the spread of the virus. The commercial and SMEs line also reported a downturn, as said restrictions caused a lower propensity to spending of customers and the ability to make purchases.

The high volatility of the financial markets, the continuous pressure on revenues and the higher operating costs incurred to guarantee business continuity during the lockdown period also impacted the global **asset management** market.

This context further accelerated the pre-existing trend towards sector consolidation; given the increasing low margins, the number of business combinations within the sector intensified, to achieve economies of scale, offer a wider range of products and a greater distribution footprint.

The pandemic changed the forecasts made at the beginning of the year for all asset classes. The substantial intervention of central banks further affected interest rates and the bond markets, also significantly influencing stock market trends.

⁴ Extreme events are illustrated in the Climate change mega trend.

Said section has been drawn up in accordance with *European common enforcement priorities for 2020 annual financial reports* of ESMA. See also *Disclosure on the quantitative impacts of Covid-19 on the Group in Group's performance*.

Numerous economic sectors had to face very serious consequences resulting from the interruption of certain economic activities. In the first quarter of 2020, all asset classes, except for government bonds with better credit ratings, reported extremely negative performances, and the stock markets posted losses of around 20-25% depending on their location. Losses were recovered in the following quarters, where the combined effect of the US elections and the vaccine announcements of several pharmacy companies had positive effects on the highest risk asset classes.

Our management

BUSINESS

About the **insurance business**, the different markets we operate in were impacted in different ways and with different timing. In all business segments, the organisational response of Generali to boost its digitalisation process was a decisive factor.

Considerable efforts were made to speed up the digitalisation of remote sales and renewal processes, underwriting and claims, digital signatures, as well as self-service functions to benefit both customers and distributors. Generali Italia is a good example of remote sales, as it exploited the cloud to manage all of its contact centers remotely (over 1,000 operators), as well as all sales processes, guaranteeing the possibility of selling Life and motor policies remotely also using innovative and self-service payment methods.

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 quote 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.

Although the key markets of the **Life** business in Europe were significantly affected over the entire year, the Group demonstrated its resilience. New business slowed down, particularly in terms of traditional products, in line with the strategic objective to rebalance the Group's Life portfolio. Unit-linked products, which had initially suffered the impact of stock market tensions, reported a significant increase, driven by results in Italy, France and Germany. The protection policies line showed good performance in terms of new business, driven by the growing need for insurance protection. In this regard, 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.

The pandemic may have direct and indirect effects on the **Life and Health risks** underwritten by Generali. The direct effects regard the potential increase of claims paid on policies that provide cover in the event of 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 risks in the event of death or sickness, we adopted 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 **lapse risk** and **mortality risk, including the catastrophe risk resulting from a pandemic event**, using the Group's Partial Internal Model.

In the **Property & Casualty** segment, we promptly responded to the new circumstances by increasing the range of our products with new covers and services, adapting contractual terms and conditions and improving, with the extensive use of digital tools, the operating processes to take out policies and settle claims to manage the lockdown situation.

We provided financial support in almost all markets, also beyond that required by the authorities and governments, both to our customers and to our networks of agents, through a series of initiatives to defer payments and extend coverage.

About the loss ratio, initially a substantial fall in the number of claims reported was observed, mainly in the motor line, due to the lesser use of vehicles, as well as the slower notification by customers and workshops that were closed. Despite the gradual reduction of the restrictive measures, even the subsequent months were characterised by a fall in the claims frequency of the motor line. Besides, this decrease enabled various measures to be implemented during the year to provide support to our customers, agents and employees and their families.

On the other hand, the non-motor line reported a substantially unchanged loss ratio, in terms of the number of claims, even though for some lines much higher costs were observed, due mainly to refunds for cancelled trips.

The possible impact of the pandemic on Property & Casualty **underwriting risks** is represented by a potential increase of **reserving risk** with regard to the business interruption line (interruption of the working activities of worksites, restaurants and other businesses impacted by the lockdown imposed by European governments), and the third-party liability line, which have shown a rise in the loss ratio. We measure changes in claims and we assess reserving risk through the Group's Partial Internal Model.

Investment in the Group's insurance portfolios resulting from the Covid-19 health emergency was guided by the objective to stabilise the Solvency II position, by reducing the exposure of the same to a further cut of long-term interest rates. From a trading perspective, this led to the disposal of short and medium-term bonds, especially in the segment of corporate bonds, equities and Fixed-Income Emerging Market funds, reinvesting the majority of the liquidity in long-term core and semi-core government bonds.

It is important to emphasise that part of the liquidity invested in long-term bonds was generated by the sale of corporate bonds: this enabled the credit portfolio to be more solid, by disposing of securities that we were less confident about.

The reduction in the exposure to equities in the second half of 2020 was key to reduce both impairments and the capital absorbed.

As for real estate, attention was strongly focused on defending real estate values through the careful management of tenants.

The Group also joined the European Green Recovery Alliance, strengthening its position as sustainable investor, after being the first insurance company to issue a Green Bond in 2019, followed by a second issue in July 2020.

At the beginning of the Covid-19 pandemic, the **Asset and Wealth Management** segment suffered the partial reduction of several commissions linked to the fall in stock prices and in fixed-income instruments (corporate bonds and other peripheral government bonds, including BTPs), followed by a strong recovery as soon as the markets started to rise. During the period of the pandemic, measures were taken to contain the costs of all activities that are not strategic to business development.

The second wave of the pandemic created new obstacles to growth, with tangible consequences also in the financial markets, marked by a return to volatility. In this climate, a greater need for consulting was perceived, to protect household savings and support SMEs.

As regards Wealth Management, numerous initiatives were launched, also through tools such as Digital Collaboration to approve transactions agreed remotely, or simplified trading to send instructions via e-mail and approve purchase and sale orders by phoning customer care, in order to protect the safety of workers and customers.

Lastly, note that the Group signed a Memorandum of Understanding for a common commitment to cooperate so as to promote and implement the **pandemic risk pool** with Eurochambres, the European organisation of Chambers of Commerce and Industry which represents more than 20 million businesses - of which over 93% are small and medium-sized enterprises (SMEs) - operating in 43 different European countries.

RISKS

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 by a task force which, through dedicated committees, monitors developments and guarantees 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 over 90% 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;
- all Group events were suspended, or, where possible, held virtually 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 several countries, employees were offered the option of receiving a flu vaccination to facilitate diagnosing infections from Covid-19 and to potentially reduce the consequences.

Lastly, both during the pandemic crisis still in progress, and imagining the future of work in Generali, the approach known as New Normal has proved fundamental, and will be increasingly so, in guaranteeing our people an experience with a wealth of interaction between them and the company, providing the support of effective and flexible digital tools for numerous everyday needs.

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. 39

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 linked to Covid-19 were conducted. Furthermore, the level of security of the new technical solutions used to facilitate remote working was analysed.

Lastly, the financial markets reported an extremely high level of volatility from the end of February, with a fall in the returns of risk-free instruments and equities, and a widening of bond spreads, with a greater risk of impairment of the equity portfolio and credit risk. After the significant fall in the first quarter due to the outbreak of the pandemic, the share indices bounced back considerably due to monetary and fiscal stimulus measures, although volatility continued to be high. In November, the propensity for risk increased, mainly for two reasons: the outcome of the US elections was positive for the market, combined with news on vaccines.

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 announced as part of the Generali 2021 strategic plan. Cash buffers have been increased and operating, investment and financial cash flows are monitored even more closely. This is applicable to the Parent Company and to its main operating entities.

Generali reacted promptly to protect its customers and policyholders, by continuously monitoring the **quality of its loans portfolio**, significantly reducing the financial risks of the investment portfolio by extending the duration and reducing the weight of the equity component, revaluing the ability to assume risk for the insurance portfolios and building reserves of liquidity to offset any increases in surrenders or a fall in business.

DIGITAL REVOLUTION AND CYBER SECURITY

We are facing a profound change guided by the interaction and the cumulative effects of various **developments in technology**: Internet of Things, cloud services, cognitive computing, advanced analytics, Robotic Process Automation (RPA), 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

As for the third pillar of the Group strategy, **Innovation and digital transformation**, our digital ambition is *to grant to our customers, agents and employees a top-level experience, becoming a truly agile, innovation-led, digitally enabled and data driven organisation*.

This digital ambition is addressed to:

- customers/prospects;
- agents - thus the physical distribution network, that is and will remain at the base of our Group's commercial and service strategy;
- employees.

For that purpose, we rely on five Digital Enablers: Innovation; Customer Relationship Management (CRM); Smart Automation; Data, Analytics & AI and Agile Organization⁵.



Innovation and digital transformation, p. 39

Our **digital path** is enriched by a strong attention to convergence, a crucial strategy for a Group with a global presence like Generali. Convergence is towards Group standards, common taxonomy, centers of excellence and selected solutions that we implement in specific areas, identified as priorities in the digital context. Our purpose is to boost the so-called time to value, that is speed and flexibility in implementation, respecting the Group organizational model.

We believe that digital development allow us to accelerate the paradigm shift we are committed to: moving from a traditional world of insurance coverage, policy renewal at maturity and claims settlement, to an innovative context where we offer tailor-made solutions, which integrate the key insurance component with high technological services of prevention and customer support.

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 170 initiatives in different business units, followed by a growing number of dedicated resources, which affect all the aspects of the insurance value chain: from effective and efficient management of claims 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 increasing internal culture has made it possible to consolidate platforms that let us leverage synergies coming from the RPA and the cognitive technologies, thus allowing increasingly complex processes to be automated which improves quality and efficiency.

We are currently committed to extend the successful cases achieved in the analytical and technological area by some of our companies to the entire Group, in this way realizing scale economies: teams of experts and dedicated centres of excellence drive this process and also

⁵ 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.

leverage the strength of internal sharing among several Communities of Practice, that catalyse the interests of sector and business experts, making the sharing and orchestration of investments effective.

In the perspective of ongoing 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. We have implemented and are committed to going even further in distributing parametric products in different business lines, in order to offer easier, faster and more intuitive solutions to our customers, by leveraging modern technologies like the use of drones or the real-time tracking of road traffic.

We are in step with the new technologies and are protecting ourselves from the new threats. We defined a new cyber security strategy, named **Cyber Security Transformation Program 2, 2020-2022**, with the aim to further increase our security posture through the adoption of innovative and advanced solutions and the progressive standardisation and centralisation of the Group cyber services. We will strengthen the Group resilience thanks to the enhancement of our ability to prevent, identify and respond to potential cyber attacks, and increase assessments to ensure adequate security levels to our business initiatives based on cloud and IoT technologies.


Through the Security Operation Center (SOC), we are able 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.

In accordance with the operational risk management model, we have adopted an intervention assessment and prioritisation framework supported by an IT tool available to our countries. The security organisation has been revised locally in order to adopt an integrated approach, including not only cyber security, but also physical & corporate ones. The Group security is ruled by a **structured regulatory framework**, recently integrated by a crisis management model of all kinds.

We have developed 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 Capture the Flag and Cyber Quiz designed to increase the engagement of employees and promote best practices in the area of IT security conduct.

Specific measures to ensure the continuity of all our processes have been designed to manage the Covid-19 emergency.

We have also adopted 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.

 Pandemics and extreme events, p. 23

We are measuring **operational risk** following the regulatory standards and with qualitative and quantitative models that allow us to grasp our most important exposures and to define the adequacy of the existing controls.

CLIMATE CHANGE⁶

Climate change is a material risk with potential more limited effects over the short term, however potentially catastrophic over the long term. Associated with this risk is a high degree of uncertainty in accurately determining a time frame and magnitude of the impacts, especially at the local level. Also, reputational risks could arise from financing or insuring companies that operate in sectors with high greenhouse gas emissions and lack of adequate decarbonisation strategies. The identified impacts can be classified as physical and transition risks and opportunities.

PHYSICAL RISKS

The physical risks are determined by the change or intensification of weather phenomena, including floods, droughts, heat waves, tropical cyclones, storms and long-term trends like rising sea levels.

These phenomena above all affect pricing risk and natural catastrophe risk in the **P&C** segment, impacting - conditions being equal - on 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 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 overall economy and on the financial system.

⁶ The Climate change mega trend also includes extreme events.

TRANSITION RISKS

The transition risks are associated with the decarbonisation of the economy and, in general, with the transition to the so-called climate resilient economy: changes in national or international public policies, in technologies and in consumer preferences might impact several sectors, especially higher energy intensity ones up to the phenomenon called stranded assets. 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.

OPPORTUNITIES

Climate mitigation and adaptation strategies offer investment opportunities as well as opportunities for the development of the insurance market. As weather phenomena and extreme 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 also supporting the market of insurance products tied to the renewable energy sector, and this strengthens the **demand for investment products linked to green finance** by both institutional investors and the retail segment. 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

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 the stakeholders and development of partnerships in the sector to share knowledge and identify system solutions. Particularly noteworthy is our participation in the Net-Zero Asset Owner Alliance, the UNEP-PSI TCFD⁷ work group, the PRI (Principles for Responsible Investments) Climate Action 100+ network, in the PRI and LSE (The London School of Economics and Political Science) Investing in a Just Transition project, and the Investors Leadership Network.

PHYSICAL RISKS

We manage short-term physical risks in the short-term 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 II Re.

In order to reduce exposure to the 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.

TRANSITION RISKS

As for the transition risk management, we are reducing the already **limited exposure** of the investment portfolio to issuers of the coal and tar sand sectors. We also set the objective of making the **general account 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 not - and since 2018 we no longer offer insurance coverage for the construction of new coal-fired power plants and new coal mines as well as for existing coal-fired power plants owned or operated by new customers.

⁷ 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.

In those countries where coal accounts for over 45% of the domestic electricity mix⁸, 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 consequences for local employment and energy procurement. The engagement activity is focused on monitoring 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 purchasing green energy and promoting the use of more sustainable means of transport.

OPPORTUNITIES

In order to seize the 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 **green and sustainable direct investments**.

We issued a **second Green Bond** in 2020 to finance or refinance projects related to the acquisition of high-energy performance buildings.



Capital management and financial optimization, p. 36



A continuous commitment to sustainability, p. 49



For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's financial position, p. 75



Management of climate-related risks of negative impact on the Group

Given the importance of risks related to climate change for the finance and insurance sector and the assessments carried out as part of the *Own Risk and Solvency Assessment* (ORSA) process on the main emerging risks, the **Climate Change Risk project** was launched at the end of 2019 with the aim of defining a reference framework for the management of climate risk for the Group, based on scenario analysis.

The project is part of the European regulatory development which requires the Risk Management function to identify and assess, among the emerging and sustainability risks, those related to climate change, also progressively providing analysis based on specific climate scenarios within the ORSA Report.

The project is developed over an initial 2-year period and it is focused on the risks to which the Group is exposed as a result of the climate change.

Since the project is cross-functional, the Risk Management function coordinated the activities together with Group Sustainability & Social Responsibility function, Group Integrated Reporting function and Group Corporate Affairs function (that are part of the project Committee), interacting with the P&C Claims and Reinsurance functions and several functions in the Group Investment, Asset & Wealth Management business unit.

The activities carried out during the first year of the project included:

- the **selection of three climate scenarios** based on projections of growth in the emission levels of greenhouses gases as proxy of different levels of temperature rise, in order to catch those with an impact in terms of:
 - transition risk, in a scenario with temperature rise targets consistent with the Paris agreement and the *Net-Zero Asset Owner Alliance* initiative;
 - physical risk, in a scenario with higher levels of temperature rise, reflecting the absence of effective measures to reduce emissions;
 - both physical and transition risk, in an intermediate scenario compared to the previous ones;
- the **selection of different frames** for the impact assessment of the selected scenarios, including shorter periods for the transition risk and longer ones for the physical risk;
- an **initial qualitative and quantitative impact analysis** of the scenarios mentioned above relating to:
 - investments in equities and bonds, to identify sectors and the most vulnerable geographic areas;
 - P&C underwriting, to identify business lines and the most vulnerable geographic areas.

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** 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 do 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, 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 solidity of the welfare systems. 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.

Lastly, the matter of human rights grows in importance, especially in the less mature economies, where labour law is under development.

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 and 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** highlighted even more how the availability of appropriate services and 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. 23

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. Life and Health products, including pension and welfare products, imply Generali'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.

We also commit ourselves to and monitor the respect of human rights thanks to the Group's guidelines and policies, including the Code of Conduct, the Responsible Investment Group Guideline and the Responsible Underwriting Group Guideline.



Our rules for running business with integrity, p. 53

THE GENERALI 2021 STRATEGY

BEING A LIFE-TIME PARTNER TO CUSTOMERS,
OFFERING INNOVATIVE, PERSONALIZED SOLUTIONS
THANKS TO AN UNMATCHED DISTRIBUTION NETWORK

PROFITABLE GROWTH



STRENGTHEN LEADERSHIP IN EUROPE:
reinforce #1 market position⁹

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



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



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



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

GENERALI 2021 / FINANCIAL TARGETS



GROWING EARNINGS PER SHARE

6%-8%
EPS CAGR RANGE¹⁰ 2018-2021
ON TRACK


ON TRACK


GROWING DIVIDEND


55%-65%
DIVIDEND PAYOUT RANGE¹¹ 2019-2021
€ 4.5 - € 5 bln
CUMULATIVE DIVIDENDS 2019-2021


ON TRACK
SUBJECT TO REGULATORY ENVIRONMENT

HIGHER RETURN FOR SHAREHOLDERS


> 11.5%
AVERAGE RETURN ON EQUITY¹² 2019-2021


2019 and 2021e
ROE >11.5%


2020 impact of Covid-19 and one-offs

Average RoE 2019-2021 won't be higher than 11.5% due to 2020 evidence



 For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Our performance, p. 63



02 A STRONG BRAND

 p. 48



03 A CONTINUOUS COMMITMENT TO SUSTAINABILITY

 p. 49

¹⁰ 3 year CAGR; adjusted for impact of gains and losses related to disposals.
¹¹ Adjusted for impact of gains and losses related to disposals.
¹² Based on IFRS Equity excluding OCI and on total net result.

“ Our Generali 2021 strategy remains effective and even more valid in the current market context. The Group is navigating the most serious post-war global crisis by leveraging its strengths: disciplined strategy execution, focus on technical excellence, strong distribution network and a diversified business model. These strengths, combined with our solid capital position and excellence in innovation, allow us to fully commit to the financial targets of our strategy and to be well-positioned to capitalize on future opportunities. Two years after the launch of the plan, we are maintaining our commitments to all stakeholders, thanks also to the empowerment of our people, an increasingly strong brand and our growing commitment to sustainability.

Philippe Donnet, Generali Group Chief Executive Officer

”

The Covid-19 pandemic spread around the world represents not only a serious threat to people's health: it is also causing a major economic crisis and great uncertainty in financial markets.

Therefore, during 2020 we carried out a detailed **analysis of our strategy to verify if it was still valid and consistent in light of the new context**. We were able to confirm we are solid and fully committed to reach our financial targets by 2021 thanks to three key factors:

- our resilient financial and operating performance thanks to our core strengths underpinning Generali 2021: a clear strategy, a focus on technical excellence and a high-quality, diversified business model;
- proactive and decisive actions taken since the beginning of the crisis to protect value of shareholders, our customers and our people;
- our core convictions underpinning Generali 2021, which are today more relevant than ever and allow us to capitalize on emerging opportunities.

We also worked on the **implementation of our strategic initiatives** in line with our ambition to become a Lifetime Partner to our customers. The strategic initiatives are applied to both the corporate functions and the Group's geographies throughout. They therefore actively involve hundreds of colleagues worldwide, and their goal is to accompany the Group's business units on their paths to meeting the goals of the strategic plan, by promoting an agile and entrepreneurial work method and by increasing the level of involvement and sharing between all employees.

As to monitor the execution of the strategy and internally share its progress, we continued to use the FastBoard tool, that summarises the performance of the key indicators functional for carrying out the Generali 2021 strategy.



Communities of Practice

Communities of Practice

They represent one of the building blocks of our strategy. The communities 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

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 through the disciplined execution of the strategy, to seize growth opportunities by leveraging protection offering and asset management, and to accelerate digital transformation and omni-channel distribution.

We are well positioned to seize opportunities for profitable growth in Life segment as for capital-light, unit-linked and health products as well as in pension business in a context where the demand for such solutions increases in line with an ageing population, providing a unique opportunity for pension products. We can also leverage the excellence of our distribution network as well as excellent technical margins, especially in the P&C segment showing the lowest and the least volatile combined ratio among peers. They couple with a wide range of products, including asset management solutions, ESG options, biometric products and solutions for seniors.

 Challenges and opportunities of the market context, p. 22

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, effectively integrating acquired companies and creating incremental value through partnerships.

STRATEGIC PRIORITIES	COMPLETED ACQUISITIONS AND PARTENERSHIPS
<p>REINFORCE LEADERSHIP IN EUROPE</p>	<p>ADRIATIC SLOVENICA AND CONCORDIA to reinforce our presence in Central-eastern Europe</p> <hr/> <p>SEGURADORAS UNIDAS to enhance our strategic positioning in Portugal</p> <hr/> <p>CATTOLICA strategic partnership to reinforce our leadership position in the Italian market across 4 strategic business areas: Asset management, Internet of Things, Health Business and Reinsurance, together with the subscription of the reserved share capital increase, that brought our shareholding to 24.46% of the issuer's share capital</p> <hr/> <p>AXA INSURANCE* to strengthen our leadership position in Greece. Renegotiated 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</p>
<p>ENHANCE ASSET MANAGEMENT CAPABILITIES</p>	<p>LUMYNA leader company in the development of alternative UCITS (Undertaking for the Collective Investment of Transferable Securities) strategies</p> <hr/> <p>SYCOMORE partnership to enrich the offering with innovative investment solutions, and to strengthen the focus and capabilities on sustainability and responsible investments for customers</p> <hr/> <p>KD SKLADI a Slovenian mutual fund manager</p> <hr/> <p>Union Poland a Polish asset management company</p>
<p>INCREASE SERVICE-BASED REVENUES</p>	<p>ADVANCECARE a Portuguese service platform operating primarily in the healthcare sector, a leader in the management of medical service outsourcing</p>

* Acquisition announced on 31 December 2020, pending completion.

CAPITAL MANAGEMENT AND FINANCIAL OPTIMIZATION

INCREASE
CAPITAL
GENERATION

ENHANCE
CASH
REMITTANCE

REDUCE DEBT
LEVEL
AND COST



The successful 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 allowed 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 consider local limits and risk tolerance. Effective actions and governance structure allowed 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.

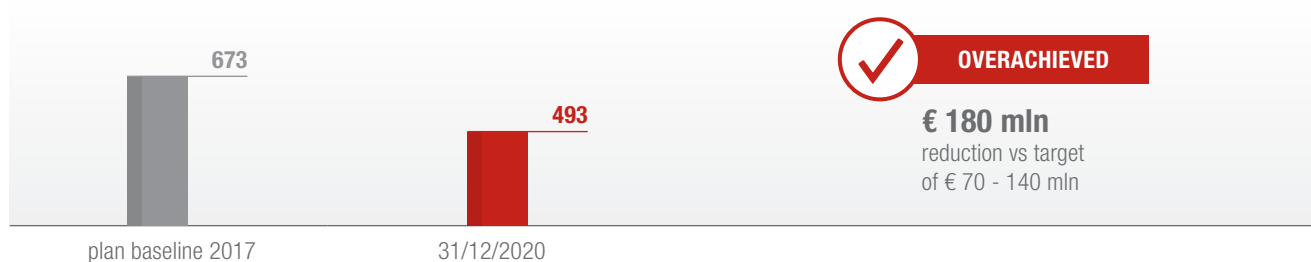
We continue to adopt an **active debt management approach**, targeting a gross interest expense reduction of between € 70 and € 140 million compared to 2017¹³ and a financial debt reduction of between € 1.5 and 2.0 billion compared to year-end 2018¹³. Thanks to the activities so far carried out from the very beginning of the strategic plan, we already overachieved the gross interest expenses reduction target mentioned above one year in advance. We expect to land with about € 200 million lower interest expense in 2021 compared to 2017. The financial debt reduction amounted to around € 1.9 billion compared to year-end 2018, meeting the higher end of the target range announced in the Generali 2021 strategic plan.

Higher contributions from expense reduction and debt optimization also helped us to confirm our target on earning per share (EPS), even considering the challenging context created by the Covid-19.

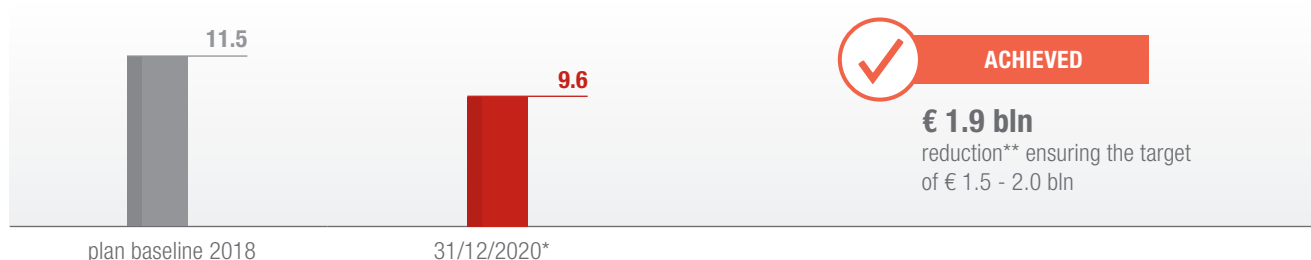


For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's financial position, p. 79

INTEREST EXPENSE REDUCTION - Gross of tax (€ mln)



FINANCIAL DEBT REDUCTION (€ bln)



* The Adriatic Slovenica subordinated debt of € 50 million is not included, consistently with the Investor Day 2018 target definition.

** The € 1.9 billion reduction is 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, partly compensated by hedging derivatives MtM movements. The Adriatic Slovenica subordinated debt is not included, consistently with the Investor Day 2018 target definition.

¹³ 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 approach to debt optimization** was implemented through three key transactions:

- at the beginning of 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;
- in 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;
- in January 2020 there was the redemption of € 1.25 billion senior debt with internal resources.

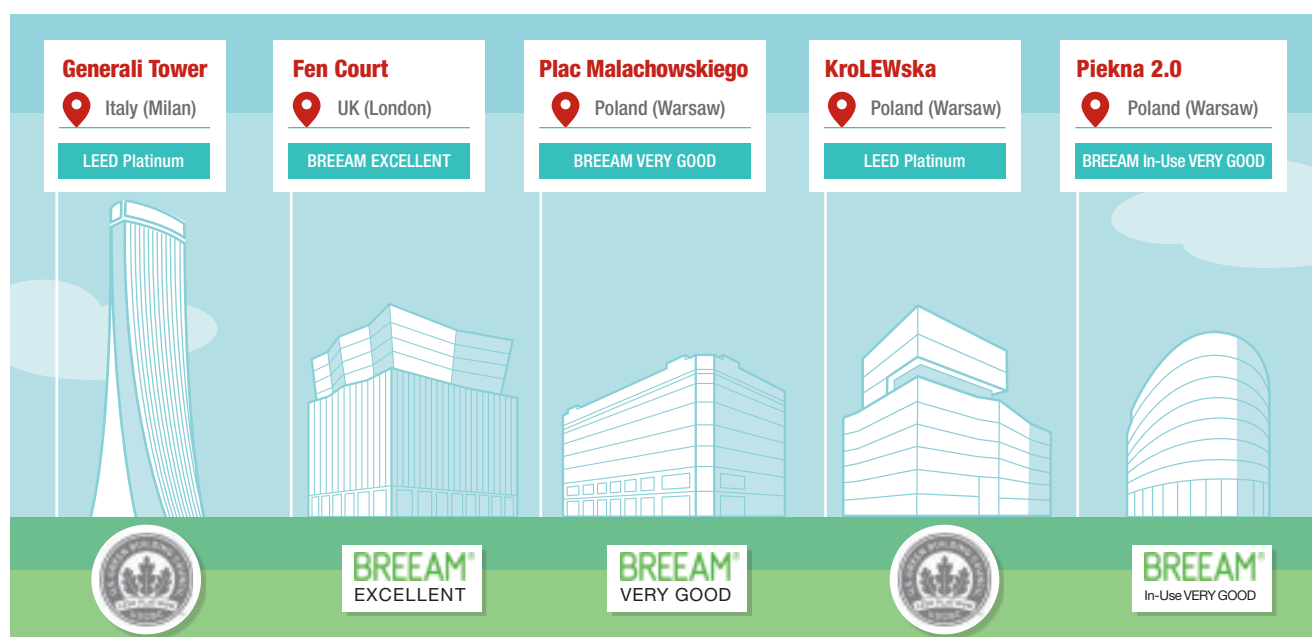
The maturity profile was significantly reshaped due to these transactions, thus avoiding peaks in specific years and with a longer average duration.

Through the proactive debt management Generali also confirmed its focus and innovation on sustainability, that is part of our business model, as well as its commitment towards the achievement of sustainability targets: two **Green Bonds** were issued.

The first issuance by the Group also represented the first issuance by a European insurance company. The Tier 2 green bond of € 750 million maturing in 2030 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 too: it attracted an orderbook of more than 7 times the offer. Both bonds attracted a significant representation of investors with green mandates or institutional investors willing to implement green investment plans.

We illustrated the allocation of proceeds from the first issuance and presented an overview on the related impacts in the **Group's Green Bond Report**, published in November 2020. The content of the document is in line with the Green Bond Framework, as confirmed by the Auditors' Report performed by EY S.p.A.. The Green Bond Report related to the second issuance will be published in 2021.

Below are the green buildings owned by the Group refinanced through the net proceeds of the Green Bond.



www.generali.com/investors/debt-ratings/green-bond-framework to discover more on the Green Bond Report and Green Bond Framework

We promoted innovation in our green financial management by developing:

- the **Green Bond Framework** to finance or refinance, for example, projects to buy or renew buildings of the Group with the aim of improving their energy efficiency;
- the **Green Insurance Linked Securities (ILS) Framework**, a scheme for structuring alternative financial instruments allowing for the transfer of insurance risk to institutional investors.



Green Bond Framework

Drawn up in the first part of 2019, the Group's **Green Bond Framework** represents as much an element of continuity with the sustainability-linked credit lines negotiated in 2018 as much as an element of consistency with the Generali 2021 strategy, of which sustainability is a fundamental enabler.

Developed in compliance with the guidelines dictated by the Green Bond Principles, the Framework - subject to a Second Party Opinion issued by Sustainalytics - defines the eligibility criteria for the use of proceeds, the project evaluation and selection, the green bonds' governance, including the creation of a Green Bond Committee and the rules on reporting the green bonds.

The Green 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 our investment strategy that contemplates expansion of the real estate and private assets, and with our history as a large investor in the European real estate sector. Aware of the close tie between global CO2 emissions and buildings and transportation, the pool of eligible assets for the Green Bond will be mostly represented by investments in green buildings and transportation.



Green Insurance Linked Securities (ILS) Framework

In February 2020 Generali published its **Green ILS Framework**, in line with the Group's sustainability strategy and capital management approach.

The initiative, closely related to the Green Bond Framework, aimed at defining a scheme for structuring alternative mechanisms for the transfer of insurance risk to institutional investors. The Green ILS Framework was subject to a Second Party Opinion issued by Sustainalytics, too.

ILS are 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. In line with the Framework, 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.

The Green ILS Framework also defines the process of evaluation and selection of sustainable initiatives and the governance of Green ILS, including the set up of the Green ILS Committee and its reporting procedures.

GREEN BOND FRAMEWORK

GREEN ILS FRAMEWORK

Consistent with our Group sustainability strategy

Developed according to four main pillars

Second Party Opinion issued by Sustainalytics

01

USE OF PROCEEDS AND FUNDS

- Green buildings
- Renewable energy
- Recycling, re-use and waste management
- Energy efficiency
- Sustainable water management
- Clean transportation

02

PROJECT EVALUATION AND SELECTION

- Analysis of the green eligibility
- Confirmation of eligibility and allocation decision by a dedicated 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: amounts per category, unallocated amount if any
- Impact report di impatto on a best effort basis subject to data availability
- Annually until full allocation

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. The third pillar of the Generali 2021 strategy, based on innovation and digital transformation, aims at:

- making Generali Lifetime Partner to its customers;
- supporting the digital transformation of its agents;
- transforming the operating model while adopting new technologies and expanding the use of data and information flows from Internet of Things

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**, we confirmed.

	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	BECOME A LEAN, FLEXIBLE AND FOCUSED ORGANISATION ON MOVING FASTER

The Digital Enablers 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.

We continued in 2020 along the path started in the last two years, developing further projects aimed at increasing the level of innovation and digitalization of the Group. Examples are the creation of *Center of Excellence on Smart Process Automation* and the launch of *Innovation Fund*.

Center of Excellence on Smart Process Automation is an entity dedicated to the implementation of automation projects at Group level, using advanced solutions that can be replicated in different countries. Thanks to these projects, it is possible to simplify processes and optimize the experience of customers, agents and employees.

Innovation Fund is a fund created to accelerate the Group's digital transformation by providing financial support to the most innovative ideas. The fund was endowed with € 5 million in 2020, which were used to co-finance over 60 new projects.

2019-2020 CUMULATIVE INVESTMENTS IN INTERNAL STRATEGIC INITIATIVES

€ 823 mln

In line with the 2019-2021 strategic plan, in order to accelerate our business transformation, in 2020 we invested € 409 million in strategic initiatives.

As for the European insurance business, we achieved the **target of € 200 million in expense reduction** ahead of plan, thanks to disciplined execution of savings and transformation initiatives. Through new ways of working and external services optimization, we will get additional € 100 million savings, thus reaching a € 300 million total expense reduction by 2021.

Become Lifetime Partner to customers

Enable digital transformation of distribution

“ At the heart of everything we do is, and will be, our ambition to be Lifetime Partner. Allowing our customers to achieve their dreams, caring for them, being by their side in every phase of their life. Because, in the end, insurance is a People Business. It's about trust. It's about providing security and protection in a world of growing uncertainty. It's about being a source of hope for the future.

Philippe Donnet, Generali Group Chief Executive Officer

We continue to work to bring our Group closer to our ambition of becoming a Lifetime Partner to our customers, thus fulfilling our company purpose, to enable people to shape a safer future by caring for their lives and dreams. For Generali, doing business means creating long-term value for all stakeholders by offering innovative and personalized solutions that anticipate their future needs and by caring for them, the people they love and the dreams they pursue.

Our 8 **Hallmarks** are the tangible proof of this commitment towards our customers and agents and represent **our new way of doing business**.

OUR CUSTOMERS¹⁴ +7.3%

65.9 mln



HUMAN & CARING EXPERIENCE

Our mission is to offer to our customers a *Human and Caring* experience every time they interact with us. We have identified for every channel and point of customer contact a series of caring actions to ensure customers persistency perceive our attention (e.g. welcome call, first contact resolution, etc.). Thanks to our 4 Lifetime Partner Behaviors we treat our customers with empathy. Moreover, we created a holistic strategy leveraging all channels to offer valuable contacts to our customers.



B1 LANGUAGE

We aim to write all documents in a clear, transparent and understandable way (level B1, understood by 95% of the population). The objective is to be crystal clear, by helping the customer to better understand what is included in his policy and to be accessible to everyone. We have trained and certified all functions involved in writing documents across all countries and we have a roadmap to rewrite documents addressed to our customers.



DIFFERENTIATING VALUE PROPOSITIONS

Our aim is to offer personalized solutions that help our customers in their everyday life. The solutions are enriched by a combination of very valuable services such as prevention, protection and assistance. We started a transformation process, to ensure we start from customer needs, involving all the functions in the agile development of customized solutions. The technological and digital infrastructure, besides an innovative approach, are the basis of this transformation. Our new approach enables us to incorporate and develop sustainable products. This makes us able to propose to our distribution channel customized, modular solutions to create a long-lasting relation with our customers.



SEAMLESS OMNICHANNEL EXPERIENCE

We aim to provide our customers with the best digital omnichannel experience, enabling them to *do what they want when and where they want it*. Our customers around the world can now manage their policies, buy new ones, renew, open and track claims, request assistance, remotely interact with their agents and more, in full autonomy. We keep on working to make this experience easier and more seamless.

¹⁴ 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.

OUR AGENTS¹⁵

+5.5%

165 thousand

Hallmarks to transform our agents in Lifetime Partners



DIGITAL VISIBILITY

87%¹⁶ of our customers start their search online when they seek product or service information. That is why one of the main hallmarks is our 165 thousand agents to be present online, including social media.

Today our markets have access to a content marketing platform, our agents have the facility to share health and lifestyle content with their customers and can continue to converse with our agents using social networks.

A core ingredient to our success is represented by our Digital Sales Champions, who in each market contribute to accelerate the Digital Visibility hallmark by providing tailored training on social networks and enabling our 165 thousand agents to continue to be LifeTime Partners to our customers.



MANAGEMENT OF GENERATED LEADS

We produced a Lead Management Blueprint for global adoption to accelerate the implementation of a data-driven digital experience and convert contacts collected on the web into customers. We increased our commercial focus across all digital channels with always-on and lead nurturing campaigns to prepare the leads for the agent appointment and boost sales, creating a positive impact on our distribution network.



NEEDS'-BASED ADVISORY

Our 165 thousand agents are the human faces of our company, they serve, advise and tailor solutions to our customers with passion and dedication. Customers want their needs to be understood. 69%¹⁷ of them want to consolidate their needs with one agent when advise is in line with their expectations. They also seek human touch: 86%¹⁷ are more satisfied when contacted in the way they prefer.

As to reach the goal of our agents to become Lifetime Partners to our customers, we created a tool that will include a 360° view of customer data to advise customers and find the best solutions in line with their needs and lifestyles. Products will be modular and will allow for a high level of customization. Our agents and sales managers will benefit from training programs to be even more efficient on customer needs' analyses and from a contact strategy to nurture long-term meaningful relationships.



PAPERLESS

We want to be an even more sustainable and efficient Group, providing an increasingly 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 or travels, etc.).

Most of our agents already have the necessary tools (e.g. e-signature, e-payment, video & co-browsing, etc.) and know-how to sell remote digital policies. Our aspiration is to further increase digital policies and enable remote selling to all our distribution networks across the world.

With **Digital Hub**, we aim to address the users' expectations, implementing at scale an omnichannel seamless experience for customers, agents and prospects across all digital touchpoints for all the Group markets. To achieve that, we have developed:

- a common user experience for all the users;
- a cross-channel design approach;
- common and flexible IT accelerators.

We started gradually, redesigning in 2016 a distinctive customer experience and extending it to all the markets. As following step, we extended this approach to agent experience in early 2019, defining the new target agent journey. We then activated the re-design of the prospect experience in 2020.

¹⁵ The number of agents refers to all insurance entities with relevant traditional distribution networks (line-by-line consolidated entities and few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings).

¹⁶ Source: Salesforce and Publicis.Sapient research.

¹⁷ Source: Epiphany, RNPS research.

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, computer 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. 43

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.



03

THREE ENABLERS DRIVING THE GENERALI STRATEGY

01



OUR PEOPLE

“ The unprecedented discontinuity brought by 2020 has had a strong impact on the way we live, think and work. It has also demonstrated, however, the importance of being resilient and having a clear strategic vision and shared values.

Monica Possa, Group Chief HR & Organization Officer



At Generali, people work every day to deliver the ambition to become a Lifetime Partner to our customers. 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 Generali to face the Covid-19 outbreak and the following, challenging scenario for our people and communities.

Since February 2020, we have taken **people's safety** as an imperative. After having cancelled international events and travels, the whole organization has rapidly shifted to remote working. In such scenario, *GPeople 2021* initiatives have been reprioritized and adjusted to be effectively delivered in a digital way.

We developed 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.

In 2019, a new risk was added to the catalogue of operational risks. It is about the possibility to fail in the acquisition of new skills and competences for the execution of the Group strategy.

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

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

LIFETIME PARTNER – BEHAVIORS

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

In 2020, the **Behaviours in action** experience continued, overall training more than 22,000 people worldwide. The initiative was converted in virtual to cope with the restrictions imposed by the global pandemic, allowing our people to still experience the four behaviours. In addition, the e-learning course called **Behaviours Digital Experience** was launched and made available for all Group employees.

MANAGERIAL ACCELERATION PROGRAM (MAP)

In 2017, we launched the Managerial Acceleration Program (MAP), dedicated to all people managers of the Group. It is based on the eight **Generali Empowerment Manifesto (GEM)** behaviours 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 July 2020, we designed the series of webinars **Leading Virtual Teams** as a Covid-19 mitigation action: it embeds the GEM principles and it aims at supporting people managers in their role, fostering the identification of new effective ways of working.

GENERALI GLOBAL ENGAGEMENT SURVEY

As to measure and promote the engagement of our people, in June 2019 we carried out the third edition of the Generali Global Engagement Survey, a managerial tool for continuous improvement, reaching 89% response rate (+3 pps vs 2017) and 82% engagement score (+2pps vs 2017).

During 2020 we addressed the **improvement opportunities with specific action plans**, leveraging our strengths. As a result, the global priorities identified were:

- eliminate bureaucracy to boost efficiency and decision making;
- unlock people potential fostering transparent meritocracy, recognition and growth;
- nurture an inclusive environment to embrace diversity.

Since January 2020, 464 local engagement actions were launched with the ambition of implementing 100% of them by 2021.

**LOCAL ENGAGEMENT ACTIONS
IMPLEMENTED¹⁸**

75%

DIVERSITY & INCLUSION STRATEGY

The Group has further accelerated 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 structured plans, orchestrated at global and local level. In 2019, we introduced the Diversity and Inclusion (D&I) Index to measure the Group's progress compared to 2021 ambitions that were internally set on all four priorities.

¹⁸ They also include local engagement actions implemented by companies other than consolidated line-by-line.

D&I INDEX¹⁹

+25 pps

106%

The D&I Index rose to 106% thanks to very good results 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. Entities that introduced smart working policies and action plans on disabilities grew in number, too.

On the other hand, hiring, especially of people below 30 years of age, and the number of talents who had the opportunity to live international experiences slowed down as a result of the recent health emergency.

As for our four priorities, our ambition on **gender** is to accelerate the presence of women in senior leadership positions and in succession plans. Two programs were launched at Group level: **Lioness Acceleration Program**, an 18-month journey for female senior managers that is supported through mentoring and coaching and by a panel of international experts on leadership topics, and **Elevate**, a 12-week program for female managers including six webinars and two live sessions. These two programs are complemented by more than 60 actions launched at local level, such as Women Mentoring and STEM Women Recruitment Programs.

As for the second priority, it aims to ensure a better balance among the different **generations** in our Group and focus on identifying and retaining young talents. Therefore, in 2020, we launched **Future Owners**, a program aimed at retaining professionals aged less than 30 and accelerating their careers.

With regards to **culture**, we want to foster and sustain the transformation, by attracting and retaining people with different backgrounds, innovative skills and global mindset. To this end, we launched **upskilling and reskilling programs** to enable all employees to embrace the transformation.

Our objective on **inclusion** is to promote mindsets and behaviors to value all our differences. Thus, we launched the **Conscious Inclusion rapid learning series** to increase awareness on unconscious biases that impact on decision-making processes. Many initiatives were launched to further encourage respect of people with disabilities and different sexual orientation. The Group action plans on Disability and LGBTQI+ were approved by our Group D&I Council, made up of a pool of selected business leaders representing our business units. The **DiverseAbility Awareness Journey**, a program launched at the end of 2020 and including a community of 60 international Group Champions, aims at defining local action plans to promote inclusion of people with disabilities, while identifying and breaking down current systemic and cultural barriers. Finally, **WeProud**, the first **Group LGBTQI+ employee resource group**, was created along with a communication campaign to increase awareness on LGBTQI+ and the value of inclusion.

Moreover, in order to promote a culture based on **gender balance and pay equity**, during 2020 specific analyses were carried out at local level applying a Group common methodology. The 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.

EQUAL PAY GAP²⁰

-2.8%

GENDER PAY GAP²¹

-13.9%

ACCESSIBILITY GAP TO VARIABLE REMUNERATION
BETWEEN FEMALES AND MALES²²

-5.1%

The results aggregated at Group level showed that females' median base salary for comparable roles was -2.8% than the males' one (equal pay gap), whereas, in terms of gender pay gap, the evidence for the entire organization was set at -13.9%. In terms of total compensation, the accessibility gap to variable remuneration between females and males was -5.1%.

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 progressively reduce the observed gaps in the next 4-5 years.

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 programs for women's career; mentoring and sponsorship programs; fostering awareness on diversity and unconscious bias.

With the objective to support countries and business units in this journey, a yearly monitoring recurrent process has been introduced in order to evaluate the improvements across the entire organization and the impact of the mitigation actions.



Report on remuneration policy and payments for further details

¹⁹ The index refers to companies, that can be also other than consolidated line-by-line ones, where the priorities forming the index itself are measured. Its change was calculated on 2019 data that were restated, thus going from 77% to 81%. That was due to the replacement of one of the eight sub-indicators. In 2020, the sub-indicator *employees on roles needing new critical skills* was replaced by the *Turn to The New Index*, that measures the training effort offered to employees by the Group.

²⁰ 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.

²¹ 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.

²² 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.

02. Build and evolve key skills for the digital age

The trends of the sector, the ambition to become a Lifetime Partner to our customers and the new technologies require the development of **new skills**. We are equipping our people with the skills to continue to grow and assert themselves in the digital age as well as to support strategic business priorities. A methodology was defined and spread throughout the Group in order to identify in advance how the roles and skills of the future will evolve. On the one hand, it helps identify the roles and skills most widely exposed to change and, on the other one, it helps establish the initiatives to bridge the personnel training gap, consistently with the strategy.

In November 2019, we launched the Group program called **We LEARN** with the aim of equipping all employees with the new business, digital and behavioral skills that are needed to keep growing in the digital era, succeed in the future market context and support the Group's strategic priorities. The We LEARN program aims at reskilling the 50% of employees by the end of 2021 and it is made up of the following three training pillars:

- **Foundation courses:** basic training pills for all employees to create awareness on key strategic topics (e.g. the Digital Acumen course enhances the digital mindset and improves awareness on how digital technologies affects business and ways of working);
- **New Skills for evolving roles:** digital and classroom courses aimed at spreading new skills relevant to employees in their current role to face the new market challenges;
- **New Role Schools:** mini masters dedicated to specific Group roles to support strategic objectives with the creation of new professions (e.g. Data Scientists).

These training initiatives are born from a strong collaboration between the Group Academy and the Group countries. They also leverage a network of more than 200 internal experts involved to provide content, develop learning objects (e.g. videos and interviews) and lead classes. 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 throughout the Group, the new We LEARN platform was designed in less than six months adopting an agile approach and successfully realised in more than 40 countries. The platform 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 training offers). The platform also offers automatic content assignment features to simplify learning managers' daily activities and advanced reporting tools to easily monitor real time targets achievements. The We LEARN platform is key to meet the Group's reskilling ambition, but it is also a strategic asset opened to address country-specific training needs.



The Covid-19 pandemic has attributed an even stronger relevance to digital and transformation skills. The Group Academy and business units have accelerated the training effort through We LEARN and increased the scope of employees involved in each course.

In 2020, taking into consideration the overall training available to Group's employees, 99,4% of them (+1.8 pps) were involved in at least one training program. 2.4 million training hours (-3.2%) were provided.



Focus on digital innovation and constraints imposed by the Covid-19 pandemic have led to a deep transformation in the Group's training activities. Training has been focused on digital transformation skills and re-organized, in particular through the virtualization of *in presence* courses, substituted by digital modules, more flexible and leaner due to the characteristics of online communication. These changes have led to an increase in the number of trained employees and in parallel a reduction in training hours and investment.

Even though this evolution has brought great value and positive impact, we have planned to re-activate *in presence* courses when possible, thus pursuing a training mix balanced among different training channels.

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.

²³ The indicator also refers to employees in some companies other than consolidated line-by-line.

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 PROGRAM** - Leading the Lifetime Partner Transformation, Group Leadership Training about the leadership needed to address the Lifetime Partner ambition to our customers. The program was delivered in webinar edition in partnership with London Business School. 109 senior leaders divided in two cohorts attended the program, composed by three modules of nine hours in total, plus individual and group activities in between;
- **STEP UP** - Global Leadership Program for Group talent senior managers aimed at supporting them in increasing self-awareness, exploring how to energize, engage and empower, deepening knowledge on what will be needed to lead effectively in the New Normal, driving cultural transformation and successfully executing strategy. Learning journey composed by seven units of 0,5 days each plus intensive prework and coaching follow-up, delivered in an innovative virtual room in partnership with IMD for 68 senior managers of the Group;
- **TAKE OFF** - Global Leadership Program for Group talent managers aimed at supporting them in leading people through empowerment, engagement and fairness, being a change agent and influencing without full authority, supporting innovation and transformation while successfully executing strategy. Immersive experience of 3 days learning in an innovative virtual room in partnership with INSEAD for 34 managers of the Group;
- **FUTURE OWNERS PROGRAM**, a global initiative designed for talented employees with the motivation and skills to step up for new opportunities and invest in their professional growth.

In alignment with our Diversity & Inclusion priorities, we want to leverage on new generations to grow global leaders, giving them the chance to live inspiring experiences and contribute to the Group's success. Almost 1,500 colleagues have applied to the program, showing a strong ownership and willingness to embrace challenges ahead;

- **Talent Events**, development initiatives aimed at strengthening the relationship between Group talents and senior leaders of the same function, so as to nurture a real talent community where ideas sharing and cross-functional growth paths can be valued. 186 Group talents were involved overall in 2018 and 2019 and further 80 during 2020.

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.

05. Become a simple, agile and efficient organization

The Group's organization is a fundamental asset for ensuring the proper execution of the strategy and the achievement of business objectives. We believe in a clear and simple organizational model that also encourages **new methods of working that are more streamlined** in order to facilitate speed, collaboration, accountability and innovation. Within this context, already in 2019, 62% of the Group's organizational entities strongly supported 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 PLACE²⁴

+21 pps

83%

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 by temporarily and extraordinary - even without a dedicated policy - extending remote work to more than 90% of administrative employees.

Confirming the centrality of people in our strategy, we held 11 meetings in virtual mode with the **European Works Council**, 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, 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.

²⁴ 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 refers to organizational entities that are not included in the consolidation scope.

02



STRONG BRAND

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

Our transformation started in 2018, deepening our business relationship with our customers, with the ambition become 1st choice in the Relationship Net Promoter Score (NPS) among our European international peers by 2021.

The key for us was to shift from being just a product seller to an integrated solutions provider, adding genuine value to people's lives, health, home, mobility and business. We wanted to change consumers' perception of insurance, aiming to become a much more **compassionate and innovative brand that adds value to people's lives every day**.

The health crisis caused by the pandemic, coupled with an economic crisis, added renewed purpose and urgency to our Lifetime Partner transformation. In these difficult times, we know our customers were looking for reassurance, care and support. Our agents were on the front lines of the crisis, addressing their customers' vulnerabilities.

At the same time, during the crisis consumers realised they were not well protected. As many of them lost significant part of their income, they were looking for an insurer that provides the *most value for the premium they pay*.

For us at Generali, **delivering value** means 3 things:

- emotional connection: establishing an emotional connection with our clients;
- customer experience: delivering seamless and omnichannel experiences;
- proposition: providing solutions and services designed and tailored around our customer needs.

Through our values and Lifetime Partner Behaviours and Hallmarks, we innovate, simplify, tailor, take ownership, and, above all, provide a unique human and caring experience to customers. Such uniqueness is embedded in our attitude and the spirit that defines how we do things: it is about having heart, being passionate, dynamic and empathic, taking the time to know our customers, offering valuable advice, with a long-term perspective and multi-stakeholder approach, instead of focusing just on selling policies. These are the qualities that people are looking for in a brand, qualities that add value to customers' lives.

This is what we call **Reditude** and what makes Generali unique on the market. That's what we brought to life in the first-ever global advertising campaign in our 189-year history. **Reditude** is our dynamic, contemporary approach, the way each of us act as Lifetime Partners.

We are committed to strengthening our brand to **become 1st choice in the Relationship Net Promoter Score (NPS) among our European international peers by 2021**.

In 2020, we improved our Relationship NPS by further 6 points: the increased satisfaction of our customers was mainly due to structural improvements in propositions customer experience emotional connections to the brand, and ensuring business continuity, also through increasingly digital tools and processes during the Covid crisis.

Our cumulative growth was +9 compared to the baseline.

CHANGE IN RELATIONSHIP NPS²⁵ vs 1Q2019

+9

In 2020, we focused on taking improvement actions in all 3 drivers of Relationship NPS. As a result of our actions, we are growing our Relationship NPS score faster than our European international peers. We are also determined to accelerate our progress, so that we achieve our goal by the end of 2021: currently, we ranked second, on par with another peer.

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** and commit ourselves to:



PROMOTE THE DEVELOPMENT OF THE GREEN ECONOMY



DECARBONIZE THE INVESTMENTS' AND CLIENTS' PORTFOLIOS



REDUCE DIRECT IMPACTS

We have defined **objectives and metrics** to monitor the execution of our strategy to manage climate change impact and to promote a just transition to a low-emission economy.

OBJECTIVES AND METRICS TO MITIGATE RISKS

Decarbonization of the general account investment portfolio as to reach climate neutrality by 2050

Exclusion of underwriting risks associated with coal, gas and oil exploration and extraction - conventional and not - as well as those associated with the construction of new coal-fired power plants and the coverage of existing ones owned or operated by new customers

Engagement for a just transition of the six 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

2020 RESULTS

Analysis of the carbon footprint of the investment portfolio at December 2020, with a view to establishing long-term decarbonisation strategies. In keeping with these strategies, we joined the Net-Zero Asset Owner Alliance, an initiative that asks members to set periodic targets relating to reducing the carbon footprint of their investment portfolios. We are also constantly divesting residual investments in issuers belonging to the coal and tar sands sectors



For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's financial position, p. 75

INSURANCE EXPOSURE TO FOSSIL FUEL SECTOR²⁶

< 0.1% of P&C premiums

In reduction; no new customers and no coverage for the construction of new coal mines and coal-fired power plants

Ongoing engagement with four companies and decision in early 2021 to divest and terminate property underwriting for two companies due to no proactive communication of their just transition plan.

The engagement activity led one primary power supplier in Eastern Europe to disclose a coal-decommissioning plan that will reduce coal capacity from initial 6.2 GW in 2018 to 0.7 GW by 2040 and net-zero emission by 2050. Another primary power supplier in the region announced a disruptive change in its strategy, enabling the company to finance its transition towards renewable sources. This company has also recognized the input and role of Generali as leader of the Climate Action (CA) 100+ coalition engaging with them on the just transition

²⁶ 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.

OBJECTIVES AND METRICS TO REDUCE OUR DIRECT IMPACT

20% reduction in greenhouse gas emission tied to the Group's direct activities (2013-2020)

Increase in purchases of electricity from renewable sources

2020 RESULTS

TOTAL GHG EMISSIONS²⁷-36.1%
vs base year 201377,456 tCO₂e

Sharp reduction as result of limited business trips and few employees in offices due to the Covid-19 pandemic



OVERACHIEVED

Target of -20% total GHG emissions by 2020

TOTAL PURCHASES OF ENERGY FROM RENEWABLE SOURCES²⁷

+0.5 pps

99%

OBJECTIVES AND METRICS TO SEIZE OPPORTUNITIES

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

Increase in premiums from environmental products

Sustainable finance

2020 RESULTS

NEW GREEN AND SUSTAINABLE INVESTMENTS²⁸

€ 5,973 mln



OVERACHIEVED

Target of € 4.5 bln by 2021



For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's financial position, p. 75

PREMIUMS FROM ENVIRONMENTAL PRODUCTS

+14.5%

€ 1,557 mln



For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's performance, p. 66

Issue of a second green bond worth € 600 mln



Capital management and financial optimization, p. 36

²⁷ The greenhouse gas emissions and purchases of electricity from renewable sources comprise the impacts generated by the employees working in offices managed by the Group in Austria, France, Germany, Italy, Czech Republic, Spain and Switzerland, equal to 45% of the total of our people. Total emissions are calculated according to the location-based method; we also report them according to the market-based method on our website.

²⁸ New green and sustainable investments refer to the 2018-2019 cumulative data of Generali Insurance Asset Management and Generali Global Infrastructure. 55.3% of these investments were made in 2020.

In 2020, 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 2020, we identified the responsible consumer's profile at Group level and integrated sustainability preferences in the approach to our customers, that is even more focused on their needs.

The first sustainable investment solutions launched by Banca Generali and Generali Italia in 2019, that link their offer to the United Nations Sustainable Development Goals, have met with great interest from consumers.

THE RESPONSIBLE CONSUMER ECOSYSTEM



 For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Group's financial position, p. 75 and Group's performance, p. 66

SME EnterPRIZE



Given the importance of Small and Medium-sized Enterprises (SMEs) for the real economy at domestic and European level, the EnterPRIZE project was launched in 2019 with the goal of supporting these enterprises in transitioning towards more sustainable business models, providing them international visibility with the best sustainable practices to tell and stimulating public debate on SMEs and sustainability topics.

In 2020, the project assumed a new relevance in the light of the huge impact caused by Covid-19, and it set among its main goals the establishment of a **link between sustainability, resilience and recovery**. More specifically, activities defined by the work group started in 2019 were carried out with the 7 European countries involved in the project²⁹; a reference framework shared at Group level was defined. SMEs will be assessed and selected at local level on the basis of their approach to sustainability in one of the following areas: the environment, welfare initiatives and positive impact on the community. Local award-winning SMEs will then participate in the international competition in 2021, becoming virtuous examples of inspiration and improving their visibility. The project will be an opportunity for Generali to concretely support the real economy on the theme of sustainability, increasingly determining for the growth of the entrepreneurial fabric.

The Human Safety Net

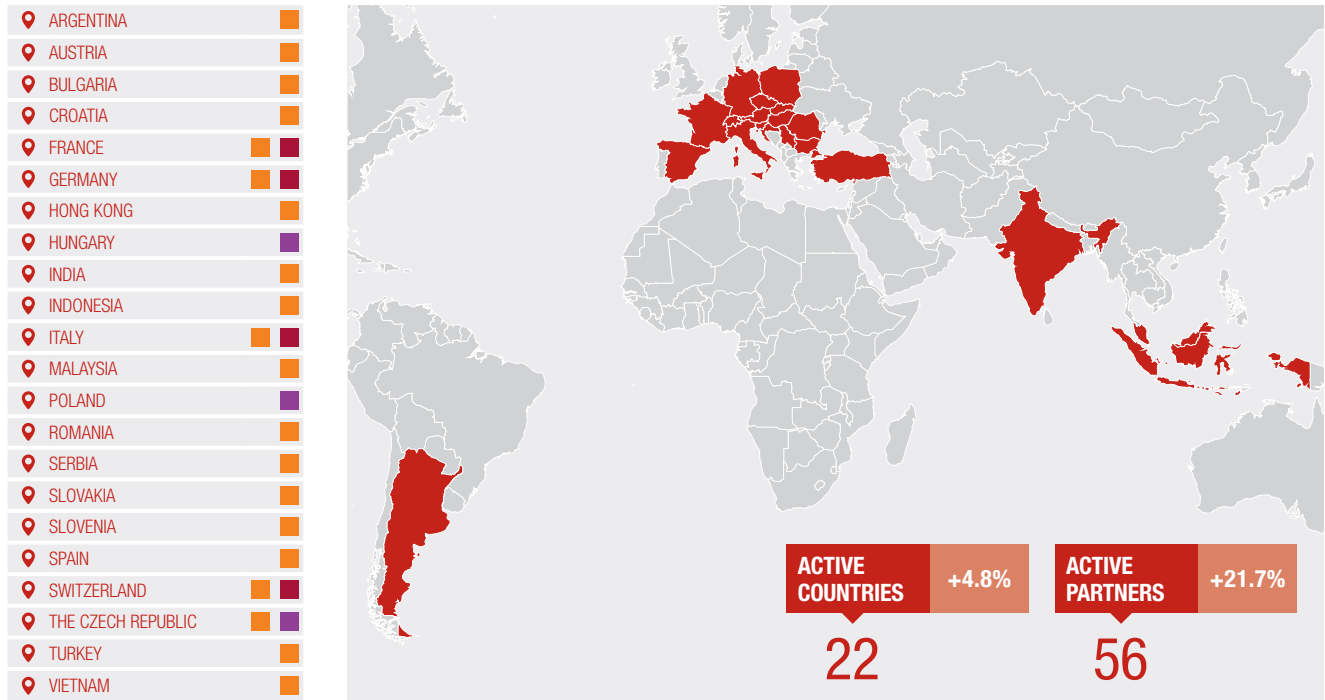


It is Generali's global flagship initiative for the community, catalysing the majority of the Group's activities since 2017. It is deeply connected to our purpose - to enable people to shape a safer future by caring for their lives and dreams - extending it beyond our customers and towards our communities.

As to reach more people and achieve a greater impact, we are mobilizing on employees, agents and resources such as financial support, time, skills, networks, assets and products.

The Human Safety Net programs support families with young children 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 programs 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.



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.

Newborns

We improve quality of care and support for at-risk newborns and their families.

When the Covid-19 pandemic hit, The Human Safety Net immediately initiated several actions to remain close with the most vulnerable families and refugee entrepreneurs, and to ensure program continuity. The emergency forced our partners to shift their operations online in an unprecedented way, creating both an urgency but also an opportunity to accelerate the digitalisation of the non-profit sector. An assessment among the THSN partners revealed an increasing number of needs. In line with our approach to venture philanthropy, the quick release of financial support was complemented by a comprehensive package of non-financial support, including an ad hoc technical assistance program which activated Generali core business functions and external experts. These additional extraordinary initiatives have been addressed both to immediate necessities (like healthy kits, masks, laptop and tablets) and to the development of digital solutions (e.g. online platforms and apps), to allow NGO partners to support families and refugees during and after the crisis, providing them with learning opportunities, maintaining access to essential services, and limiting the social isolation of the most vulnerable.

In 2020, The Human Safety Net launched **Scale Up Impact**, strategically supporting leading NGOs and social enterprises in the transition to scale nationwide, by replicating some of its most successful models and working together with the public, private, and social sector. Thanks to 2020-2022 Scale Up Impact cycle, The Human Safety Net will expand family centres and programs for parents with children aged 0-6 in Argentina and Serbia to 28 cities and will open 5 incubators for refugee entrepreneurs in France and Germany. To make this progress sustainable and in line with the mission of The Human Safety Net to create an open network, the projects will be supported by ten companies, foundations and agencies that decided to join forces with The Human Safety Net for this first year.

Keeping true to its value of being an open network, The Human Safety Net has also been joining forces with partners like Dell, Cisco, Hogan Lovells and Fondazione Italiana Accenture, helping reduce the digital gap in the non-profit sector and supporting NGOs with pro-bono legal advice.

The future home of The Human Safety Net will be in Procuratie Vecchie in St. Mark's Square in Venice. The restoration is progressing to open at the end of 2021, in coincidence with Generali's 190° anniversary celebrations.

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

For further information, see the Annual Integrated Report and Consolidated Financial Statements 2020, Our main markets: positioning and performance, p. 83

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, in line with the goal of promoting sustainable development of the business and of generating long-lasting value.

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.



We have also a collection of [Group public policies and guidelines](#) which support our operations in a sustainable and responsible manner, such as:

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.

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.

GENERALI GROUP STRATEGY ON CLIMATE CHANGE

It defines the rules by which we intend to foster a just transition towards a low-carbon economy through our investment and underwriting activities.

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.

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 and investor representatives on issues within the Board's purview, and defines the rules for engagement by identifying interlocutors, discussion topics, timing and channels.

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.



Group Tax Strategy

Approved by the Board of Directors of Assicurazioni Generali in April 2020, the **Group's Tax Strategy** 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 the Company's 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.

In line with international best practices, the Tax Strategy follows the Group's sustainability principles given that tax revenues make a significant contribution to the economic and social development of the communities in which we operate. Due to the ethical importance of this topic, we promote the culture and values of the correct application of tax regulations and organise training sessions for all our employees.

www.generali.com/our-responsibilities/responsible-business/tax-payments for further information on taxes

Together, these Group policies and guidelines contribute also to ensuring **respect for human rights**. 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 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 assessed the potential impact on human rights and 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.

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.

We have a structured **internal Group regulatory system**, regulated by the Generali Internal Regulation System (GIRS) Policy that aims to promote a solid, efficient governance and coherent implementation of the internal Group 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 Policies

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 Guidelines


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.



The main non-compliance risks are monitored through specific programmes spread throughout the Group, which entail 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. We are committed to regulations relating to the transparency and fairness of conduct towards customers, the protection of personal data and the prevention of the use of our products and services for **money laundering and financing terrorism** purposes. In the pandemic context, we identified and implemented specific measures with the objective to mitigate the most relevant emerging risks, considering in particular customer protection and financial crimes' prevention, also through education and awareness-raising initiatives. We condemn and combat all forms of **corruption**. 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 have 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



The significant reduction in reports of potential violations of our Code of Conduct is in line with the major financial global players, who have envisaged a massive use of remote working measures in response to the health crisis triggered by the Covid-19 pandemic.



Compliance Week

Given the strategic and regulatory relevance of issues related to Sustainable Finance, we constantly monitor all international and European regulatory acts and discussions. Our Sustainability Regulatory Map is kept up to date to present the regulation in terms of proximity and impact on our Group activities. As part of the compliance functions, a task force was activated to support the management of risks related to these issues and to ensure a shared, common approach to the Group's companies. To provide updates on regulatory developments, we launched various communication and training initiatives, realising a Sustainable Finance Guide and introducing Sustainable Finance topics in our periodic newsletters.

In October we held our **Compliance Week**: once again we highlighted one of the crucial themes of our Code of Conduct, the commitment towards our sustainable targets. Starting from the international context, passing through Europe and other geographical areas, we focused on the **representation of the emerging regulatory framework on sustainable finance and on the impact on insurance business**. On this occasion, we held virtual conferences for all our employees: using 3D technology on a multimedia platform we strengthen the sense of belonging to the Group.

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. The implementation of specific online training courses combined with a global communication program aims to create full awareness within all employees of the importance of the Code and their responsibility to report each violation that one becomes aware of. Everybody is encouraged to voice their concerns or request clarifications on any topic handled by the Code.



53,511

³⁰ The trained employees represent 73.7% of the total.

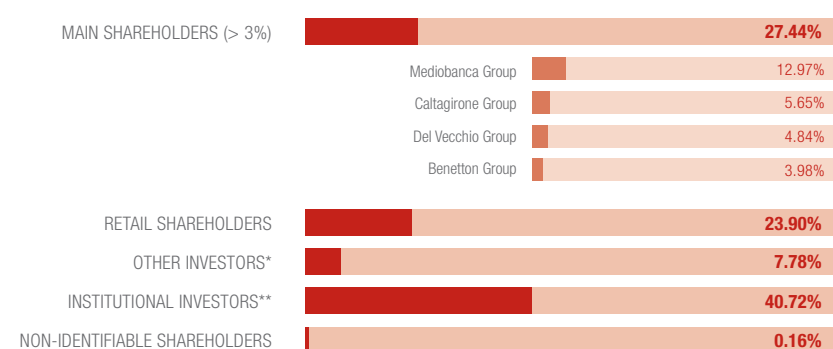
OUR GOVERNANCE AND REMUNERATION POLICY

Our governance

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

About 200 thousand shareholders of the share capital

The data are updated to 2 March 2021.



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

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

In the light of the temporary measures issued by Consob effective from 18 March 2020 to 13 April 2021, last updated with resolution no. 21672 of 13 January 2021, we also report information about the holdings between 1% and 3% as communicated by New B&D Holding Group (1.45% of the share capital), Fondazione Cassa di Risparmio di Torino (1.30% of the share capital) and Norges Bank (1.02% of the share capital).

 Shareholders, share performance and stock options, p. 91 for further information on the share

As of today, there is no employee shareholding system according to the provisions of the *Testo Unico delle disposizioni in materia di Intermediazione Finanziaria - TUIF*, though it should be noted that the three-year share plan for Group employees, approved by the Shareholders' Meeting held in May 2019, may have the effect of assigning them a stake of shares in November 2022. Promoted as part of the Generali 2021 strategy, this plan is aimed at achieving the strategic objectives in the perspective of a culture of ownership and empowerment, and the participation of employees in the sustainable value creation in the Group.

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

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

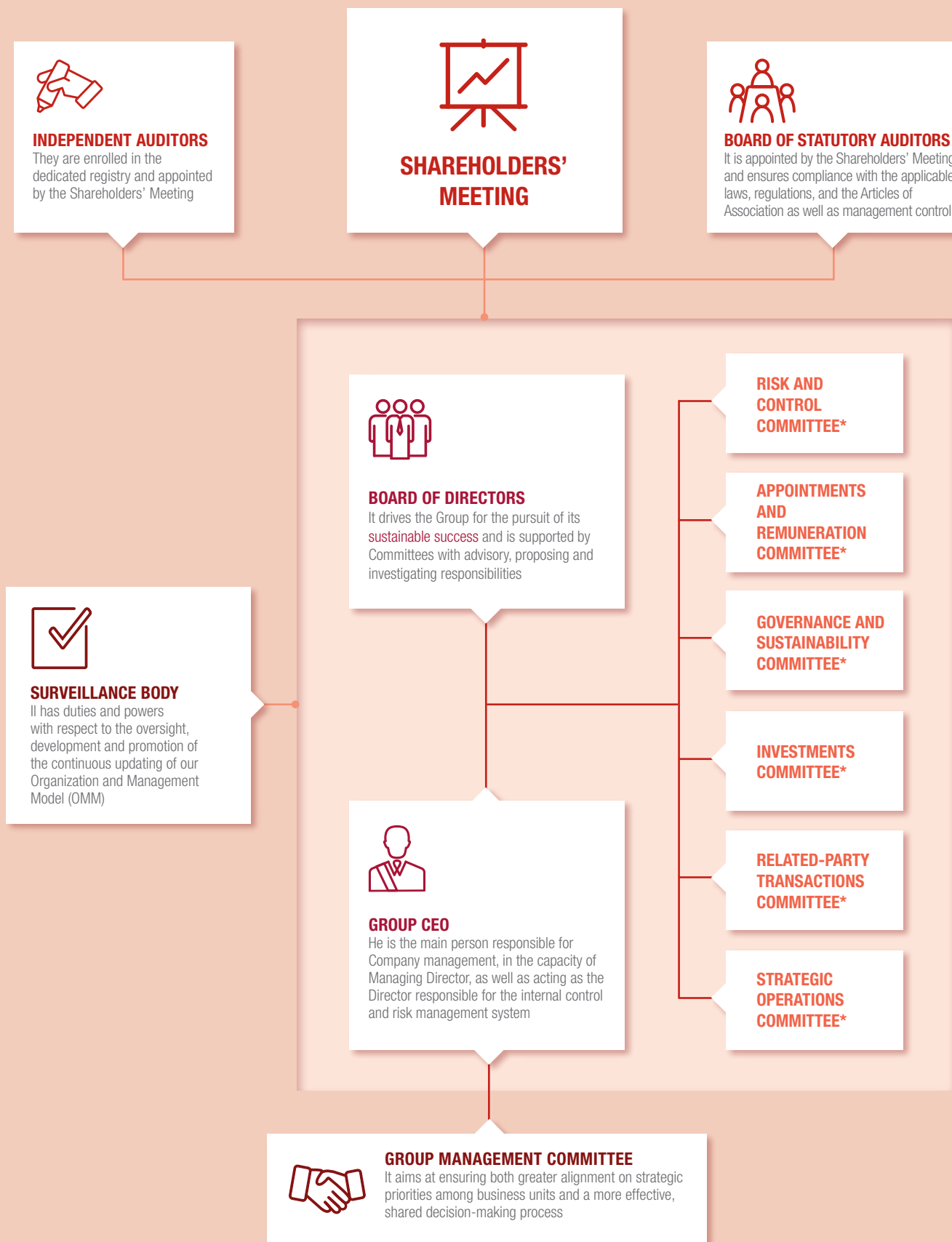
 Our people, p. 43

We maintain **ongoing relations with all stakeholders relevant to the Company**, including institutional investors, proxy advisors, financial analysts and retail shareholders. Our intense relationship activities consist of various types of interaction 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 annual Shareholders' Meeting, events on the strategic plan (Investor Days) and the main presentation of the financial results.

In 2020, dialogue with relevant stakeholders continued by using virtual platforms due to the Covid-19 pandemic, while maintaining previous high qualitative standards.

 Notes to the Management Report, p. 152 for further information on stakeholder relations

The Board of Directors has structured its own organization - even through the establishment of special Board Committees - in a manner that meets the need to define strategic planning in line with the Group's purpose, values and culture and, at the same time, monitors the pursuit of this strategy with a view to the sustainable value creation over 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.



* Each Committee is linked to different capitals: the Risk and Control Committee to financial and intellectual capitals; the Appointments and Remuneration Committee to human, financial, social and relationship, intellectual and natural capitals; the Governance and Sustainability Committee to natural, human, intellectual, social and relationship, and financial capitals; the Investments Committee to financial and social and relationship capitals; the Related-Party Transactions Committee to financial, social and relationship, and intellectual capitals; the Strategic Operations Committee to the financial capital.



Adoption of the 2020 Corporate Governance Code


Given the development at international level in terms of corporate governance, the **2020 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.

The Board of Directors of Assicurazioni Generali approved the adoption of the **2020 Corporate Governance Code** in October and the policy mentioned above in November. The latter clearly defines the rules for engagement between the Board and investor representatives by identifying interlocutors, discussion topics, timing and channels, on the basis of the general principles of Assicurazioni Generali's engagement activities, which are based on transparency and correctness of information, on the equality of treatment of all shareholders and on compliance with current laws and regulations, in particular with regards to market abuse.

 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, our value chain and 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, 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 then informed through the Governance and Sustainability Committee about the implementation of this strategy and the results achieved. In 2020, these elements were analysed during four 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.

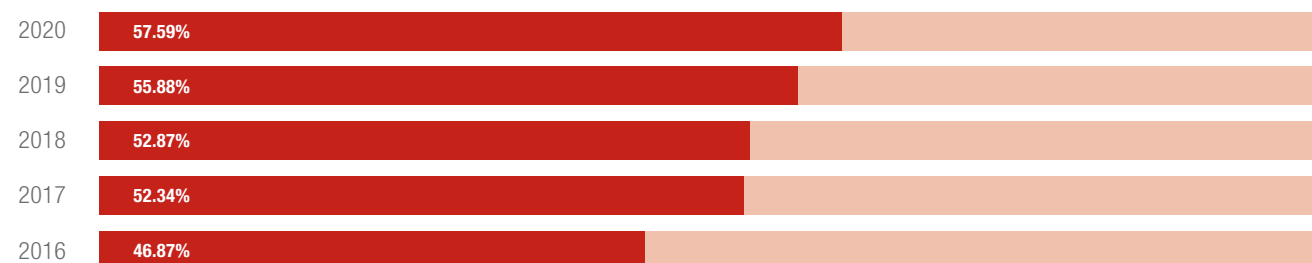
This cross-functional approach is also reflected in the **Climate Strategy Task Force**, which pools together the functions of Group Investment, Asset & Wealth Management, Group P&C Retail, Group P&C Corporate & Commercial, Group Life & Health, Group Integrated Reporting and Group Risk Management, coordinated 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

It's the corporate body that expresses - through resolutions - the wishes of 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



On the occasion of the 2020 Shareholders' Meeting, in order to minimize the risks related to the health emergency, we decided to take advantage of the option, established by the law decree of 17 March 2020, to provide in the notice of call that 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.

We provided to all shareholders legitimated to vote the possibility to follow the whole Shareholders' Meeting proceedings through a live audio streaming in Italian with simultaneous translation. 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 strategic plan, 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 not provided.

The 2020 Shareholders' Meeting approved a number of amendments to the Articles of Association, like:

- the attribution to the outgoing Board of Directors of the power to present its own list of candidates for the appointment of the incoming Board of Directors, to be filed not later than thirty days before the Shareholders' Meeting (first or single call), as opposed to the minor term of 25 days established for other lists;
- the increase in the minimum number of independent directors to half of the Board members in office;
- the increase to 40% of the level of representation of minorities in the Board of Directors.















ANNUAL SHAREHOLDERS' MEETING

LIVE AUDIO
STREAMING

#GeneraliAGM2020

Focus on the Board of Directors

in office until the 2022 annual Shareholders' Meeting

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	73	77	56	60	42	73
NATIONALITY	Italian	Italian	Italian	francese	Italian	Italian
PROFESSIONAL BACKGROUND	manager	entrepreneur	manager	manager	manager	avvocato
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						
INDEPENDENT ³¹					✓	✓
EXECUTIVE				✓		

LEGEND

	RISK AND CONTROL COMMITTEE		RELATED-PARTY TRANSACTIONS COMMITTEE
	APPOINTMENTS AND REMUNERATION COMMITTEE		STRATEGIC OPERATIONS COMMITTEE
	GOVERNANCE AND SUSTAINABILITY COMMITTEE		DIRECTOR RESPONSIBLE FOR THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM
	INVESTMENTS COMMITTEE		COMMITTEE CHAIRMAN

BOARD OF DIRECTORS 61.5

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 16

In 2020, 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, on IT issues and on the harmonization of back-office procedures.

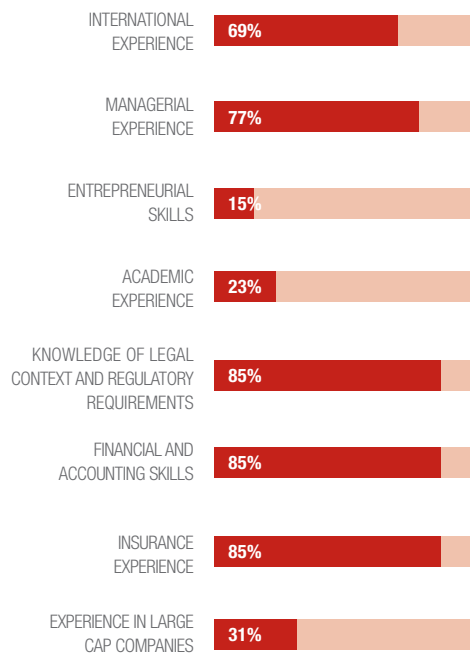
Directors are chosen based on their professional expertise and competence among people who have at least three years' total experience as qualified professionals in the insurance, credit or financial sector. They must also meet specific integrity requirements, that is reliability, financial strength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



						
Alberta Figari Director	Ines Mazzilli Director	Antonella Mei-Pochtler Director	Diva Moriani Director	Lorenzo Pelliccioli Director	Roberto Perotti Director	Sabrina Pucci Director
58	58	62	52	69	59	53
Italian	Italian	Italian	Italian	Italian	Italian	Italian
avvocato	manager	manager	manager	manager	professor	professor
30 April 2013	7 May 2019 elected from the minority slate	7 May 2019	28 April 2016	28 April 2007	28 April 2016 elected from the minority slate	30 April 2013
						
						

Focus on the Board of Statutory Auditors in office until 2023 annual 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
64	55	54	70	50
Italian and American	Italian	Italian	Italian	Italian
30 April 2014	30 April 2014	30 April 2014	30 April 2014	30 April 2020

AVERAGE AGE	59
FEMALE AUDITORS	60%*
AVERAGE ATTENDANCE AT BOARD OF DIRECTORS MEETINGS	100%

AVERAGE ATTENDANCE AT MEETINGS	100%
MEETINGS	25

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

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

*66.67%, considered only permanent statutory auditors.

Our remuneration policy

Our remuneration policy is designed to attract, motivate and retain the people who - due to their technical and managerial skills and their different profiles in terms of origin, gender and experience - are key to the success of the Group, as reflected in our values. Our remuneration policy reflects and supports both our strategy and values: to be a global insurance Group aiming at creating value and sustainable results, while valuing our people and maintaining commitments to all stakeholders.

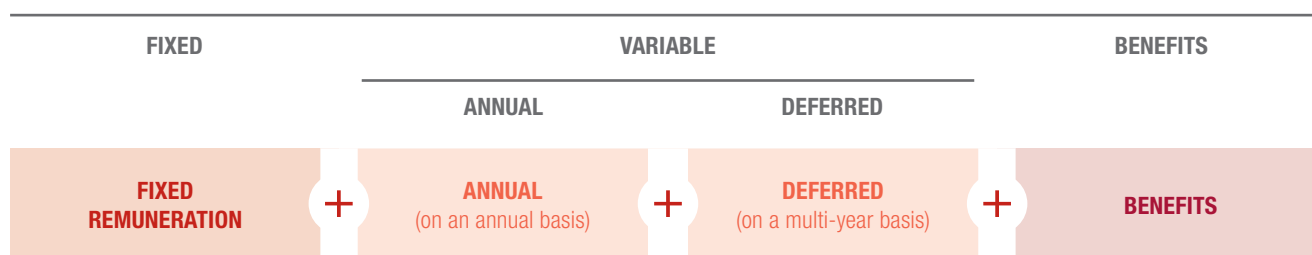
Our policy is based on the following principles that steer remuneration programmes and related actions:

- ▶ **EQUITY AND CONSISTENCY** in terms of the responsibilities assigned and capabilities demonstrated
- ▶ **ALIGNMENT WITH CORPORATE STRATEGY** and defined goals
- ▶ **COMPETITIVENESS** with respect to market practices and trends
- ▶ **MERIT- AND PERFORMANCE-BASED REWARD** in terms of results, behaviours and respect for Group values
- ▶ **CLEAR GOVERNANCE AND COMPLIANCE** with the regulatory environment

The remuneration policy for **non-executive directors** establishes that remuneration consists of an annual fixed component as well as an attendance fee for each Board of Directors' meeting in which they participate, in addition to the reimbursement of expenses incurred for participation in such meetings. Directors who are also members of the Board Committees are paid remuneration in addition to the amounts already received as members of the Board of Directors (except for those who are also executives of the Generali Group), in accordance with the powers conferred to those Committees and the commitment required in terms of number of meetings and preparation activities involved. This remuneration is established by the Board of Directors. In line with the best international market practices, there is no variable remuneration.

The **Managing Director/Group CEO**, who is the unique executive director, and the **relevant personnel not belonging to Key Functions** (i.e. the Internal Audit, Compliance, Risk Management and Actuarial functions) receive a remuneration package consisting of a fixed component, a variable component with no-claims bonus and claw back mechanisms, and benefits.

TOTAL TARGET REMUNERATION³²



The **fixed remuneration** remunerates the role held and responsibilities assigned, also considering the experience and skills required, as well as the quality of the contribution made in terms of achieving business results.

The **variable remuneration** is composed by annual and deferred incentive plans that are designed to motivate the management to achieve business goals by creating a direct link between incentives and financial and non-financial goals.

The Group Short Term Incentives (STI) plan represents the annual variable remuneration, whereby a cash bonus ranging from 0% to 200% of the individual baseline can be annually achieved in relation to:

- the Group funding connected with results achieved in terms of Group adjusted net profit and operating result as well as the achievement of a minimum threshold of Solvency Ratio;
- the achievement of the goals set out in the individual balanced scorecard. The goals are set up to 8 at Group, BU, region, country, function and individual level; they are based on three perspectives and linked to value creation, risk-adjusted profitability, implementation of new strategic projects, sustainability and people value.

³² It represents the remuneration package for all those described, except for the Key Functions to whom specific remuneration policy and rules are applied.

2020 PERSPECTIVES

ECONOMIC AND FINANCIAL RISK-ADJUSTED PERFORMANCE	>50%	Core business KPI <ul style="list-style-type: none"> · Net profit (after minorities) both at Group and country/BU level · Total expenses at country/BU level · Total remittance at country/BU level · RORC at country/BU level (mandatory risk-adjusted KPI)
SPECIFIC COUNTRY/BU GOALS AND GROUP STRATEGIC PROJECTS	15-35%	Focus on specific country/BU KPIs connected to local business strategies and projects Group strategic projects KPIs for all relevant GLG/leaders of strategic projects
GENERALI 2021 ENABLER	20-30%	Managerial assessment based on specific KPIs evidence <ul style="list-style-type: none"> · People Value, with main priority on achieving the objectives of the reskilling program and Diversity&Inclusion plan · Brand & Lifetime Partner transformation, with main priority on the objective of the Relationship NPS · Sustainability commitment, with specific objectives on sustainability initiatives that run through all the Group's business activities and operations

Sustainability is key in doing our business and in our remuneration schemes, in line with the Group's strategy and commitment to support the transition to a greener and more sustainable economy. Therefore, we are under continuous improvement in **integrating sustainability in the remuneration of our people**.

The deferred variable remuneration is built on a multi-year plan based on Assicurazioni Generali shares (subject to Shareholders' Meeting approval). The maximum potential bonus to be disbursed in shares amounts to 200% of the fixed remuneration for the members of the Group Management Committee (GMC) and to 175% of the fixed remuneration for other relevant personnel. Here the features of the plan are:

- it is based on an overall three-year performance period linked to specific Group performance goals (relative total shareholder return³³ and net holding cash flow³⁴) and is subject to the verification of the achievement of a minimum threshold of the Solvency Ratio, in line with the levels and limits defined by the Group Appetite Framework;
- it is based on deferral periods differentiated, according to regulatory provisions, on the basis of the beneficiaries' cluster and additional lock-up periods on granted shares (i.e. minimum holding) of up to two years.

Benefits consist of, for example, a supplementary pension and healthcare assistance for employees and their families, in addition to a company car and further benefits, including some linked to domestic or international travel (e.g. accommodation expenses, travel and education for children), in line with market practices.

 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 2020 for further information on pension benefits of the Group employees

³³ It is the total return on the shareholder investment calculated as change in the shares' market price, including distributions or dividends reinvested in the shares, as compared to a selected list of peers.

³⁴ It is the net cash flow available in a period at Parent Company level, after holding expenses and interest expenses. Its main components, considered on a cash basis, are: the remittance from subsidiaries; the centralized reinsurance's result; and interests on financial debt, expenses and paid or reimbursed taxes at Parent Company level.





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#WEREALLABOUTYOU

PART A – RESULT OF OPERATIONS

FOREWORD

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

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

The data in this Management Report is expressed in thousand euro, unless otherwise indicated.

SIGNIFICANT OPERATIONS

- During the month of January, Assicurazioni Generali S.p.A. completed the acquisition in Portugal of 100% of the company Seguradoras Unidas and the service company AdvanceCare. The transaction, announced in July 2019, represents an important step in the execution of the Group's three-year strategy, which aims to strengthen Generali's leadership in Europe.
- The senior debt of 1,250,000 thousand issued in 2014 reached maturity in January. Consistent with what was anticipated in May 2019 at the Exploring Generali event, this repayment was not refinanced as part of the plan to reduce debt according to the Generali 2021 strategy.
- In January, Assicurazioni Generali S.p.A. acquired from its subsidiary Transocean Holding LLC the shareholding in Generali Beteiligungsverwaltung GmbH for an amount of 1,312,000 thousand. Following this operation, Assicurazioni Generali now directly holds 67,5% of the investee.
- On 31 January 2020, the United Kingdom exited from the European Union and a transition period began, which allowed trade to continue substantially at the same conditions prior to Brexit, which terminated on 31 December 2020. The trade and cooperation agreement, which governs UK-EU trade relations, dated 24 December 2020, effective on 1 January 2021, sets out few provisions for the future regulation of financial services. Please note that Assicurazioni Generali S.p.A. started, from September 2017, an activity with the topmost purpose being that of taking all actions necessary so that the operations of the company in the United Kingdom would not be impaired, even in the case of withdrawal without an agreement. The results of this activity in terms of solutions singled out to meet the capital, governance and structural needs were approved by the Board of Directors on 7 November 2018. In the aftermath of this resolution, in January 2019 the authorisation petitions necessary to establish two branches in the United Kingdom, one for the Life segment and one for the Non-Life segment, in place of the current mixed branch located in London, were presented to the competent Regulator. These petitions meet the regulatory requirements provided for by applicable legislation due to the United Kingdom's exit from the European Union. The petitions sent to the Regulator in the United Kingdom are still pending and are being updated to take account of the changes in the Branch's business strategy from that stated in the petitions of January 2019. The Branch currently operates under the TPR (Temporary Permission Regime), a period which could be extended up to 3 years. Conversely, the petitions sent to IVASS were approved on 1 April 2019; nonetheless, the effect of the approval issued by IVASS is conditional on the Company presenting to IVASS a declaration on the requirements examined by IVASS still being met.
- On 12 March, the Board of Directors of Assicurazioni Generali established an Extraordinary International Fund of 100 million to assist in the Covid-19 emergency and to support economic recovery efforts in the countries where the Group operates. The Fund also benefited from contributions from the Group's employees. It helped with the health emergency in Italy according to the priorities agreed with the Italian National Health System and the Italian Civil Protection as well as with initiatives for customers, SMEs and their employees across the markets in which the Group operates.
- In March, Assicurazioni Generali S.p.A. started a buyback of own shares to serve the share plan for the Generali Group employees, in execution of the resolution of the Shareholders' Meeting held on 7 May 2019, which authorised, in that regard, the purchase and use of a maximum of 6 million own shares, for a period up to 7 November 2020. Those operations also continued in April and May, for a total value of 72,961 thousand. As a result of the purchases carried out, as at 31 December 2020 Assicurazioni Generali S.p.A. held 6,107,256 own shares.
- In April, as part of the initiatives of the Extraordinary International Fund set up by the Company to deal with the Covid-19 emergency, Assicurazioni Generali S.p.A. subscribed a share of the junior tranche of the innovative "Italianonsiferma" issue, managed by Credimi – a digital invoice financing platform to fund SMEs – in partnership with Banca Generali, with the aim of rapidly mobilising Italian private savings in support of the real economy for a total amount of 100 million.

- In April, Assicurazioni Generali S.p.A. completed the share capital increase in execution of the Long Term Incentive Plan 2017, adopted by the Shareholders' Meeting of the Company on 27 April 2017. The share capital, fully subscribed and paid-in, amounts now to 1,576,052,047, divided into 1,576,052,047 ordinary shares, each with a nominal value of € 1.00.
- On 30 April 2020, on approval of the Financial Statements 2019, the Shareholders' Meeting decided to assign shareholders a dividend per share of € 0.96, divided into two tranches. The first tranche, equal to € 0.50 was paid in May 2020. The second of € 0.46 was initially to be paid before the end of the year, subject to the Board verification of, among other things, compliance with the limits set by the Group's Risk Appetite Framework as of 30 September 2020, as well as a positive assessment of compliance with the supervisory provisions and recommendations for dividends in force at the time.
- In May, Assicurazioni Generali paid the first tranche of the dividend per share, equal to € 0.50, as approved by the Shareholders' Meeting of 30 April 2020.
- In July, Assicurazioni Generali S.p.A. placed a new Tier 2 security for the value of 600,000 thousand, denominated in Euro with maturity in July 2031, issued in the form of a green bond.
- During July, Assicurazioni Generali S.p.A. completed the buyback of three subordinated notes with first call in 2022 for a total of 516,700 thousand and 75,350 thousand in pounds.
- In October, Assicurazioni Generali subscribed the share capital increase of Cattolica Assicurazioni reserved to Generali for a total amount of 300,000 thousand, thus reaching a shareholding of 24.46% in the issuer's share capital. The strategic partnership envisages four business initiatives: *Asset Management*, *Internet of Things*, *Health* and *Reinsurance*. These represent important profitable growth opportunities in customer services in the Non-Life segment and in the asset management segment, leveraging Generali's skills and capabilities in investment management, digital innovation and health services, and allowing Cattolica to expand and improve the offer to its customers with new and innovative ancillary services.
- In October, Assicurazioni Generali S.p.A. completed the merger process of its insurance subsidiaries in Portugal. Seguradoras Unidas S.A. incorporated Generali Companhia de Seguros S.A and Generali Vida Companhia de Seguros S.A. and was renamed as Generali Seguros, S.A.
- The Board of Directors of Assicurazioni Generali S.p.A., during its meeting held on 11 November, examined the conditions for the payment of the second tranche of the 2019 dividend approved by the Shareholders' Meeting on 30 April 2020, equal to € 0.46 per share. Specifically, the Board of Directors verified the compliance with the limits set by the Group's Risk Appetite Framework as of 30 September 2020. However, the Board of Directors took note of the letter received from IVASS on 10 November 2020, in which the Regulator indicated to the company that the application of the European Systemic Risk Board (ESRB) recommendation dated June 2020 - and still in force with regards to dividend distribution - has general application and does not entail a case-by-case evaluation, therefore deeming the Group committed not to proceed with the payment of the second tranche. Therefore, the Board decided to comply with the current demands of the Regulator and consequently not to proceed with the payment of the second tranche of the 2019 dividend by the end of 2020, although the requirements of the Group's Risk Appetite Framework were met. Moreover, in 2021, the Group, subject to a positive opinion of the Regulator, intends to seek shareholders' approval also for the distribution of the second tranche of the 2019 dividend.
- In November, Assicurazioni Generali S.p.A. contributed the 100% shareholding in AdvanceCare to the company in the Europ Assistance Holding Group for a value of 90,000 thousand.
- In December 2020, Assicurazioni Generali S.p.A. and Accenture created a joint venture (GOSP - Group Operations Service Platform) that will leverage cloud technologies and shared technology platforms to accelerate the Group's innovation and digital strategy, in line with the Generali 2021 strategic plan. The new solutions introduced, including more centralised governance, will enable the Group to improve operational results and profitability, specifically cost synergies and enhancing of service quality, in line with the digital expectations of customers, agents and employees. Assicurazioni Generali S.p.A. holds a share of 93.98%.
- In December, Assicurazioni Generali S.p.A. received approval from the competent Regulator to transfer the Life run-off portfolio of its London Branch, mainly consisting of annuity policies under payment, that is already reinsured. Therefore, the financial position as at 31 December 2020 reflects the effects of that portfolio transfer. Specifically, technical provisions being transferred amounted to 600 million.
- In December, Generali signed an agreement for the acquisition of 100% of AXA Insurance S.A. in Greece for a consideration of 165,000 thousand (subject to closing adjustments). Furthermore, Generali renegotiated the distribution agreement currently in place with Alpha Bank expiring in March 2027 by extending it for twenty years from the closing.

Overall economic performance

NET PROFIT +1,455,291 thousand
€ 2,969,918 thousand

PROFIT FROM ORDINARY OPERATIONS +1,646,929 thousand
€ 2,725,219 thousand

PROFIT FROM EXTRAORDINARY OPERATIONS -161,719 thousand
€ 6,833 thousand

INCOME TAXES -29,919 thousand
€ 237,866 thousand

Net profit for the period amounted to 2,969,918 thousand, an increase compared to 1,514,628 thousand versus the previous year. The increase is characterized by:

- A significant increase in the profit from ordinary operations of 1,646,929 thousand, impacted by:
 - a sustained increase in ordinary financial operations, net of technical interest attributed to the net Life underwriting balance, of 1,367,688 thousand. This increase is primarily due to greater dividends coming from the subsidiaries;
 - an improvement in the net underwriting result of 179,366 thousand. The drop concerned both the Life segment (+123,899 thousand) and the Non-Life segment (+55,467 thousand). The improvement in the result of the Life segment is mainly due to the reinsurance acceptance by the subsidiary Generali Personenversicherungen AG, which in 2019 included a significant increase in technical provisions, while the increase in the Non-Life segment mainly derived from the improvement observed in the results of the London Branch, only partially offset by the drop in the balance of reinsurance acceptances carried out directly by the Parent Company;
 - a decrease in ordinary net costs of 99,875 thousand. This result was specifically impacted by lower interest on subordinated liabilities.
- A drop in profit from extraordinary operations of 161,719 thousand compared to the previous year, which featured significant realized gains, specifically from the early closing of the loan receivable from the subsidiary Generali Beteiligungs-GmbH.
- Lower tax income of 29,919 thousand, mainly due to higher pre-tax profit, only partially offset by the decrease in the tax base for IRAP taxes, foreign taxes and taxes due in Italy on the income of several foreign subsidiaries of the Group (Controlled Foreign Companies).

(in thousand euro)	2020	2019
Net premiums	2,058,945	2,634,238
Change in technical provisions (a)	584,450	168,098
Claims, maturities and surrenders	-2,337,374	-2,621,729
Operating expenses	-390,896	-527,711
Other technical income and changes	-16,013	-2,269
Technical interests of the Life segment	143,678	212,798
Net underwriting balance	42,791	-136,575
Income allocated to technical accounts	717,439	479,656
Net technical result	760,229	343,081
Financial result (b)	4,107,759	2,809,191
minus income allocated to technical accounts	-861,117	-692,454
Other ordinary income and charges	-1,281,653	-1,381,528
Profit from ordinary operations	2,725,219	1,078,290
Profits and losses on the realization of other durable invest.	422	116,185
Other extraordinary income and charges	6,412	52,367
Result before taxation	2,732,052	1,246,842
Income taxes	237,866	267,785
Profit for the year	2,969,918	1,514,628

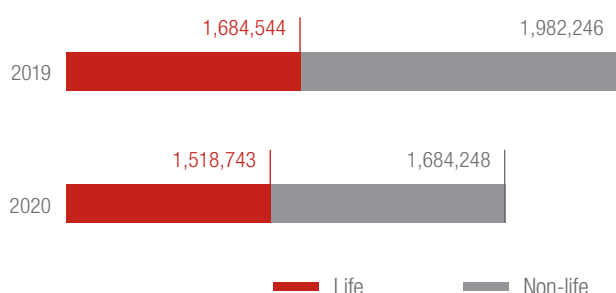
(a) Including mathematical provisions

(b) Including net income on investments, net realized gains, value adjustments and net profits on internal fund investments

%	2020	2019
Total expense ratio	19.0	20.0
Combined ratio	92.1	97.4

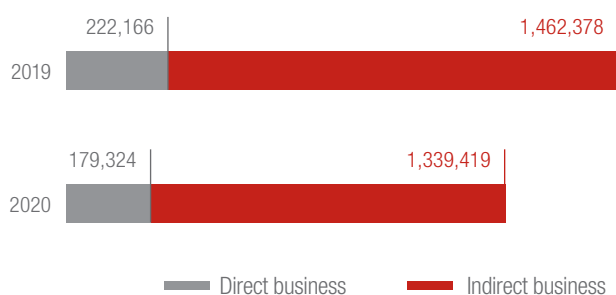
Gross premiums collection

TOTAL PREMIUMS



Gross written premiums amounted to 3,202,991 thousand, a decline from the 3,666,790 thousand of the previous year. In detail, the inflows from the Life segment amounted to 1,518,743 thousand (1,684,544 thousand in 2019) while the Non-life premiums were 1,684,248 thousand (1,982,246 thousand in 2019). As regards the insurance business carried out by way of free provision of services, in the European Union a total of 41,633 thousand was collected in premiums.

LIFE PREMIUMS



Aktiengesellschaft AG (-18,202 thousand), divested in the previous year, and the interruption of the new Non-Captive business accepted by the subsidiary Generali Vie SA (-43,726 thousand).

The gross premiums from the Life segment amounted to a total of 1,518,743 thousand, down by 165,801 thousand compared to 2019 (1,684,544 thousand). The decrease regards both indirect business, for 122,960 thousand (from 1,462,378 thousand to 1,339,419 thousand) and direct business, for 42,842 thousand (from 222,166 thousand to 179,324 thousand).

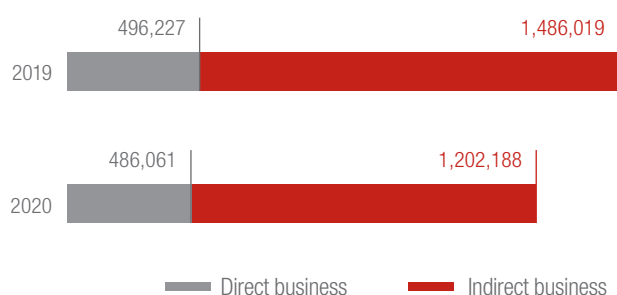
The premiums from indirect business were mostly underwritten by the Luxembourg Branch for 1,075,770 thousand (1,137,138 thousand in 2019), by the Parent Company Reinsurance unit for 248,152 thousand (309,220 thousand in 2019) and by the Hong Kong Branch for 15,497 thousand (16,020 thousand in 2019).

The downturn of the Luxembourg Branch, operating in the employee benefits line in Ivass Class I (Life insurance) and in Ivass Class IV (Health insurance and long term care insurance), was mainly impacted by the lower premiums accepted by the former subsidiary Generali Lebensversicherung

The contraction in gross written premiums directly accepted by the Parent Company, primarily in Ivass Class I (Life insurance) is significantly impacted by the physiological contraction in volumes of reinsurance acceptances in run off by the subsidiary Alleanza Assicurazioni S.p.A (-32,521 thousand), fewer premiums accepted by the subsidiary Generali Deutschland AG (-14,178 thousand) that, in turn, was impacted by the elimination of the reinsurance contribution from the former subsidiary Generali Lebensversicherung Aktiengesellschaft AG, divested during the current year and, lastly, the downturn in volumes accepted by the subsidiary Generali Seguros SA (-9,459 thousand) that, in turn, was impacted by the termination of new business on savings products by the transferring Company.

As regards premiums from direct business, over 60% of premiums for the year is concentrated at the London Branch (117,351 thousand compared to 143,603 thousand in the previous year) in the Employee Benefits insurance portfolio (Ivass Class I, Life insurance and Ivass Class IV, Health insurance and long term care insurance), decreasing due to the non-renewal of several large contracts. The other Branches operating in the direct business in the Life segment are as follows: Hong Kong and Dubai, in addition to the direct portfolio of the Head Office, for total premiums of 61,973 thousand (78,562 thousand in 2019). The contraction was mainly the result of the Dubai Branch (-13,196 thousand), unit-linked insurance portfolio (Ivass Class III) has been in run off since the previous year.

NON-LIFE PREMIUMS



The gross premiums from the Non-Life segment amounted to a total of 1,684,248 thousand, down by 297,998 thousand compared to 1,982,246 thousand in 2019. The decrease was greater in indirect business equal to 283,832 thousand (from 1,486,019 thousand to 1,202,188 thousand). Direct business saw a smaller decrease of 14,166 thousand (from 496,227 thousand to 482,061 thousand).

The premiums from indirect business come primarily from the Parent Company's reinsurance unit (534,638 thousand compared to 520,643 thousand in 2019), from the London Branch (271,955 thousand versus 596,595 thousand in 2019), from the Luxembourg Branch (221,909 thousand compared to 210,814 thousand in 2019) and from the Hong Kong Branch (160,108 thousand compared to 150,875 thousand in 2019).

The other Branches of the Company and the Head Office portfolio contribute 13,577 thousand, up compared to 7,092 thousand in 2019, specifically as a result of new reinsurance programs launched by the New York Branch.

Therefore, the total contraction in indirect business of 283,832 thousand was impacted by the reduction for the London Branch of 324,640 thousand, only partially offset by the improvements in the other branches for a total of 40,808 thousand.

The decrease in premiums of the London Branch was specifically due to the transfer in the previous year of the new business of the Global Corporate & Commercial portfolio accepted by other Companies of the Group, from the Branch to the subsidiary Generali Italia for 291,307 thousand, in addition to an overall contraction of 33,334 thousand relating to the Generali Global Health and Generali Global Corporate & Commercial portfolios as a whole.

The premiums from direct business were provided by the various Company Branches, to which the Head Office's direct portfolio should be added. The overall contraction of 14,166 thousand includes a decrease, specifically in the Global Business Lines, of 48,748 thousand for the New York Branch, particularly affected by the pandemic under way, in addition to a total of 11,007 thousand for the Hong Kong Branch and the direct portfolio of the Head Office. Those reductions are largely offset by growth of 45,617 thousand in the London Branch, also in the Global Business Lines.

LIFE NET UNDERWRITING RESULT

TECHNICAL RESULT

(in thousand euro)	2020	2019
Net premiums	1,099,728	1,277,081
Change in technical provisions (a)	552,381	193,815
Claims, maturities and surrenders	-1,646,428	-1,633,848
Operating expenses	-175,908	-212,924
Other technical income and changes	-4,093	8,538
Technical interests of the Life segment	143,678	212,798
Net underwriting balance	-30,642	-154,541
Income allocated to technical accounts	421,065	307,296
Net technical result	390,423	152,756

%	2020	2019
Total expense ratio	16.0	16.6
Acquisition costs / net premiums	12.0	12.9
Administration costs / net premiums	4.0	3.7

Net technical result amounted to 390,423 thousand (152,756 thousand in the previous year). The result is comprised of the net underwriting balance amounting to -30,642 thousand (-154,541 thousand in the previous year) and of the financial income transferred to the technical account, net of technical interest, which totalled 421,065 thousand (307,296 thousand in 2019).

The increase in the net underwriting balance was mainly influenced by the reinsurance acceptance by the subsidiary Generali Personenversiche-

rungen AG, which, in the previous year, included a significant increase in technical provisions.

The increase in income allocated to the technical account, net of technical interest, reflects the positive performance of financial income during the year.

Following are further details on the net underwriting balance.

NET UNDERWRITING BALANCE BY BRANCH

(in thousand euro)	2020	2019
Reinsurance accepted directly by the Parent Company	4,530	-162,929
Luxembourg	-53,959	-23,843
United Kingdom	6,168	13,319
Other branches	12,619	18,911
Total	-30,642	-154,541

The previous table shows separately the underwriting results from the reinsurance accepted directly by the Parent Company, of the Luxembourg Branch and of the London Branch, which for premiums and technical commitments, individually represent the most significant items in the technical underwriting of the Life segment of the Company.

As with reference to the reinsurance accepted directly by the Parent Company, for almost all of the other Group Companies the result came to 4,530 thousand, a significant improvement on -162,929 thousand in the previous year, in the presence of gross premiums down from 309,220 thousand to 248,152 thousand. The increase in the result is substantially attributable to the reinsurance acceptance by the subsidiary Generali Personenversicherungen AG, (from -238,394 thousand to -23,575 thousand), which, in the previous year, included a significant increase in technical provisions. In addition, there was a positive effect of 10,382 thousand resulting from the withdrawal of the portfolio regarding reinsurance acceptance by the subsidiary Generali Zavarovalnica d.d.

Though decreasing, additional significant changes in the result regard reinsurance acceptance by the subsidiaries Generali Deutschland AG and Alleanza Assicurazioni SpA.

With regard to the reinsurance acceptance by Generali Deutschland AG, the result decreased from 27,412 thousand to 4,902 thousand as a result of the termination of the reinsurance contract between the former subsidiary Generali Lebensversicherung Aktiengesellschaft AG (divested in the previous year) and Generali Deutschland AG, then reflected in the final reinsurance disposal from Generali Deutschland AG to Assicurazioni Generali SpA. The result of reinsurance acceptance by

Alleanza Assicurazioni SpA, in run off, decreased from 52,025 thousand to 22,310 thousand, mainly due to lower financial profitability.

With reference to the Luxembourg Branch, the reinsurance contribution from both the Group and non-Group companies of the employee benefits line showed a negative net underwriting result of 53,959 thousand, a further decrease from -23,482 thousand in 2019, against gross premiums also decreasing from 1,137,138 thousand to 1,075,770 thousand. The balance decreased mainly due to reinsurance acceptance by several companies outside the Group. In addition, disposals of results to captive companies increased compared to the previous year.

As regards the London Branch, the Life segment is represented by portfolios of direct insurance: employee benefits and unit linked. The majority of the portfolio of individual annuities, already reinsured, was transferred to a third party at the end of the year. The overall net underwriting result decreased from 13,319 thousand to 6,168 thousand as a direct consequence of the downturn in gross premiums of the employee benefits portfolio (from 143,603 thousand to 117,351 thousand).

The "Other branches" item of the previous table includes the net underwriting result of the Hong Kong Branch for 8,451 thousand (9,862 thousand in 2019), Head Office portfolio for 4,726 thousand (6,316 thousand in 2019) and the Dubai Branch for -557 thousand (2,733 thousand in 2019). In all cases, the decrease was due to the reduction in gross premiums in Ivass Class I (Life insurance), mainly in relation to the Hong Kong Branch and the Head Office portfolio, and Ivass Class III (Unit-linked insurance), in run off, relating to the Dubai Branch.

NON-LIFE NET UNDERWRITING RESULT

TECHNICAL RESULT

(in thousand euro)	2020	2019
Net premiums	959,217	1,357,157
Change in technical provisions	32,069	-25,717
Claims, maturities and surrenders	-690,946	-987,881
Operating expenses	-214,975	-314,787
Other technical income and changes	-11,921	-10,807
Net underwriting balance	73,433	17,966
Income allocated to technical accounts	296,374	172,360
Net technical result	369,806	190,325

%	2020	2019
Loss ratio	69.7	74.2
Total expense ratio	22.4	23.2
Acquisition costs / net premiums	17.1	19.1
Administration costs / net premiums	5.4	4.1
Combined ratio	92.1	97.4

The net technical result amounted to 369,806 thousand, up by 179,481 thousand compared to 2019 (190,325 thousand). This result was formed by the net underwriting result of 73,433 thousand, sharply growing compared to 2019 (17,966 thousand) and the financial income allocated to the technical account for 296,374 thousand (172,360 thousand in the previous year), which also grew sharply, in line with the positive

performance of the investment result for the year.

The growth in the net underwriting balance was driven by the improvement in the London Branch, only partially decreased by the drop in the balance of reinsurance acceptances by other Companies of the Group carried out directly by the Parent Company.

NET UNDERWRITING BALANCE BY BRANCH

(in thousand euro)	2020	2019
Reinsurance accepted directly by the Parent Company	54,602	108,651
Luxembourg	12,634	12,936
United Kingdom	-8,968	-100,031
Other branches	15,164	-3,476
Total	73,433	17,966

The previous table shows separately the net underwriting results from the reinsurance accepted directly by the Parent Company, of the Luxembourg Branch and of the London Branch, which for premiums and technical commitments, individually represent the most significant items in the technical underwriting of the Non-Life segment of the Company.

The reinsurance accepted directly by the Parent Company, primarily from other companies of the Group, posted a result of 54,602 thousand (108,651 thousand in the previous year). This reduction was impacted by both a higher loss ratio, attributable to the pandemic under way, and a higher incidence of significant events, both man-made and natural catastrophes.

Instead, gross written premiums rose from 520,643 thousand to 534,638 thousand.

Claims, maturities and surrenders amounted to 151,768 thousand, compared to 108,964 thousand in the previous year, with a loss ratio of 61.3% (42.5% in 2019).

Operating expenses amounted to 30,311 thousand (29,794 thousand in 2019), with a ratio on net premiums of 12.3%, up on 11% in 2019, as a result of higher commission expenses on several proportional reinsurance agreements.

Overall, the combined ratio of the reinsurance accepted directly by the Parent Company stood at 73.6% versus the 53.5% in 2019.

With reference to the Luxembourg Branch, the reinsurance contribution from both the companies of the Group and outside of the group, in the accident & health lines, showed a net underwriting result slightly decreasing from 12,936 thousand to 12,634 thousand, with gross premiums rising, from 210,814 thousand in 2019 to 221,909 thousand. Net earned premiums, instead, decreased from 152,309 thousand to 139,518 thousand.

Claims, maturities and surrenders amount to 99,540 thousand (115,916 thousand in 2019), with a loss ratio improving from 76.1% in 2019 to 71.3%.

Operating expenses amounted to 27,344 thousand (23,457 thousand in 2019), with a ratio on net premiums of 19.5%, up on 16.6% in 2019, as a

result of higher commission expenses on several reinsurance agreements.

Overall, the combined ratio of the Luxembourg Branch stood at 90.8% versus the 92.7% of 2019.

With regard to the London Branch, the net underwriting result was negative for 8,968 thousand, but significantly improving compared to the previous year (-100,031 thousand), due to a significant reduction in gross premiums (from 801,021 thousand to 521,998 thousand) mainly as a result of the termination of new business on the Global Corporate & Commercial segment accepted in reinsurance by other Companies of the Group, as illustrated above.

The improvement in the result was due to the Global Corporate & Commercial segment, which increased from -75,111 thousand to 24,999 thousand due to a lower loss ratio compared to the previous year. Instead, the result of the Global Health segment worsened further compared to the previous year (from -24,920 thousand to -33,967 thousand), as a result of a higher loss ratio.

In general terms, the loss ratio of the London Branch stood at 76.8% compared with 87.9% of the previous year. The ratio of operating expenses to net premiums was 28.1%, up compared to 26.3% of the previous year, due to a higher incidence of administration costs distributed through all business segments.

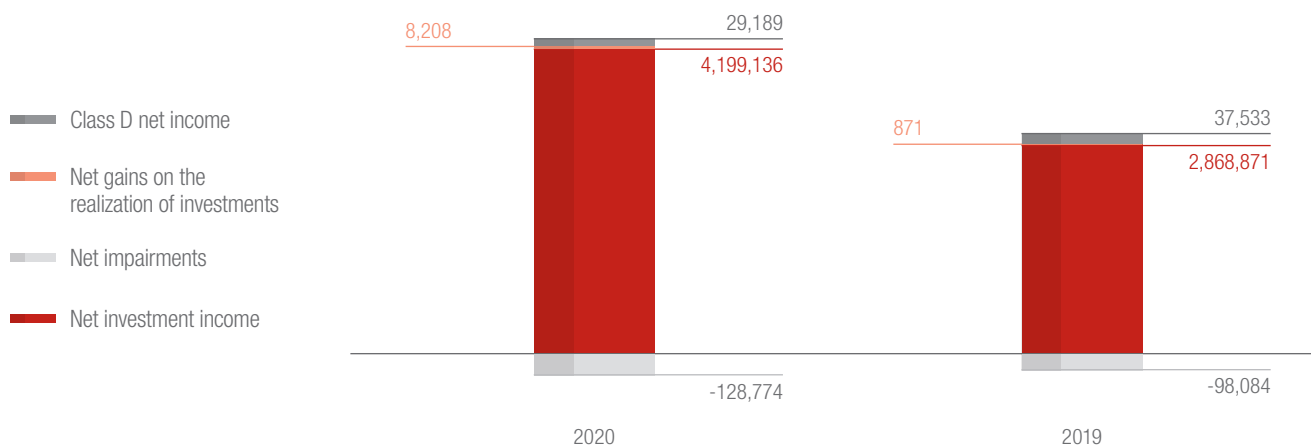
The combined ratio stood at 104.9%, compared to 114.1% of the previous year.

The "Other branches" item mainly included the net underwriting results of the Hong Kong Branch for 3,824 thousand (-13,071 thousand in 2019), the USA Branch for 2,625 thousand (7,931 thousand in 2019) and the Head Office portfolio for 8,675 thousand (1,568 thousand in 2019). As regards the Hong Kong Branch, improving significantly due to the drop in acquisition and administration costs, the lines of business with the highest growth were: Health, General Liability and Fire. As regards the USA Branch, significantly impacted by the effects of the pandemic under way, the decrease was significant in the Pecuniary Loss and Accident lines of business, only partially offset by the growth in the General Liability line. Lastly, regarding the Head Office portfolio, growth was specifically driven by the sharp improvement in the loss ratio of the Property other than Fire line.

FINANCIAL RESULT

The results of the ordinary financial operations amounted to 4,107,759 thousand, compared to 2,809,191 thousand in the prior year. Income allocated to technical accounts amounted to 861,117 thousand compared to 692,454 thousand in the previous year.

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



The class D net income amounted to 29,189 thousand, compared to net income of 37,533 thousand of the previous year. The change is attributable to lower net realized gains, which amounted to 612 thousand compared to 7,950 thousand in the previous year, relating to the portfolios at the Dubai and London Branches. Interest income on reinsurance deposits also contributed to the contraction in net income of the category, standing at 2,161 thousand (4,245 thousand in the previous year); the most significant change concerns the reinsurance deposit at the assignor Generali Zavarovalnica d.d. Ljubljana. Net unrealized capital gains, which amounted to 25,810 thousand compared to 24,557 thousand of the previous year, refer for the most part to the portfolio of the Dubai Branch, consisting of mutual fund units.

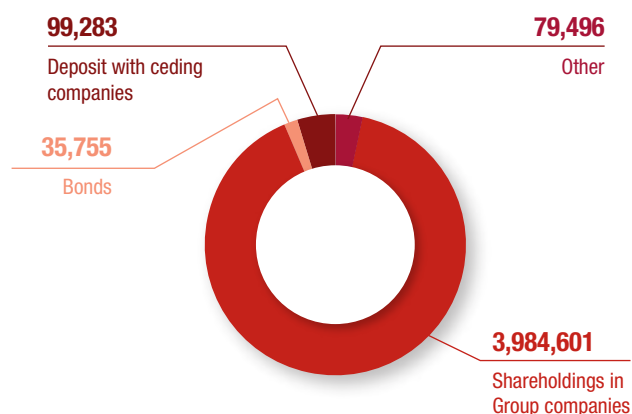
Net realized gains amounted to 8,208 thousand, up on the previous year, when they amounted to 871 thousand. Realized gains and losses posted during the year mainly derived from the closing of several positions in financial instruments, for an amount of 12,123 thousand (net realized

losses of 2,918 thousand in 2019), partially offset by net realized losses on mutual funds for 6,769 thousand (3,845 thousand in 2019).

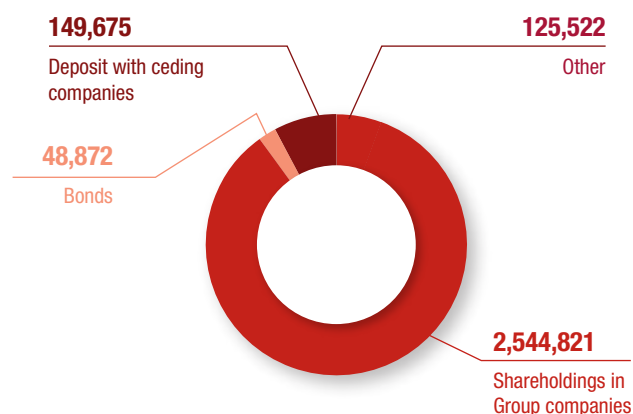
Net impairments amounted to 128,774 thousand compared to 98,084 thousand in 2019. The net impairments of equity securities amounted to 78,045 thousand (54,811 thousand in the previous year) and are mainly attributable to the shareholdings Gruppo Generali Brasil Seguros S.A., Generali Financial Asia Limited, GLL GmbH & Co. Retail KG, Generali Vitality GmbH, BMG Seguros S.A. and CMN Global Inc. The net impairments of derivative financial instruments also contributed an amount of 40,227 thousand (48,899 thousand in 2019), with reference to interest rate swap forward starting instruments (35,180 thousand) and domestic currency swaps (5,047 thousand).

Details of the net income from investments, totalling 4,199,136 thousand (2,868,871 thousand in the previous year), are provided below.

Net investment income 2020



Net investment income 2019



The dividends received from the companies of the Group totalled 3,984,601 thousand, an increase of 1,439,780 thousand compared to the previous year (2,544,821 thousand). The main income deriving from shareholdings regard the dividends received by Generali Italia S.p.A. for 1,495,000 thousand (in 2019 the dividend received amounted to 1,136,000 thousand), by Generali Beteiligungsverwaltung GmbH for 564,607 thousand (in 2019 it amounted to 47,582 thousand), by Generali Beteiligungs GmbH for 525,000 thousand (in 2019 it amounted to 390,000 thousand), by Generali CEE Holding B.V. for 425,000 thousand (in 2019 the dividend amounted to 325,000 thousand), by Generali España Holding de Entidades de Seguros S.A. for 275,088 thousand (in 2019 it amounted to 179,079 thousand), by Generali Participations Netherlands N.V. for 273,392 thousand (in 2019 it amounted to 138,896 thousand) and by Generali France for 246,617 thousand (in 2019 it amounted to 239,951 thousand).

Net interest on deposit with ceding companies amounted to 99,283 thousand, decreasing compared to the previous year (149,657 thousand). The contraction is mainly attributable to the reinsurance acceptance of the subsidiaries Alleanza Assicurazioni S.p.A. (-47,815 thousand) and Generali Deutschland AG (-9,899 thousand). As regards Alleanza Assicurazioni S.p.A., the contraction reflects the lower financial result

earned. With regard to Generali Deutschland AG, the decrease is strictly connected with the termination of the reinsurance contract between the former subsidiary Generali Lebensversicherung Aktiengesellschaft AG (divested in the previous year) and Generali Deutschland AG, then reflected in the final reinsurance disposal from Generali Deutschland AG to Assicurazioni Generali S.p.A.

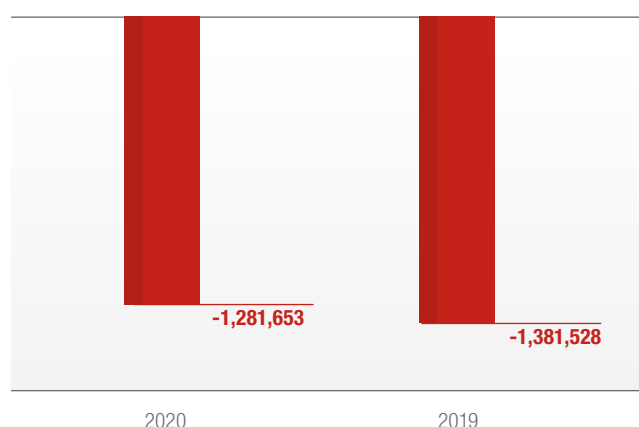
Income from bonds amounted to 35,755 thousand (48,872 thousand in the previous year), of which 16,634 thousand deriving from government bonds (21,013 thousand in 2019) and 19,121 thousand deriving from corporate bonds (27,858 thousand in 2019). The outflows of securities from the portfolio of the Company resulting from the transfer of assets to cover the closed-end Life portfolio of the London Branch, implemented during the previous year as part of the reinsurance disposal transaction mostly contributed to the decreases.

Other income net of other expense fell from 125,522 thousand to 79,496 thousand, mainly due to lower interest on loans to Group companies.

Ordinary return on investments¹, determined on the basis of the average rate of return, therefore stood at 10% (7% in 2019), owing to growth in the dividends received from Group companies.

¹ The average rate of return on investments is the ratio of income for the period to half the sum of investments at book value at 31/12/2020 and 31/12/2019.

OTHER ORDINARY INCOME AND CHARGES



Other ordinary income and charges showed a negative balance of 1,281,653 thousand (also negative in the previous year for 1,381,528 thousand).

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

(in thousand euro)	2020	2019
Interest expenses on financial debt	-592,155	-704,066
Allocation to non-technical provisions	-24,837	55,978
Holding expenses	-396,565	-410,583
Amortisation of intangible assets	-14,262	-20,745
Other	-253,833	-302,112
Other ordinary income and charges	-1,281,653	-1,381,528

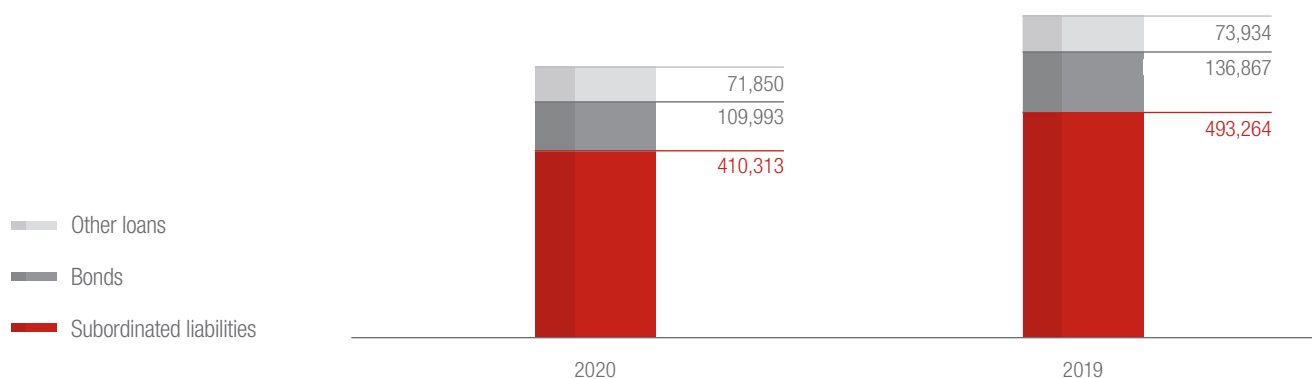
A discussion on the items of the above table is provided below, with exception made for the interest expenses on financial debt that is specifically discussed in the next section.

The net income resulting from the allocations to non-technical provisions amounted to -24,837 thousand, compared to the net income of 55,978 thousand of the previous year. The amount of the year is significantly impacted by allocations to provision for litigations (-24,100 thousand). The previous year showed net income, mainly due to the release of the tax provisions for 22,417 thousand, regarding the taxes on property transfers, allocated following the repurchase of the minority interest in the subsidiary Generali Deutschland AG. Releases of the provisions for risks and charges were added to this component, for the following amounts: 11,076 thousand tied to transfer of the Japanese portfolio; 8,418 thousand tied to setting up the Luxembourg Branch; 4,249 thousand relating to the contribution to the closed-end pension fund for London Branch employees.

The expense borne by the Company for the direction and coordination of the companies belonging to the Group, net of the income from brand royalties, amounted to 396,565 thousand, a decrease versus the previous year (410,583 thousand). The decrease mainly derived from lower charges incurred during the year, due to the Covid-19 health emergency, which also resulted in lower charges linked to the Group's projects.

As for the remaining items of the table, the item "Other" decreased by 48,279 thousand. This item mainly comprised net charges deriving from the buyback of subordinated notes (95,873 thousand) in July 2020, the trend in exchange rates, which resulted in a charge of 88,905 thousand and the charges linked to the support measures announced by the Group to combat the Covid-19 emergency (29,976 thousand). The previous year was mainly influenced by the negative impact of the buyback of subordinated notes, settled at the beginning of October 2019.

INTEREST EXPENSES ON FINANCIAL DEBT



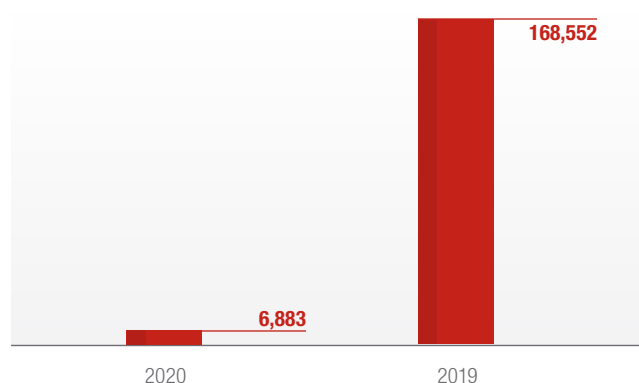
Interest expense on the financial debt of the Company amounted to a total of 592,155 thousand, down from 704,066 thousand in 2019.

The most significant change regards the lower interest on subordinated liabilities (from 493,264 thousand in the previous year to 410,313 thousand) in relation to the buyback of two series of subordinated notes, with first call date in 2022, totalling 516,700 thousand euro and 75,350 thousand pounds. The impact was only partially offset by the new issue in the form of a Green Bond (600,000 thousand in July 2020), distinguished by interest rates lower than the paid-off debts.

Interest on bond issues decreased from 136,867 thousand to 109,993 thousand, mainly due to the maturity of senior debt for 1,250,000 thousand, in January 2020, partially offset by new bond issues to Group companies for 872,000 thousand during the year.

Interest on Other loans regarded loans to Group companies and amounted to a 71,850 thousand, down slightly compared to the previous year (73,934 thousand).

EXTRAORDINARY OPERATIONS



The results from extraordinary operations were positive, at 6,833 thousand (168,552 thousand in the previous year).

This item primarily included the income deriving from the recalculation of the income taxes of previous years for 14,741 thousand, partially offset by the expense for voluntary employee retirement incentive plans amounting 5,551 thousand and contingent liabilities for 2,975 thousand.

Mainly contributing to formation of this result are the realized gains and losses coming from the early closing of the loan receivable from the subsidiary Generali Beteiligungs-GmbH for the amount of 84,821 thousand, the realized gains from the disposal of the shareholding in Sara Assicurazioni for 29,631 thousand and realized gains from the disposal of the Japanese portfolio for 8,742 thousand. The result also included the income for taxes of prior years for 42,740 thousand mostly attributable to application of the Patent Box tax regulations (following finalisation of the relevant agreement with the Italian Revenue Agency) and adjustments to previous years' taxes of CFCs.

INCOME TAXES

Tax income amounted to 237,866 thousand, down by 29,919 thousand compared to the previous year (267,785 thousand). The decrease in income was impacted by the significant increase in pre-tax profit, partially offset by the positive trend in tax-exempt dividends. Overall, the income for IRES decreased by 55,053 thousand (from 312,840 thousand to 257,787 thousand).

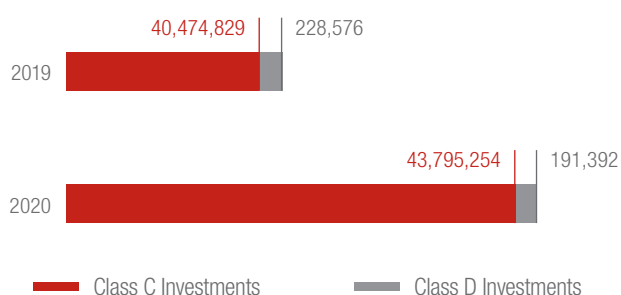
Instead, other tax components different from IRES resulted in an increase in tax income for 25,134 thousand (from -45,055 thousand in the previous year to -19,921 thousand). In detail: the IRAP tax charge decreased by 4,530 thousand (from -6,544 thousand to -2,014 thousand); the charge for taxes due in Italy on the income of certain Group Controlled Foreign Companies (CFCs) decreased by 6,850 thousand (from -18,059 thousand to -11,209 thousand); and the charge for foreign taxes decreased by 13,754 thousand (from -20,452 thousand to -6,698 thousand).

ASSET AND FINANCIAL MANAGEMENT

(in thousand euro)		2020	2019
Intangible assets		36,293	32,963
Investments		43,795,254	40,474,829
Class D investments		191,392	228,576
Reinsurers' share of technical provisions	Non-Life	795,992	609,110
	Life	586,567	1,210,592
	Total	1,382,559	1,819,702
Debtors		1,636,747	1,985,775
Other assets		615,944	735,647
Accrued income and deferred charges		136,407	144,254
TOTAL ASSETS		47,794,598	45,421,746
Provisions for other risks and charges		164,080	78,624
Deposits received from reinsurers		506,389	498,532
Creditors and other liabilities		14,107,451	12,755,018
Accrued expenses and deferred income		231,852	268,054
Technical provisions Non-Life		2,597,256	2,550,106
Technical provisions Life	class C	4,969,730	6,091,608
	class D	230,320	266,411
	Total	7,797,307	8,908,125
Subordinated liabilities		7,796,307	7,834,489
Shareholders' funds			
Subscribed share capital or equivalent fund		1,576,052	1,569,773
Reserves		12,645,241	11,994,503
Profit for the year		2,969,918	1,514,628
	Total	17,191,212	15,078,904
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		47,794,598	45,421,746

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

Investments

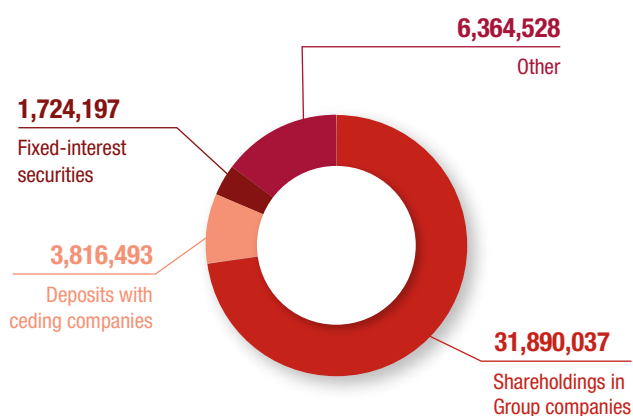


Investments amounted to 43,986,646 thousand compared to 40,703,405 thousand of the previous year.

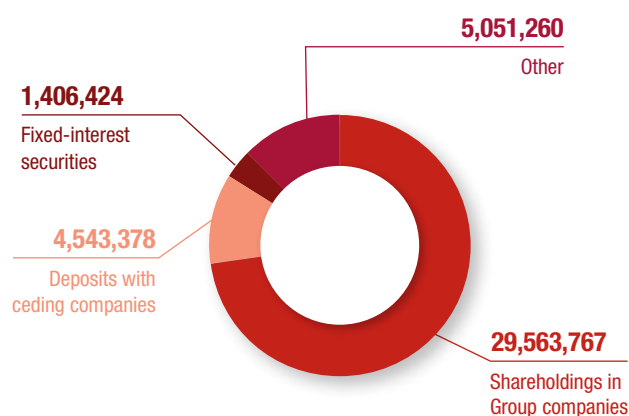
Class C investments, i.e. the investments of the Company excluding those benefiting the Life-insurance policyholders who bear the risk, showed an increase from 40,474,829 thousand to 43,795,254 thousand.

Class D investments, i.e. the investments of the Company benefiting the Life-insurance policyholders who bear the risk, amounted to 191,392 thousand, down compared to the previous year (228,576 thousand) due to the decrease in deposits with ceding companies resulting from the disposal of reinsurance acceptance by the subsidiary Generali Zavarovalnica d.d. Ljubljana.

Class C Investments in 2020



Class C Investments in 2019



Shareholdings in Group companies increased from 29,563,767 thousand to 31,890,037 thousand. The change was mainly attributable to:

- recognition of the shareholding in Generali Beteiligungsverwaltung GmbH for 1,312,000 thousand, acquired by the subsidiary Transocean Holding LLC;
- recognition of the shareholding in Generali Seguros, S.A. for a total of 578,566 thousand. We also note that in October, the subsidiaries Generali Vida Companhia de Seguros S.A. (-13,205 thousand) and Generali Companhia de Seguros, S.A. (-61,322 thousand) were merged by incorporation;
- recognition of the shareholding in Cattolica Assicurazioni for 300,655 thousand;
- capital increase in the subsidiaries Generali Vietnam Life Insurance Limited Liability Company (+67,591 thousand) and Generali (Schweiz) Holding AG (+188,803 thousand);
- increase in the value of the shareholding in Europ Assistance Holding S.A. (+90,000 thousand) following the contribution of the shareholding in AdvanceCare;
- increase in the value of the shareholding in Generali Deutschland AG (+62,280 thousand);

- capital repayment of Lion River I N.V. (-72,689 thousand);
- net impairment of the Group's shareholdings (-76,323 thousand);
- exchange rates conversion of the shareholdings in foreign currency (-76,100 thousand).

Deposits with ceding companies decreased from 4,543,378 thousand to 3,816,493 thousand. The reinsurance acceptances by Alleanza Assicurazioni S.p.A. and Generali IARD S.A. in the Non-Life segment mainly affected the change. Deposits at the assignor Alleanza Assicurazioni S.p.A. fell by 566.010 thousand as a result of the natural decrease of the portfolio reinsured in run-off. Deposits at the assignor Generali Iard decreased by 59,325 thousand as a result of the transfer of the new business of the Generali Global Corporate portfolio accepted by the other Group Companies, by the London Branch to Generali Italia S.p.A.

The item "Other" increased from 5,051,260 thousand to 6,364,528 thousand. The change mainly arises from greater units of mutual funds of 1,181,225 thousand, almost entirely due to the sale of units of the Generali Money Market fund. The significant increase in loans to Group

companies for 100,346 thousand, mainly to the subsidiary Generali Personenversicherungen AG, contributed to this growth. Moreover, deposits with credit institutions rose by 41,489 thousand, specifically at the Hong Kong Branch.

Bond investments amounted to 1,724,197 thousand, up on the previous year (1,406,424 thousand). This increase can be attributed for 141,852 thousand to investments in corporate bonds and for 175,921 thousand to investments in government bonds.

Net technical provisions

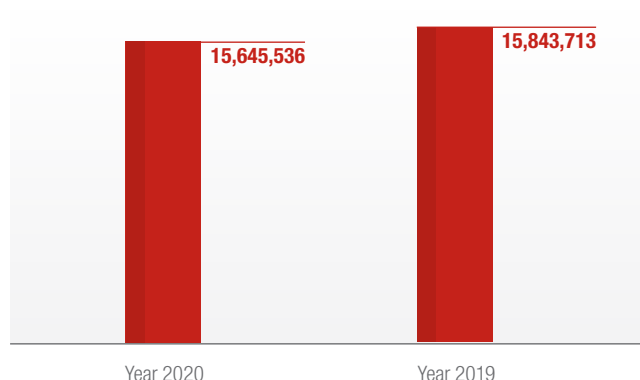
(in thousand euro)	Amount		Change (%)	Incidence %	
	2020	2019		2020	2019
Technical provision of Life segment	4,613,484	5,147,428	-10.4	71.9	72.6
Mathematical provision	2,995,885	3,590,031	-16.5	46.7	50.6
Provision for claims outstanding	1,098,430	982,984	11.7	17.1	13.9
Provisions relating to contracts linked to investments funds and market index and relating to the administration of pension funds	189,704	224,935	-15.7	3.0	3.2
Other provisions	329,465	349,478	-5.7	5.1	4.9
Technical provision of Non-Life segment	1,801,264	1,940,995	-7.2	28.1	27.4
Provision for unearned premiums	250,599	310,093	-19.2	3.9	4.4
Provision for claims outstanding	1,550,013	1,630,338	-4.9	24.2	23.0
Other provisions	652	564	15.6	0.0	0.0
Total Life and Non-Life segment	6,414,748	7,088,423	-9.5	100.0	100.0

As regards technical provisions of the Life segment, the most significant change regarded mathematical provisions, down by 594,146 thousand (from 3,590,031 thousand in the previous year to 2,995,885 thousand).

The decrease in mathematical provisions was mainly due to the natural decrease of technical provisions regarding the reinsurance acceptance in run-off from the subsidiary Alleanza Assicurazioni S.p.A.

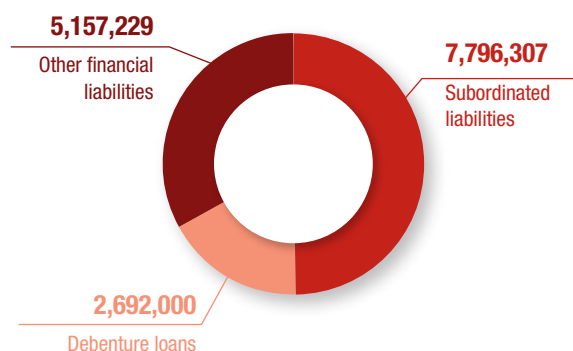
In the Non-Life segment, technical provisions decreased by 139,731 thousand (from 1,940,995 thousand in the previous year to 1,801,264 thousand). The reduction in both provisions for unearned premiums and provisions for claims outstanding were significantly influenced by the transfer by the London Branch to Generali Italia SpA of the new business relating to Global Corporate & Commercial reinsurance acceptance by other Group Companies.

Debt management

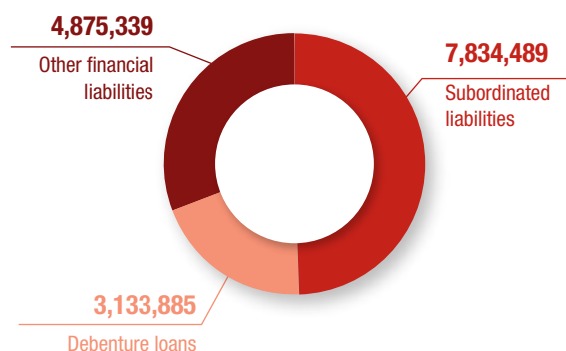


The total debt of the Company decreased by 198,177 thousand, from 15,843,713 thousand in the previous year to 15,645,536 thousand, particularly due to the decrease in bond issues.

Debt 2020



Debt 2019



Subordinated liabilities decreased by a total of 38,182 thousand. The decrease is mainly due to the buyback of two series of subordinated notes for 516,700 thousand euro and 75,350 thousand pounds, settled in July 2020. The decrease was offset by the placing on the market of a new loan in the form of Green Bond for the value of 600,000 thousand, also settled in July 2020.

Loans increased by 281,890 thousand compared to the end of the previous year. The main changes during the year regard the issue of loans with the subsidiaries Generali Participations Netherlands N.V. for 259,000 thousand and Generali Versicherung AG for 110,700 thousand, and the issue of financial bills of exchange with Generali Vie S.A. for

200,000 thousand. Moreover, repayments of loans were made to Generali Versicherung AG for 220,000 thousand, Transocean Holding LLC for 40,000 thousand and Redoze Holding N.V. for 28,000 thousand.

Debenture loans decreased from 3,133,885 thousand in the previous year to 2,692,000 thousand. The contraction is mainly attributable to the maturity of the senior debt of 1,250,000 thousand and the expiry of the loan taken out to fund the tax recognition of the goodwill relating to Alleanza Assicurazioni S.p.A., 63,885 thousand at the end of the previous year, in December. During the year, debenture loans were also underwritten by Group companies for 872,000 thousand.

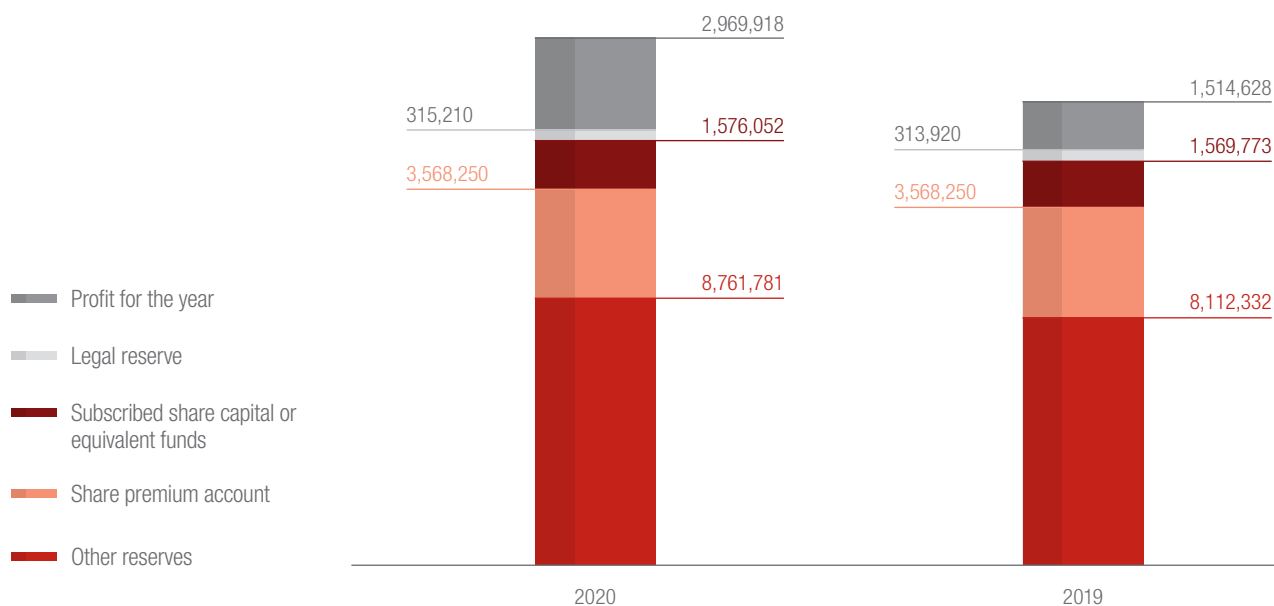
SUBORDINATED LIABILITIES

Nominal interest rate	Nominal/outstanding value	Currency	Book/outstanding value	Issue date	Call	Expiration date
6.27%	350.0	GBP	391.0	16/06/2006	16/06/2026	PERP
6.42%	495.0	GBP	186.7	08/02/2007	08/02/2022	PERP
4.60%	1,500.0	EUR	1,500.0	21/11/2014	21/11/2025	PERP
10.13%	750.0	EUR	301.6	10/07/2012	10/07/2022	10/07/2042
7.75%	1,250.0	EUR	467.6	12/12/2012	12/12/2022	12/12/2042
4.13%	1,000.0	EUR	1,000.0	02/05/2014	n.a.	04/05/2026
5.50%	1,250.0	EUR	1,250.0	27/10/2015	27/10/2027	27/10/2047
5.00%	850.0	EUR	850.0	08/06/2016	08/06/2028	08/06/2048
3.88%	500.0	EUR	500.0	29/01/2019	n.a.	29/01/2029
2.12%	750.0	EUR	750.0	01/10/2019	n.a.	01/10/2030
2.43%	600.0	EUR	600.0	14/07/2020	n.a.	14/07/2031

DEBENTURE LOANS

Nominal interest rate	Nominal value	Currency	Book value	Issue date	Expiration date
5.13%	1,750.0	EUR	1,750.0	16/09/2009	16/09/2024
0.34%	70.0	EUR	70.0	16/10/2019	16/10/2024
0.24%	100.0	EUR	100.0	25/02/2020	25/02/2025
2.10%	386.0	EUR	386.0	16/03/2020	16/03/2040
2.10%	232.0	EUR	232.0	16/03/2020	16/03/2040
1.84%	154.0	EUR	154.0	16/03/2020	16/03/2035

Shareholders' Funds



Shareholders' Funds amounted to 17,191,212 thousand, compared to 15,078,904 thousand in the previous year.

Subscribed share capital rose by 6,279 thousand due to the assignment of Generali shares in favour of Group management on 20 March 2020, in implementation of the "Long Term Incentive Plan 2017", for an amount of 6,279 thousand.

The legal reserve rose by 1,290 thousand in order to reach the minimum level required by law in connection with the above-mentioned share capital increase to implement the Long Term Incentive Plan 2017.

Other equity reserves increased by 649,448 thousand. The increase includes the following changes:

- increase in the negative reserve for own shares held following the acquisition of Company's shares to serve the share plan for employees of Generali Group, for 73,138 thousand;
- allocation to special reserve after the 2019 profit was allocated for 6,190 thousand;
- withdrawal from the special reserve for 6,279 thousand for the aforesaid share capital increase;
- allocation to special reserve for 722,175 thousand, for the second tranche of the dividend for 2019, approved by the Shareholders' Meeting of 30 April 2020, equal to 0.46 per share, as it was not distributed.

Please note that the portfolio includes 6,107,256 own shares with a nominal value of € 1 each.

OTHER INFORMATION

Following is the additional information requested in compliance with the provisions under ISVAP Regulations (now IVASS) no. 22 of 4 April 2008, modified and supplemented by the IVASS provision no. 53 of 6 December 2016.

Personnel organisation and social and environmental commitment

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

Our strategy regarding employees, called GPeople2021, is based on five priorities:

- Promote an innovative and customer-focused culture with a high degree of involvement;
- Make global and diversified leaders and talents grow;
- Become a simple, agile and adaptable organization;
- Acquire and develop key skills for the digital era;
- Reward excellence and the creation of sustainable value.

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

EMPLOYEES

1,777

As at 31 December 2020, the Company employed a workforce of 1,777 staff (1,757 as at 31 December 2019), including a total of 531 staff employed in the foreign branches (578 as at 31 December 2019).

Training has always been a key priority that has involved all our employees.

MAN-HOURS OF TRAINING

15,766

With the objective of fostering the growth of leaders and talents and investing in the improvement of their skills and expertise, in 2020 we continued to offer a wide range of training programs at Group level to enhance strategic thinking and leadership capacities, provide management tools and accelerate the shift from manager to leader. During the year in question, three Global Leadership Programs were conducted virtually: the first, Leading the Lifetime Partner Transformation, was targeted to GLG (Generali Leadership Group); the second, Take-off, was targeted to Group Talent Managers; and the third, Step-up Lifetime Partner Edition was targeted to Group Talent Senior Managers.

During 2020 the first self-application to the Group Talent pool was completed for professional profiles with around 6 years of seniority in the Company, with a view to strengthening the managerial pipeline to support business continuity, in line with our ambitions of Group D&I. Thus, an innovative training and development program was approved for this new target population, which will be launched in Q1 2021, to challenge young talents through targeted leadership initiatives, international and cross-functional projects and sustainability projects, seeking to use young people's skills to support the missions of several NGOs in The Human Safety Net company network.

With the goal of accelerating the growth of Group leaders and talents, during 2020 a new platform, We GROW, was also finalised. From Q2 2021, this platform will integrate opportunities for job rotations in vacant strategic positions and international projects with the entire portfolio of the Group's Leadership Development activities.

Based on the results of the GGES 2019, the lack of pro-active decision making and the lack of "ownership" were ranked as causes of excess bureaucracy. The School of Ownership supported the creation of a new mentality at Generali, a "behavioural" change based on pro-activity and empowerment, to guarantee individual and team growth.



The School of Ownership is a training program - targeted to People Managers - composed of 6 webinars (and the same number of exercises that the managers have carried out with their teams), which analyse the issue of comprehensive ownership and are fully managed by internal trainers and co-trainers.

The We LEARN Program, launched in 2019 in order to acquire and develop technology-associated skills and new business models, in addition to the existing technical skills, in a context of innovation and transformation, continued for the second year. The program is a strategic suite of different learning initiatives organized on multiple levels: Skill Assessment, Foundation courses (e.g. Digital Acumen), New Skills for evolving roles (Upskilling of existing roles) and New Role Schools (Creation of new roles).

To increase and develop management, transversal and technical skills of the entire corporate population, the international programs of technical excellence (e.g. Generali Advanced Technical Education) were confirmed and updated. This was in addition to training on managerial soft skills targeted to organisational levels transversal to all functions.

In 2020, the training programs in the two Training Catalogues were implemented and expanded, providing over 110 sessions of 33 courses. To meet all training needs, courses were divided into the following clusters: Empower Yourself, People Management, Enhance Innovation, Get to Know your Customers, Markets and Trends and Develop your Technical Skills.

From the start of the Covid-19 emergency, the content of all courses was redesigned and they were converted from in-person to virtual methods. This allowed us to provide all the 58 sessions that had been planned for the 28 different courses in the catalogue, involving over 600 participants, for a total of around 4,000 hours of training. To meet specific needs arising due to the emergency situation characterised by extensive remote working, two new courses were proposed: The Culture of Feedback and Communicating in a Virtual Environment, with the purpose of increasing awareness of one's reactions to situations of feedback and providing tools to manage effectively remote communications, respectively.

The Tam Tam Talks were also offered again. By providing multiple view points and multidisciplinary experiences on the realities of the present, these talks pursue the objective of increasing the collective capacity of understanding future contexts characterised by volatility, uncertainty, complexity and ambiguity. The theme of the Tam Tam Talks in 2020 was Stay Together.

A fundamental component of GPeople2021 was Diversity & Inclusion initiatives, which were expanded further in 2020, given the challenges of the pandemic regarding the theme of inclusion. At group level, a specific boost was provided to programs to develop women's leadership, with the launch of Elevate (targeted to 50 women managers in the Group, 9 at GHO) and the Lioness Acceleration Program continued (26 women senior managers, of which 7 at GHO), in addition to the analyses of the gender pay gap and equal pay.

An additional initiative to develop women's empowerment regarded the Women Empower mentorship program developed by People Care in synergy with Country Italy. The purpose was to create an internal "network of women" based on the relationship between mentors and mentees and encourage women's leadership, offering, through role modelling the sharing of experiences of success in relation to crucial moments in one's professional/personal life.

Significant attention was focused on defining local disability plans, thanks to the support of the Group Diverse Ability Awareness Program, a program aimed at raising awareness of 60 champions at global level (10 at GHO) on the issue of disabilities in order to promote a new way of empowering people with disabilities at the Company. A specific action plan was implemented to promote the inclusion of LGBTQI+ colleagues. The creation of WeProud, the first employee resource group, is one of the actions already implemented. The group comprises over 500 members (of which 13 at GHO). To further favour the development of an inclusive climate, We Learn hosts a program on unconscious bias, available for all resources. In addition to Group initiatives on D&I, there were more than 200 D&I actions managed locally (of which 13 at GHO).

In that regard, one example is the decision to once again offer in the Training Catalogues of the Group Head Office the Day by Day Inclusion: Managing the Unconscious Bias course, with the goal of building a culture of inclusion and respect that considers diversity as a positive value.

In support of the implementation of a strong system for performance evaluation of the employees of Assicurazioni Generali and of the whole Group, in 2020 the training on the Performance Management process continued.

The provision of training and refresher courses for the development of language skills also continued, both through the courses in the Training Catalogue of the Group Head Office ("Meeting Skills" Communication Workshop and "Presenting Skills" Communication Workshop) and through individual language training.

The initiatives to support the specialized knowledge of specific professional families also continued (e.g. Compliance Academy and Audit Academy).

In 2020 the "Compliance Excellence program" training was completed, and the first certification session was held in partnership with SDABocconi, which confirms the completion of a training program consisting of 12 modules. The program aims to analyse the main risks that compliance specialists must handle in their day-to-day work.

As regards mandatory training, the classes for the monitoring of aspects related to occupational health and safety (Italian Legislative Decree 81/2008) continued. All possible classroom courses were converted into webinars, with the exclusion of the practical exercises in the initial training and refreshers for persons in charge of First Aid, Fire Prevention and Defibrillators. Training on Safety while remote working was guaranteed for all staff working remotely, as well as a specific course on returning to work safety to mitigate Covid risk.

On a regular basis, classes intended to foster the dissemination and operating application of the "Organisational, management and control model", as required by Italian Legislative Decree 231/2001, also continued, as well as courses on anti-money laundering as required by Italian Legislative Decree 231/2007 and regulatory provisions of the Regulator of the sector.

With respect to training on laws and regulations, employees were required to participate in specific e-learning classes regarding training and awareness-raising, through specific initiatives, on matters dealt with in the Code of Conduct.

In 2020, the catalogue of compliance courses that cover the most significant risks (Financial Crime, Personal Data Protection, Antitrust and Business Ethics and Integrity) at the awareness level was expanded. These courses were gradually offered to all employees. For the purpose of increasing the effectiveness of training, targeted courses were also designed for the professional families with a greater exposure to specific compliance risks (Internal Control System, Related Parties Transactions and International Sanctions).

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

GROSS AVERAGE REMUNERATION

€ 112,400

In 2020, the average gross remuneration of administrative personnel amounted to 112,400 euro (112,500 euro in 2019). The average cost amounted to 160,600 euro (160,800 euro in 2019).

AVERAGE COST

€ 160,600

We also offer additional benefits including supplementary pension plans, death or permanent disability insurance, long term care insurance, discounted insurance coverage extendible also to family members and a company welfare plan. To reconcile work, personal and family commitments, our employees can also benefit from flexible hours, part-time work, unpaid leave of absence and child day-care.

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

With regard to the pandemic under way, in relation to our people, in addition to that described in "Challenges and opportunities of the market context", at Assicurazioni Generali S.p.A. local task forces monitor the evolution of the situation and guarantee coordinated actions on the measures to be implemented:

- where possible in relation to the type of work, remote working has been implemented;
- a system for categorising the level of risk was defined, based on which international travel was blocked or limited. Based on the development of the pandemic situation, national travel was also limited or blocked;
- from the start of the spread of the virus, all employees were equipped with personal protective equipment, based on their level of risk of contracting the virus (surgical and FFP2 face masks, goggles, gloves and hand sanitizer gel);
- all of the Group's events were suspended or, where possible, conducted with virtual methods using various technological solutions;
- rules for accessing and remaining at the company premises were established, as well as restrictions that, among the other measures, prohibit the access of fragile persons and those showing symptoms attributable to Covid-19, by filling in a "health check in" using a dedicated app and checking body temperature at the entrance to the premises;
- to further reduce the density of people in the premises, flexibility in entry/exit from the office was expanded, and attendance was organised in shifts;
- at the offices, all measures were adopted to limit the risk of spread of the virus, including placing distance between workstations, compartmentalisation of areas accessible to personnel, closing common areas and adopting extraordinary cleaning and disinfecting measures;
- all cases of contagion were monitored and all potential contacts identified, which were assigned to remote working for the period necessary to minimise the risk that the virus could spread through the workplace;
- an assistance service was activated by the Health & Safety function, by the company physician, as well as a Covid-19 Help Line managed by Europ Assistance, to provide information on the Company's instructions, monitor and assist people falling ill, support all employees of the Group and their families and, if necessary, provide medical and psychological assistance;
- communications to employees on the methods for handling the emergency and on the safety protocols were frequent and accurate, via email and through the creation of a dedicated company portal;
- lastly, the Company offered all employees the possibility to receive the flu vaccine, to facilitate the diagnoses of Covid-19 infection and potentially decrease its consequences.

On the whole, the measures defined and applied were even stricter than those prescribed by regulations. The safety system was systematically subject to internal and external audits.

In the **environmental** field, we plan to play an active role in order to support the transition toward a more sustainable economy and society.

As declared in our **Climate Change Strategy**, our commitment to contribute to the transition entails specific actions regarding investments and underwriting, increasing exposure to green activities, and defining a clear stance on coal-linked companies. It also identifies dialogue and involvement of our interlocutors as the tool for fostering the transition.

As regards direct impacts, all our initiatives are focused on minimizing our greenhouse gas emissions. **In 2020, we reached our objective of a further 20% reduction (compared to the base year 2013).** For years we have been committed to reducing our energy, water and paper consumption and making waste management more efficient as well as improving corporate mobility. For instance, we often intervene in our real estate assets, according to eco-efficiency criteria, using state of the art equipment and technologies. We give priority to the use of eco-sustainable resources, such as power provided by renewable energy sources, as well as the use of certified paper. All the electric power provided to our offices is certified with the guarantee of the renewable origins of the sources.

As proof of our commitment to the environment, in the 2021 Generali Group strategy we have undertaken to increase **environmental and social product premiums by 7%-9% and to allocate 4.5 billion in new green and sustainable investments by 2021.**

We also innovate through our **green financial management**: in 2020 we issued a second Green Bond of 600 million, following our Green Bond Framework, to finance or refinance, for example, projects to purchase or restructure Group real estate, with the objective of energy optimisation. In February 2020 Generali published its own **Green ILS Framework**, strictly connected to the Green Bond Framework, aimed at defining a model for structuring alternative financial instruments for the transfer of insurance risk to institutional investors.

As for our public commitment, we have participated in and supported several important international initiatives for years (including the Paris Pledge for Action, The Geneva Association - Climate Risk Statement, European Financial Services Round Table), and the Task Force on Climate-related Financial Disclosure (TCFD). In 2020 we participated in the Net-Zero Asset Owner Alliance, an initiative that asks its members to set periodic targets linked to decreasing the carbon footprint of the investment portfolio.

We actively participate in international work round tables, including the UNEP FI work group Principles for Sustainable Insurance (PSI) on implementation of the TCFD Recommendations by insurers and the Investor Leadership Network, promoted in G7 Investor Global Initiatives, in which we also study climate change in depth with the leading actors of the financial sector.



These and other social and environmental aspects are discussed in the section dedicated to Sustainability of the website www.generali.com

Outward reinsurance

With reference to outward reinsurance, the business model adopted by the Group calls for, in principle, the disposal to the Parent Company of 100% of the treaties of the subsidiaries, save for any exceptions due to local legislation or regulations or business opportunities agreed with the Parent Company. The Parent Company acquires appropriate protection on behalf of the entire Group, in this way benefiting from advantages coming from the breadth of the portfolio and from the economies of scale.

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

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

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

Based on the rules and policies in force, the reinsurance structures were presented to the Balance Sheet Committee at its 16 October and 9 December 2020 meetings, which agreed on the efficiency and recommended that it be implemented.

Claims settlement velocity of the direct Italian portfolio

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

	Claim settlement velocity %	
	Current origin year	Previous year
Motor TPL	77.3	69.2
Motor material damage	87.6	90.6
Accident	24.0	45.5
Health	92.0	94.0
Fire	37.6	46.1
Property other than fire	28.9	61.7
General Liability	11.3	66.9
Marine, aviation and transport (a)	52.3	59.0
Other LoB (b)	33.7	66.3
Total	84.3	88.4

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

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

Litigation

The disputes in which the Company is involved, whose risk of losing is probable and for which a reliable estimate of the amount of the obligation was made, are described in detail in the Notes, section 12 – Provisions for other risks and charges.

With reference to the major disputes, during June, Generali reached settlement agreement with BTG Pactual which terminates the arbitration for the sale of BSI dispute. The settlement agreement provides for the payment by the subsidiary Generali Participations Netherlands N.V. of an amount of CHF 245 million to BTG Pactual, as indemnity and price adjustment, the termination of the arbitration and waiver of mutual claims and compensation requests, without any admission of responsibility or wrongdoing.

Shareholders, share performance and stock options

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

On the basis of article 36 of Consob resolution no. 16191/2007, as subsequently amended, and article 2.6.2, paragraph 12, of Rules for the Markets organized and managed by Borsa Italiana S.p.A., it is hereby certified that in the Generali Group are met the “conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries” and that adequate procedures have already been adopted to ensure full compliance with the foregoing regulation.

DIRECTION AND COORDINATION

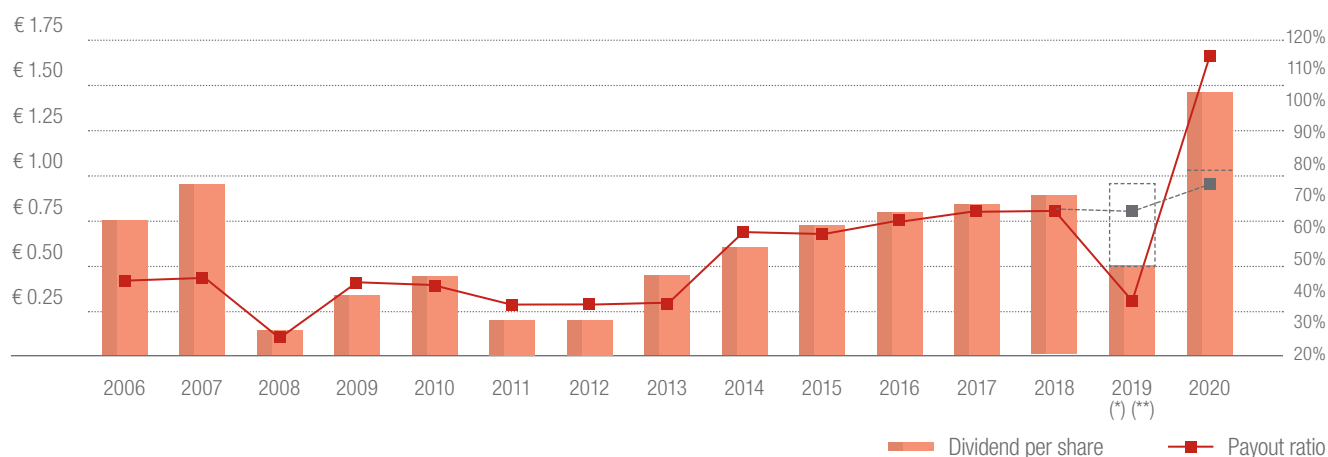
No legal or natural person, directly or indirectly, individually or jointly, holds a number of shares sufficient to give such person a controlling interest in the Company. Under the provisions introduced with the Reform of Company Law, the Company is not subject to the direction and coordination of any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

STOCK PERFORMANCE

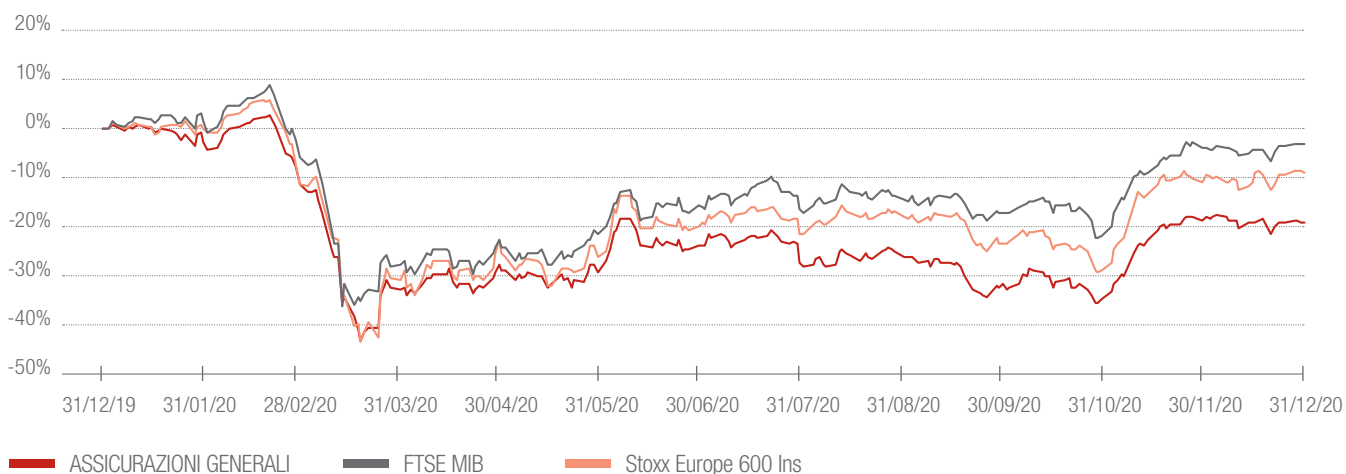
The trade price of the Generali security as at 31 December 2020 was 14.26 euro. The security posted, from early 2020 a minimum of 10.39 on 18 March 2020 and a maximum of 18.78 on 19 February 2020. Market capitalisation as at 31 December 2020, was € 22,475 thousand.

MAIN INDICATORS PER SHARE

	31/12/2020	31/12/2019
Share price information (in euro)		
Earnings per share (EPS)	1.11	1.70
Adjusted net EPS	1.23	1.40
Adjusted net EPS excluding expenses from the Extraordinary International Fund Covid-19 and the liability management transaction	1.32	1.52
Dividend per share (DPS) (*)	1.47	0.50
Adjusted payout ratio excluding expenses from the Extraordinary International Fund Covid-19 and the liability management transaction (**)	111.5%	33.0%
Total dividend (in € million) (*)	2,315	785
Share price information (in euro)		
Share price	14.26	18.40
Minimum share price	10.39	14.51
Maximum share price	18.88	19.50
Average share price	13.91	16.85
Share volume information		
Weighted average number of ordinary shares outstanding	1,569,448,327	1,567,927,100
Market capitalization (in € million)	22,475	28,884
Average daily number of traded shares	5,544,326	4,863,683
Total shareholders' return (TSR) (***)	-19.36%	32.95%



2020 total shareholders' return performance (***)



(*) The 2020 proposed dividend per share of € 1.47 will be split into two tranches of € 1.01 and € 0.46, respectively. The first tranche, payable as from 26 May 2021, represents the ordinary pay-out from 2020 earnings: shares will be traded ex-dividend as from 24 May 2021. The second tranche, instead, related to the second part of the 2019 retained dividend, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

(**) The payout ratio at 31 December 2020, equal to 120.2%, was calculated on the adjusted net profit, which amounted to € 1,926 million. The payout ratio at 31 December 2019 was restated taking into account the total dividend paid.

(***) 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.

STOCK OPTION

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

Information regarding own shares

As at 31 December 2020, the Company held 6,107,256 own shares with a nominal value of € 1 each.

Other information

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

Pursuant to Italian Legislative Decree no. 254/2016, article 6, paragraph 1, the Company is not subject to the obligation of preparing an Individual Non-Financial Statement, under article 3 of the Decree itself, since the Company is included in the Consolidated Non-Financial Statement, prepared by the Generali Group pursuant to article 4.

Effective on 1 January 2020, the Company participated in the "Assicurazioni Generali Group VAT". This resulted in the assignment of a new VAT no. (01333550323) associated with all the participating companies, which shall therefore be considered a single party for VAT purposes. The creation of the Group VAT will result in the reduction in operational risks for the Group linked to tax obligations, due to the centralisation of several phases of VAT management and the unification of the tax return, settlement and payment obligations. The representative of the "Assicurazioni Generali Group VAT" is Assicurazioni Generali S.p.A.

Transactions with related parties

As from 2011, the matter of the related-party transactions has been governed by the regulation approved by the Board of Directors within the "Guidelines for transaction with related parties". Said guidelines, available in the Governance section of the Company's website, constitute the implementation of the regulations adopted by Consob with resolution no.

17221 dated 12 March 2010 subsequently amended by Resolution no. 17389 of 23 June 2010 that, in turn, implements the provisions of art. 2391-bis of the Italian Civil Code.

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

With regard to Consob communications 97001574 of 1997, 98015375 of 1998 and 6064293 of 2006 concerning transactions with related parties, the Company states that transactions with Group companies are conducted as part of its normal activity of coordination and are, moreover, subject to specific ISVAP (now IVASS) supervisory controls. No transactions carried out during the year were atypical with respect to normal business operations. The main intra-Group transactions, settled at fair market conditions or at cost, involved reinsurance and co-insurance, administration and management of the securities and property portfolio, claims management and settlement, IT services, loans and guarantees and loans to employees. The above-mentioned transactions and contractual performances permitted operational functions to be rationalized and the level of services to be improved.

For further details, see the Notes.

Significant intra-Group transactions are discussed in the relevant sections of the Notes. The balance sheet and annexes 5, 16, 17, 30 and Part C of the Notes provide details on the financial and economic aspects of these transactions.

Estimate of the reduction of costs arising from the verification of fraudulent Motor TPL claims

Article 30, paragraph 2, of the Italian Law 24/03/2012 no. 27 introduced the requirement for insurance companies authorized to operate in the motor vehicle liability line of business, to indicate an estimate of the reduction in charges for fraudulent claims resulting in from independent fraud control and prevention activities. In a letter dated 11 March 2014, IVASS provided stringent and unique calculation rules to the entire market, including the obligation to publish the estimated savings in a report attached to the financial statements. Based on the above and on the calculations made by the Company, no amounts are to be disclosed for 2020.

Group highlights

ECONOMIC HIGHLIGHTS

(in million euro)	2020	2019
Gross written premiums	70,704	69,785
Consolidated operating result	5,208	5,192
Result of the year	1,744	2,670

FINANCIAL HIGHLIGHTS

(in million euro)	2020	2019
Total investments	664,290	630,121
Total third party assets under management	166,883	161,814
Solvency Ratio	224%	224%

The Generali Group's consolidated financial statements as at 31 December 2020 were prepared taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606/2002, Italian Legislative Decree 58/1998 and Italian Legislative Decree 209/2005, as amended by Italian Legislative Decree 32/2007.

Consolidated entities totalled 484 as at 31 December 2020 compared to 463 as at 31 December 2019. In detail, entities consolidated line-by-line increased from 423 to 439 and those valued at equity went up from 40 to 45.

More complete information of the Group's data and significant indices is provided in the 2020 Integrated Annual Report and Consolidated Financial Statements.

Significant events after 31 December 2020

- The Board of Directors' of Assicurazioni Generali, met on 27 January 2021, approved a proposal from the Group CEO for a new Group organizational structure, as a result of which, the position of General Manager will cease to exist. The new organizational structure seeks to support the effective execution of the Generali 2021 plan and to address several key strategic priorities, also in view of the next strategic cycle: enhance further discipline in asset liability management; accelerate the implementation of the Asset Management multi-boutique platform strategy; and speed up the pace of digital transformation.

Conclusion and outlook for operations

Despite the fact that the scenario continues to be highly uncertain, the more favourable outlook on the coverage and effectiveness of vaccines has contributed to further strengthening the prospects of investors on the global economy in 2021. In the short-term, with the global GDP expected to drop by 3.8% in 2020, the objective of monetary and fiscal policy both in Europe

and the USA will be to support the cyclical recovery, bringing production back to pre-crisis levels. In Europe, inflows from the Next Generation EU will begin in 2021, guaranteeing continuous support, and in the United States, a new tax stimulus may be approved in the first quarter of 2021 exceeding \$ 1,000 billion, in addition to the \$ 900 billion decided in December 2020.

The real key element for expectations of growth in 2021-2022 will be the effectiveness of vaccines. Nonetheless, in 2021, a rebound of 4% is forecast in the Eurozone and of 6.8% in the United States. Inflation will not be a problem in either of these two macro-areas, though showing an increase in annual changes caused by the comparison with the lows of 2020.

The Fed's change in strategy outperformed expectations, specifically because it focused on an employment target with greater inclusion of the most disadvantaged classes of the population.

With regard to the financial markets, after the sharp drop in the first quarter due to the outbreak of the pandemic, the stock market rebounded significantly during the rest of the year, though maintaining a high level of volatility. Moreover, in November, the risk appetite increased, both due to the end of the uncertainty after the result of the US elections and the promising news on vaccines, which led to hope a more sustained recovery in 2021. Significant support from central banks will continue, which may result in a benefit for the most risky assets. Core government rates are expected to increase slightly over one year, while the BTP-Bund spread should remain substantially stable. The European Investment grade spreads should also tighten slightly. Over the horizon of one year, the equity market should show positive gains, both in Europe and the USA, with an expected total return between 5% and 10%.

Within this context, the results for the year of the Parent Company will be mainly influenced by the ability of the subsidiaries to distribute dividends, against a reduction of total costs for borrowing costs and for management and coordination.

The net underwriting result is expected to remain stable, both in the Life and Non-Life segments.

PART B – RISK REPORT

A. EXECUTIVE SUMMARY

The purpose of this section is to provide an overview on the Company's solvency position and risk profile.

In terms of risk profile representation, the Company uses the Internal Model (IM) of the Generali Group. The use of the IM has been approved by the Supervisory Authority for the Solvency Capital Requirement calculation. In particular, during 2020 the Company received approval by the Supervisory Authority for the use of the Internal Model also for operational risks. The IM has become the cornerstone of the risk measurement and assessment and its use is embedded in all risk and capital management related processes.

The Solvency ratio is equal to 258.8%, decreasing from the previous year for 1.6 p.p. (260.4% as at 31 December 2019).

Since Assicurazioni Generali S.p.A. (AG) is the Parent Company of Generali Group, the participations in subsidiaries represent the main asset class within the balance sheet. As a result, the main contribution to the Company's risk profile is given by equity risk.

In addition to financial and credit risks arising from its investments, the Company is exposed to life and non-life underwriting risks, which arise from direct premiums and reinsurance accepted from Group companies, underwritten through foreign branches.

The liquidity profile remains robust, in consideration of the effective coordination of the liquidity cash flows between the Parent Company and its subsidiaries. Despite Covid-19 external context, all the 2020 expected cash remittances from Group companies have been secured, contributing to the Parent Company's significant cash position.

For the purposes of the presentation of the Risk management system, it is recalled that the Risk management processes and risk governance are regulated through a set of risk policies, which, on the basis of the Risk Management AG Policy define the identification, measurement, management, monitoring and reporting processes for each risk category on the basis of the risk strategy (Risk Appetite Framework of Assicurazioni Generali S.p.A.).

The Risk Report sections are structured as follows:

- section B provides a brief description of the risk management system;
- section C provides the Company's solvency position and the key elements of the capital management;
- section D provides an overview of the Company's risk profile.

B. RISK MANAGEMENT SYSTEM

System of Governance

The system of governance, which includes the internal control and risk management system, consists of the roles and responsibilities of the Board of Directors of Assicurazioni Generali S.p.A. (hereafter, Board of Directors), Senior Management and Key Functions. Furthermore, it consists of policies, administrative and accounting procedures and organizational structures aimed at identifying, assessing, measuring, managing and monitoring the main risks.

The system of Governance is founded on the establishment of three lines of defence:

- Operating Functions ("risk owners"), which represent the first line of defence and have ultimate responsibility for risks relating to their area of competence;
- Risk Management, Compliance, Actuarial and Anti-Money Laundering Functions which represent the second line of defence;
- Internal Audit, which represents the third line of defence.

Internal Audit together with Risk Management, Compliance and Actuarial Functions represent the Key Functions.

The roles and responsibilities of the Board of Directors and related Committees, Senior Management, Key Functions and the interactions among Key Functions are described within the Corporate Governance Report. Key roles within the risk management system are outlined below:

- the Board of Directors is ultimately responsible for the system of governance; it adopts the Directives on the system of governance and the internal control and risk management policies and reviews them on an annual basis; it is also responsible for the management and the overall consistency of the system of governance and of the internal control and risk management system with internal and external regulations; it establishes the Key Functions, defining their mandates and the reporting lines as well as the supporting committees; defines the risk appetite on the basis of ORSA results;
- Senior Management is responsible for the implementation, maintenance and monitoring of the system of governance both at individual and Group level, according to the directives of the Board of Directors;
- the Key Functions, in particular:
 - the Risk Management Function supports the Board of Directors and the Senior Management in defining the risk management, risk monitoring and risk measurement strategies and provides, through an appropriate reporting system, the elements for the assessment of the overall risk management system;

- the Compliance Function supports the Board of Directors and the Senior Management in assessing that the organisation and the internal procedures are adequate to manage the potential risk of incurring administrative or judiciary fines, economic losses or reputational damage as a consequence of the non-compliance with laws, regulations, provisions issued by the Supervisory Authorities or with the internal regulations, as well as the risk deriving from unfavourable changes in the law or judicial orientation (compliance risk);
- the Actuarial Function supports the Board of Directors in accordance with Solvency II regulation, carrying out coordination and control duties on the calculation of technical provisions in line with Solvency II, providing opinions on the underwriting policies and on the adequacy of the reinsurance agreements, as well as contributing to the effective implementation of the risk management system;
- the Internal Audit Function supports the Board of Directors in the independent evaluation of the adequacy and effectiveness of the internal control system, also providing support and advice;
- the Anti-Money Laundering Function evaluates that the organisation and internal procedures are adequate to manage the risk of money laundering and terrorist financing.

The heads of Key Functions and Anti-Money Laundering Function report to the Board of Directors.

Key Functions collaborate according to a pre-defined coordination model, in order to share information and create synergies.

Risk Management System

The principles defining the risk management system are provided in the Risk Management AG Policy², which is the cornerstone of all risk-related policies and guidelines. The Policy covers all risks the Company is exposed to, on a current and forward-looking basis.

The risk management system consists in the following phases:



1. RISK IDENTIFICATION

The purpose of the risk identification is to ensure that all material risks to which the Company is or could be exposed are properly identified. The Risk Management interacts with the main business functions in order to identify their main risks, assess their importance and ensure that adequate measures are taken in order to manage them, according to a sound governance process.

Within this process, also emerging risks, related to future risks and trends, with uncertain and often systemic developments, are considered, as well as sustainability risks, or more simply risks related to so-called ESG (Environmental, Social and Governance³) factors.

The categorization of the identified risks follows the structure provided by IVASS Regulation n. 38 of 3 July 2018, Art. 19.

2. RISK MEASUREMENT

The risk measurement process aims at assessing the identified risks by

means of their contribution to the capital requirement (for the so-called quantifiable risks), complemented by other modelling techniques (for the so-called non-quantifiable risks) deemed appropriate and proportionate to better reflect the Company's risk profile. The use of the capital metric ensures that each risk is covered by an adequate amount of capital that could absorb the losses incurred if the risks materialise.

The capital requirement is calculated by means of the Group IM for financial, credit, life and non-life underwriting risks, and starting from 31 December 2020 also for operational risks. The IM provides an accurate representation of the main risks, measuring not only the impact of each risk taken individually but also their combined impact on the Company's own funds.

IM methodology and governance are provided in section Solvency Position.

Risks not included in the capital requirement calculation, such as liquidity risk and other risks, are evaluated based on quantitative and qualitative techniques, models and additional stress testing or scenario analysis.

² The Risk Management AG Policy covers all Solvency II risk categories and, in order to adequately deal with each specific risk category and the underlying business processes, it is complemented by the following risk policies: Group Investment Governance Policy; P&C Underwriting & Reserving AG Policy; Life Underwriting and Reserving AG Policy; Operational Risk Management Policy; Liquidity Risk Management Group Policy and other policies related to business processes, such as Capital Management AG Policy, Supervisory Reporting and Public Disclosure AG Policy, etc. All policies are updated on annual basis.

³ 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 AG's strategic objectives and on its organization or that, conversely, the Company may influence through its activities or choices.

3. RISK MANAGEMENT AND CONTROL

The Company's risks are managed in line with the risk appetite defined by the Board of Directors within the Risk Appetite Framework of Assicurazioni Generali S.p.A. (RAF). The RAF defines the level of risk considered acceptable in conducting business and provides the overall framework for embedding risk management into business processes. In particular, the RAF includes the risk appetite statement, risk preferences, risk metrics, tolerance and target levels.

The 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 a target operating range to provide indications on the solvency level at which the Company aims to operate. Tolerance and target levels are referred to capital metrics.

The RAF governance provides a framework for embedding risk management into day-to-day and extraordinary business operations and control mechanisms as well as the escalation and reporting processes to be applied in case of risk tolerance breaches. Should an indicator approach or breach the defined tolerance levels, escalation mechanisms are activated.

4. RISK REPORTING

The purpose of risk reporting process is to keep the business functions, Senior Management, Board of Directors and the Supervisory Authority informed on an ongoing basis on the development of the risk profile, the trends of the single risks as well as about the breaches of risk tolerances.

The Own Risk and Solvency Assessment (ORSA) Report is also produced. This is the main risk reporting process with the purpose to provide a comprehensive view on the risk profile and of the overall solvency needs on a current and forward-looking basis. The main risks are assessed and documented in the ORSA process, also on a forward-looking basis. Both the risks included in the SCR calculation and those risks where no capital requirement is foreseen are taken into account.

The ORSA process is coordinated by the Risk Management Function,

supported by other Functions for what concerns the own funds, technical provisions and other risks.

The ORSA Report is produced on an annual basis, as well as in case of significant changes in the risk profile, as defined by the Risk Management AG Policy. The results of the ORSA, together with the indication of the methods used, are submitted to the Board of Directors for discussion and approval.

C. SOLVENCY POSITION

Overall Solvency Position

The solvency position, provided on the basis of IVASS Provvedimento n. 53, 2016, is defined as the ratio between Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).

The solvency position, as presented below, decreases from 260.4% at 31 December 2019 to 258.8% at 31 December 2020.

The own funds move from € 46,791,930 thousand at 31 December 2019 to € 45,887,068 thousand at 31 December 2020 (-1.9%).

Despite the positive contribution of the Group's participations, which includes the benefit of dividends received during the year, the own funds decrease as that value is more than compensated by the impact of the non-financial components of the result for the year (net of dividends received from Group companies), the contribution of M&A transactions, and the impact of the proposed dividend on the 2020 financial year.

The increase of the participations' value is affected by the strong contribution of the normalized capital management of the Group operating companies in both life and non-life business. This value was partially compensated by the negative impact of the financial markets, following the spread of the pandemic which impacted the decrease in the stock market and the decrease in the free yield curve. It should also be noted that the value of the own funds benefits from the extension of the Internal Model to the operational risks (IMAP20, which led to a reduction in the risk margin of the participated companies compared to the previous year).

SCR Coverage

(in thousand euro)	2020	2019
EOF to meet the SCR	45,887,068	46,791,930
SCR	17,727,541	17,969,386
Solvency Ratio	258.8%	260.4%

EOF to meet the SCR are calculated based on the net equity, revaluating all assets and liabilities at market value. The main adjustments in net equity include:

- deduction of intangible assets;
- revaluation of investments at fair value (incl. participations and bonds);
- technical provisions (TPs) are accounted for based on Solvency II rules, as a sum of best estimate of liabilities and risk margin⁴;
- revaluation of non-technical provisions at fair value (e.g. financial and subordinated debt);
- net deferred taxes on the above evaluations;

- deduction of foreseeable dividends and Company's own shares.

Subordinated debt (with specific features in terms of availability, duration and absence of incentives to redeem or encumbrances) eligible to cover the SCR amounts to € 8.2 billion (more details on financial debt are presented in the Balance sheet).

Own funds (OF) are classified into Tiers, representing different levels of quality with respect to loss-absorption capacity criteria⁵. Tier 2 OF refer to subordinated debt, while Tier 3 OF refer to deferred taxes

EOF to meet the SCR

(in thousand euro)	2020	2019
Tier 1	37,343,098	38,247,825
Tier 1 (restricted)	2,118,567	2,245,803
Tier 2	6,092,181	5,937,071
Tier 3	333,222	361,231
Total	45,887,068	46,791,930

The SCR is calculated as the Value at Risk (VaR) of the OF subject to a confidence level of 99.5% over a one-year period (in other words the SCR is calculated to ensure 1 in 200 years events coverage).

In addition to the SCR coverage, the Company calculates the MCR

required to determine the minimum level of capital, under which the Company would be exposed to an unacceptable level of risk when allowed to continue its operations. Moreover, to define MCR coverage, stricter OF eligibility rules are applied⁶. The MCR coverage ratio is presented in the following table.

MCR Coverage

(in thousand euro)	2020	2019
EOF to meet the MCR	40,348,042	41,392,098
MCR	4,431,885	4,492,346
Solvency Ratio	910.4%	921.4%

The EOF to meet the MCR are presented below:

EOF a copertura del MCR

(in thousand euro)	2020	2019
Tier 1	37,343,098	38,247,825
Tier 1 (restricted)	2,118,567	2,245,803
Tier 2	886,377	898,469
Total	40,348,042	41,392,098

⁴ Solvency II technical provisions reliability and adequacy are assessed by the Actuarial Function.

⁵ To grant a high quality of available capital, the amounts of Tier 2 and Tier 3 items eligible to cover the SCR are subject to the following limits. The eligible amount of Tier 1 items shall be at least one-half of the SCR; in case of eligible subordinated liabilities and preference shares, exceeding 20% of total Tier 1, it is downgraded towards Tier 2. The eligible amount of Tier 3 items shall be less than 15% of the SCR. The sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 50% of the SCR.

⁶ To cover the MCR, the eligible amount of Tier 1 items shall be at least 80% of the MCR; the same limitation on subordinated liabilities and preference shares is set. The eligible amount of Tier 2 items shall not exceed 20% of the MCR. No Tier 3 items are allowed to cover the MCR.

Internal Model

The Group IM is deemed to be the most appropriate way of assessing the SCR in terms of granularity, calibration and correlation of the various risks.

The IM is structured around a specific risk map, which contains all quantifiable risks that the Group has identified as relevant to its business, allowing for the calculation of the SCR both at single risk level and at aggregated level.

Following the authorization received in December 2020 for the extension to operational risks, the Internal Model covers all Company's quantifiable⁷ risks.

1. GROUP IM METHODOLOGY

In implementing the IM, the Company has adopted the so-called Monte-Carlo approach with proxy functions to determine the Probability Distribution Forecast (PDF) of the change in the basic own funds over a 1-year horizon.

The own funds probability distribution allows to determine the potential losses at any percentile for risks in scope and, in particular, the SCR corresponding to the 99.5th percentile. Monte-Carlo methods are used in the industry to obtain sound numerical results using the embedded characteristics of repeated random sampling to simulate the more complex real-world events. Proxy functions are mathematical functions that mimic the interaction between risk drivers and insurance portfolios to obtain the most reliable results. The aggregation process uses advanced mathematical techniques following market best practices. The calibration procedure involves quantitative and qualitative aspects.

2. GROUP IM GOVERNANCE

IM governance and processes are defined in the Internal Model Governance Group Policy to ensure 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 the model 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 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 by the Model Design Authority, responsible for ensuring the overall consistency and appropriateness of the IM.

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 risk profile. The GCRO is also responsible for defining the methodology of each model component, on the basis of the 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.

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 Internal Model continues to appropriately reflect the risk profile.

During the period the Internal Model Governance Group Policy and the Internal Model Change Group Policy have been updated in order to simplify and better specify some of the existing processes, without material changes with reference to the IM governance.

3. GROUP IM VALIDATION

The IM is subject to regular independent validation on an ongoing basis, which aims to gain assurance of the completeness, robustness and reliability of the processes and results, as well as their compliance with regulatory requirements.

The validation process follows the principles and procedures defined in the Internal Model Validation Group Policy and related guidelines, defined in accordance with Art. 124 of the Solvency II Directive.

The validation output is designed to support Senior Management and Board of Directors in understanding the appropriateness of the Internal Model, including improvement areas where IM presents 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 Internal Model.

Within the validation activities, the results obtained during previous validation cycles are also 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 already covered by the assurance work of the Group Actuarial Function (i.e. technical provisions and related IT systems, actuarial platforms and their governance).

⁷ Main risks according to the risk map

Furthermore, the validation process contributes to ensure timely and accurate incorporation of IM 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.

The validation process is carried out periodically and, in any case, when requested by the Board of Directors or the Senior Management.

D. RISK PROFILE

Life underwriting risks

The Company is exposed to life underwriting risk deriving from indirect business, as it operates as the main reinsurer of Group companies, and from direct business mainly performed through foreign branches operating in the United Kingdom (UK), Hong Kong and Dubai.

The life portfolio consists of traditional products, primarily savings products, pure risk and health covers. It also includes annuity portfolios.

Life underwriting risks can be distinguished in biometric and operating risks embedded in the life 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.

The main life underwriting risks of the Company are the following:

- mortality risk, defined as the risk of loss, or of adverse changes 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 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 risk derives from changes in disability, sickness, morbidity and recovery rates⁸;
- 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 derives from changes in expenses incurred in servicing insurance or reinsurance contracts;
- health risk is related specifically to health products and also includes health risk related to catastrophe events;

The approach underlying life underwriting risk measurement is based on the calculation of the loss resulting from unexpected changes in biometric/operating assumptions.

Capital requirements for life underwriting risks are calculated on the basis of the difference between the insurance liabilities after and before the application of the stresses.

Life underwriting risks are measured by means of IM.

In general, underwriting risk contribution to the risk profile after diversification remains limited due to the business of Assicurazioni Generali S.p.A. whose financial statement is mainly composed by participations and due to the high level of diversification with other risks.

Life underwriting risk management inherent to direct business is based on the product pricing process. This process consists of setting product features and assumptions regarding expenses, biometric and policyholders' behaviour assumptions to manage any adverse impact in the realization of these assumptions.

The Company reinsures or retrocedes to external reinsurers part of the assumed risks. On an annual basis, the Company updates the reinsurance and retrocession program according to its risk appetite and the reinsurance market cycle. The reinsurance and retrocession program is subject to the Life Actuarial Function assessment regarding its adequacy in line with the Actuarial Function Group Policy and the Actuarial Function Guidelines.

⁸ Recovery rates refer to the assumptions adopted by the Company in the calculation of the technical provisions, with regards to the time period in which the policyholder will benefit of the disability, sickness and morbidity compensation.

Non-life underwriting risks

Given the Company acts as the main reinsurer of Generali Group companies, the non-life underwriting risks mainly derive from its indirect business and from the direct business underwritten by foreign branches (mainly UK, Hong Kong and United States) in the corporate & commercial and health & benefits segments.

Underwriting risks embedded in the non-life insurance policies are pricing and reserving risks:

- pricing risk (i.e. pricing and catastrophe risks) arising from the uncertainty related to the assumptions on frequency and severity used in the definition of insurance premiums; the distinction between pricing and catastrophe risks is only related to the nature of risks (i.e. extreme or exceptional events in case of catastrophe risks and other risks in case of pricing risks);
- reserving risk relates to the uncertainty of the assumptions for future payments used when defining the claims reserves posted in the financial statements.

Within catastrophe events, the main exposures refer to earthquakes in Italy and to storms and flood in Europe. Additional scenario analyses and stress tests are however conducted also for less material events.

The non-life underwriting risks are measured by means of the IM.

As already stated, underwriting risk contribution to the risk profile after diversification remains limited, given the nature of the business of Assicurazioni Generali S.p.A., whose Balance sheet is mainly composed by investments in participations.

Reinsurance is the key risk mitigation technique for non-life portfolio. It aims at optimizing the use of risk capital by ceding part of the underwriting risk to selected counterparties simultaneously minimizing the credit risk associated with such operation. The Company's non-life reinsurance strategy is embedded into the broader Group strategy and it is developed consistently with the risk appetite and the risk preferences defined in the RAF, taking into account the reinsurance market cycle. The Company has historically preferred traditional reinsurance as the main non-life catastrophe risk mitigating technique.

With the purpose of further optimising the reinsurance purchases and to continuously develop know-how in the most innovative risk transfer techniques, part of the Italian earthquake and European windstorms/flood exposures are placed in the more competitive Insurance-Linked Securities market.

The process described, and the regular assessment performed on an annual basis enable to confirm the adequacy of the risk mitigation techniques. The operative limits proposed by the P&C, Life & Health Insurance and Reinsurance Functions are validated by the Risk Management Function, which is also responsible for measuring, monitoring and preparing the risk profile reporting.

Further limits, related to the underwriting risks management and the reinsurance counterparty default risk at Group level, have been defined in the Risk Concentrations Management Group Policy – Reinsurance and Underwriting Exposure.

Financial and credit risks

FINANCIAL RISKS

Since participations in Group companies are the main asset class within the Company's portfolio, equity risk represents the main contribution to the risk profile. More generally, equity risk derives from adverse changes in the market value of the assets or of the liabilities due to changes in the level of equity market.

In addition to the equity risk driven by participations, the Company invests, as a result of its insurance activity, the collected premiums in a wide variety of financial assets, with the purpose of honouring future promises to policyholders and generating value for its shareholders. Therefore, the Company is exposed to the risk that invested assets do not perform as expected because of falling or volatile market prices and that cash of maturing bonds is reinvested at unfavourable market conditions, such as low interest rates.

Financial risks are measured by means of the IM.

In addition to equity risk, the Company is also exposed to interest rate risk, arising from investments in bonds, and to currency risk arising from direct exposures due to branches (in particular linked to the UK branch) and from the participations in subsidiaries located in the non-Euro area, mainly in Central-Eastern Europe. The Company is also exposed to property risk and concentration risk.

The Company manages its assets according to the so-called Prudent Person Principle and strives to optimize their return minimizing the negative impact of short-term market fluctuations on its solvency. The Prudent Person Principle is the main cornerstone of the investment management process.

To ensure a comprehensive management of the impact of financial risks on assets and liabilities the Strategic Asset Allocation (SAA) process needs to be liability-driven and strongly interdependent with the underwriting process. For this reason, the Company has integrated the 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 and related regulations, maximizes the investment contribution to value creation, taking into account solvency, actuarial and accounting indicators.

The assets' selection is performed by taking into consideration the risk profile of the liabilities held in order to satisfy the need to have appropriate and sufficient assets to cover the liabilities. This selection process aims to guarantee the security, quality, profitability and liquidity of the overall portfolio, providing an adequate diversification of the investments.

The aim of ALM&SAA is to optimize a risk-return profile over a predefined time horizon, identifying a target variable satisfying the expected return and a corresponding risk measure.

The main risk mitigation technique consists in the rebalancing of the assets portfolio by redefining the target weights for the different assets classes, duration and the related tolerance ranges, expressed in terms of investment limits. This technique contributes to an appropriate mitigation of financial risks.

Monitoring of assets and liabilities matching and compliance with the limits defined in the ALM&SAA, as well as of risk limits, is performed on a regular basis.

Regarding the investments, a reporting process is foreseen in order to allow the timely adoption of potential remedial measures. The content and frequency of this reporting is defined in the Delibera Quadro sugli investimenti. Based on the Delibera Quadro sugli investimenti, the Risk Management Function coordinates the reporting on compliance with limits set and on derivatives exposure.

The Company, also, uses derivatives with the aim of mitigating the risk of the asset and liability portfolios. The derivatives help the Company to improve the quality, liquidity and profitability of the portfolio, according to the Strategic Plan. Operations in derivatives are subject to a regular monitoring and reporting process, and in terms of governance specific authorization before entering into derivatives transactions is required.

CREDIT RISKS

The Company is exposed to credit risks related to invested assets and also arising in general from counterparties as in the case of reinsurance. Similarly to financial risk, the Company has to grant that the value of assets does not fall below the value of insurance obligations.

Credit risk includes:

- spread widening risk, defined as the risk of adverse changes in the market value of debt securities assets. Spread widening can be linked either to the market's assessment of the creditworthiness of the specific obligor (often implying a decrease in rating), or to a market-wide systemic reduction in the price of credit assets;
- default risk, defined as the risk of incurring losses because of the inability of a counterparty to honour its financial obligations. This risk includes default on bond portfolio and default of counterparties in cash deposits, risk mitigation contracts, such as reinsurance, and other types of exposures subject to credit risk.

Credit risks are measured by means of the IM.

It should be noted that the SCR calculated based on Solvency II does not include the allowance for credit risk on exposures to Italian government bonds, i.e. BTP, nor does it reflect benefits resulting from the Stochastic Volatility Adjustment. Given the reduced volume of the Company's exposure, these modelling choices produce opposite and substantially balanced effects on the solvency position.

The management of credit risk is based on the same Prudent Person Principle described above, defined within the Group Investment Governance Policy.

The ALM&SAA process already described in the previous section also applies to the optimization of the asset portfolio allocation with respect to credit risks.

As envisaged in the internal regulation, investments in securities with a high credit rating (investment grade) and with a high level of risk diversification are preferred.

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 AG Policy. Within this framework additional rating assessments can be performed at counterparty and/or financial instrument level. This applies even if an external rating is available. The additional rating assessment has to be renewed at least annually. Moreover, additional assessments shall be performed each time the parties involved in the process possess any information, coming from reliable sources, that may affect the creditworthiness of issuer/issues.

The 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 they belong, of the country in which the activities are carried out and of the controlling group where present. At financial instrument level, instead, the risk of its issuer is one of the main elements considered, including the peculiarities of the instrument itself.

The most important strategy for the mitigation of credit risk used by the Company is, as for financial risks, the application of a liability-driven SAA, which can limit the impact of the market spread volatility. The Company actively manages the counterparty default risk also by using collateralisation strategies in order to mitigate the losses that the Company might suffer as a result of the default of one or more of its counterparties.

As for the financial risk, the monitoring of the credit risk is in line with the Investments Risk Group Guidelines (IRGG) and with the Delibera Quadro sugli investimenti; a specific reporting on the compliance with limits defined and on derivative exposures is in place.

RISK CONCENTRATIONS

Limits on concentration to individual issuers are regulated under the *Delibera Quadro* sugli investimenti. The concentration towards a single issuer is managed through a set of maximum exposure limits approved by the Board of Directors and Group Chief Executive Officer.

These limits depend on the issuer rating and are calculated considering the whole exposure (on total portfolio) towards a specific ultimate.

This framework is integrated by specific limits by ultimate calculated only considering the equity exposure. In addition, the bond exposure towards a single issuer cannot exceed a maximum limit on the total issuer gross financial debt (the same applies to equity with respect to the share capital of the issuer)

The framework is also complemented by additional limits to manage the concentration by industry, geography and currency.

The compliance with the concentration limits is periodically reported to the Board of Directors and Top Management.

Further limits, related to the management of risk concentrations and exposures to reinsurance counterparties, have been defined in the Risk Concentrations Management Group Policy – Reinsurance and Underwriting Exposures.

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 Assicurazioni Generali S.p.A. is exposed are identified and declined within the Risk Map defined in the Risk Management AG Policy and in the Operational Risk Management Policy.

Following the approval of the Supervisory Authority, starting from 31 December 2020 operational risks are measured by means of the IM.

In particular, the operational risk capital is calculated using a scenario-based approach based on 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 a 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).

On the basis of the most recent assessments carried out, the most relevant scenarios at Company level are confirmed to be related to cyber-attacks and to the risk of non-compliance with anti-money laundering regulation. These risks are currently managed through specific Group projects.

Other relevant risks are represented by the non-compliance with regulations related to employee data privacy (also due to the effect of the pandemic event regarding the management of sensitive data), tax, market abuse and reinsurance.

Given the 2020 context, as a result of Covid-19, the monitoring process was strengthened with regard to possible impacts on people (management of employee relations and workplace environment), processes (business continuity, management of outsourcers) and IT systems (cyber-attacks, IT infrastructures and applications dysfunctions). The Company has faced this scenario by promptly defining action plans, such as the introduction of remote working and extraordinary measures for workplace safety or the strengthening of IT infrastructures, which led to an effective risk exposure mitigation.

In terms of governance, the ultimate responsibility for managing risk sits in the first line of defence (so-called risk owners), whereas the Risk Management Function defines methodologies and processes for the identification, measurement, management and monitoring of the most important risk. In this way, management at all levels is guaranteed with a holistic view of the broad operational risk spectrum.

To further strengthen the risk management system and in addition to the usual risk owners' responsibilities, the Company has established specialized units within the first line of defence with the aim to deal with specific risks (relating, for example, to cyber-attacks 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 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 Assicurazioni Generali S.p.A., as Parent Company, exchanges economic loss data related to operational risk, properly anonymized, through the Operational Risk data eXchange Association (ORX), a global association of operational risk practitioners where the main banking and insurance players at global level also 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 of defence, this process contributes to create awareness among risk owners on the main risks that could affect the Company.

The loss data collection integrates the previously mentioned scenario analyses (forward-looking perspective) with a backward perspective, thus allowing for a comprehensive assessment of operational risks.

Other material risks

LIQUIDITY RISK

Liquidity risk is defined as the uncertainty, related to business operations, investment or financing activities, over the ability to meet payment obligations in a full and timely manner, in a current or stressed environment.

The Company is exposed to liquidity risk from cash flows related to operating activities, dividend policy, investing and financing activities.

The operating activity generates cash flows related to the direct insurance business, reinsurance activities towards Group companies and subsequent cessions to external reinsurers, in addition to administrative expenses and taxes.

The liquidity sources not related to the Company's operating activity are the dividends received from the subsidiaries, the cash inflows from loans received and from interests on loans and credits and other cash flows linked to disposals and investments.

Main liquidity uses, not arising from operating activity, are represented by cash outflows linked to payment of dividends to shareholders, loans granted and/or matured, passive interests and investments.

In addition to the financial flows mentioned above, the Company bears the implicit liquidity risk arising from the issuance of guarantees and commitments in favour of its subsidiaries.

The expected cash flows are closely monitored, in particular through the planning and control tool called Annual Liquidity Forecast, represented by a cash flow projection over a time period of 12 months.

The Annual Liquidity Forecast is the main quantitative support to determine future cash flows, potential liquidity buffers to be held and any source of financing to be activated.

The Company manages its financial resources according to the sound and prudent management principles, based on the risk appetite established by the Board of Directors. Finally, the investment limits that have been set allow for the control of risk concentrations, taking into account a number of dimensions, including asset class, counterparty, rating, commodity sector and geography, given that significant concentrations of liquidity risk could derive from large exposures to individual counterparties and/or groups.

From a general point of view, liquidity risk monitoring and management are extended to the Group's perimeter in order to identify potential liquidity risks at Group companies' level. In case of potential critical issues, Group companies promptly inform the relevant Company's Functions.

The Company, being the Group Parent Company, coordinates and monitors the centralized Group liquidity management through the Group treasury. In particular, the centralized cash pooling allows increased flexibility in transferring cash and reduces the potential risks related to short-term liquidity needs, both at company level and at Group level.

Despite Covid-19 external context, all the 2020 expected cash remittances from Group companies have been secured, contributing to the Parent Company's significant cash position.

The Board of Directors, in view of the requests of the Supervisory Authority

on dividends pay-out under the Covid-19 emergency, decided to postpone to 2021, subject to a positive regulatory position, the distribution of the second tranche of 2019 dividend, which is therefore currently available as the liquidity for the Company.

For detailed information on the management of the Company's funding sources, please refer to the paragraph on debt on page 83 and on subordinated liabilities section 9 on page 171.

REPUTATIONAL AND EMERGING RISKS

Although not included in the calculation of SCR, reputational and emerging risks are also taken into account.

Reputational risk refers to potential losses arising from a deterioration or negative perception of the image of Assicurazioni Generali S.p.A. by the stakeholders such as customers, shareholders, public authorities or other third parties, or increasing conflicts with policyholders due, for example, to poor quality of the services offered, placement of inadequate policies and behaviour during the sales, post-sales and liquidation phases. Within the Reputational Risk Group Guideline, the risk related to the so called ESG (Environmental, Social and Governance) factors as well as the second level reputational risk, normally deriving from operational risk, are specifically addressed.

Emerging or future risks arise from new evolving risks or trends, which are difficult to perceive and quantify, although typically systemic. These risks typically refer to environmental trends and climate change, technological changes and digitalisation, geopolitical developments and demographic and social changes. For the identification and assessment of these risks and to raise the awareness on the implications of the main observed trends, the Risk Management Function engages with a dedicated network including specialists from business Functions (Life & Health Insurance, P&C, Reinsurance, Investments, Asset & Wealth Management, Strategic Planning & Control, Data & Digital, Integrated Reporting, Chief Marketing & Customer Officer, Strategy, Sustainability & Social Responsibility, etc.).

The Group, through the Risk Management Function, also participates in the Emerging Risk Initiative (ERI), a dedicated working group of the CRO Forum which involves the Chief Risk Officers of the main European groups. Within ERI emerging risks common to the insurance industry are discussed and published in the ERI Radar, as well as specific studies on selected emerging risks.

During 2020 the publication of the Paper on demographic and social risks and their impact on the insurance industry, as well as the update of the ERI Radar, were coordinated within the CRO Forum.

Finally, it should be noted that in 2020 the project initiative on Climate Change Risk continued, aimed at defining a reference framework for the management of risks related to climate change.

RESULT FOR THE YEAR AND PROPOSED SHAREHOLDERS' RESOLUTIONS

Dear Shareholders,

the profit for the year amounts to 2.969.918.239 euro.

The proposed allocation of the profit of the year and dividend distribution keeps into consideration the the Board of Directors today's resolution. With such a resolution the Board of Directors has approved the assignment of Generali's shares in favor of the "Long Term Incentive Plan 2018"(LTI Plan 2018). For the purpose of assigning the shares to the management of the Group, the expected increase in Shareholders Capital amounts to 5,017,194 euro

Considering such increase in Shareholders Capital, the profit for the year is allocated for 1,590,711,605 euro to dividend distribution, corresponding to 1.01 euro per share, for the amount of 1,003,439 euro to Legal Reserve, in accordance with Art. 2430 of the Italian Civil Code, and for 1,378,203,195 euro to extraordinary reserve.

It is also proposed that, in addition to the dividend distribution related to the profit for the year, an additional amount of 724,482,513 euro is distributed as a dividend, in relation to the undistributed profits for the year ended 31 December 2019, corresponding to 0.46 euro per share, through withdrawal from the extraordinary reserve.

The total proposed dividend for each eligible share amounts to 1.47 euro for a total pay-out of 2,315,194,118 euro.

The amount of the dividend to the shares currently eligible is 2,307,818,843 euro with an additional amount of 7,375,275 euro relevant to the shares to be issued, after the authorization of IVASS pursuant to art. 5 of ISVAP Regulation No.14 dated 18 February 2008 and according to the above-mentioned Board of Directors today's resolution.

Payment will be made according to the following terms, procedures and conditions:

- a. a first dividend tranche, in the amount of 1.01 euro per share, will be payable from May 26, 2021;
- b. a second dividend tranche, in the amount of 0,46 euro per share, will be payable from October 20, 2021: the payment of this tranche is subject to verification by the Board of Directors of the non-existence at time of any impeding Supervisory provisions or recommendation with consequent payment to the entitled or reallocation of the relevant amounts to the reserve, otherwise.

The dividend will be paid, net of applicable withholding taxes, at the appointed intermediaries by means of the Monte Titoli S.p.A. central depository system. The ordinary shares of the Company will be negotiated, without the right to first dividend tranche, from 24 May, 2021 and without the right to second dividend tranche, from 18 October, 2021.

Milan, March 10 2021

Board of Directors

APPENDIX TO THE MANAGEMENT REPORT

DISCLOSURES PURSUANT TO CONSOB COMMUNICATION NO. 6064293 DATED JULY 28th 2006

Reclassified financial statements and alternative performance indicators for the Report on Operations

In addition to the income statement and balance sheet formats required by regulations of the sector, the Company also prepares statements representing the economic performance and financial position of the years, on the basis of which the comments and comparison indexes of the Management Report are drawn up. The income statement is

reclassified since it aggregates the balances of many balance sheet items and divides the result of extraordinary operations into its main components. A “net underwriting balance” is also shown, and is to be considered an alternative performance indicator in so far as it is not expressly required by the official financial statement formats. This indicator shows the balance of the purely technical items, including operating costs and technical interest contractually paid to the life policyholders, and is deemed more representative of the actual technical results of the sector since unlike the “net technical result” required in the official formats, it is not affected by the performance of financial operations.

The structure of the financial position statement is briefer than that of the mandatory format since it is based on showing balance sheet figures grouped by “macro class” rather than by single “items”, and so it provides an immediate analysis of the data that are not reclassified.

(in thousand euro)			2020	
Compulsory profit and loss account			Riclassified profit and loss account	
Item	Sign	Amount	Item	Amount
001	+	1,684,248		
002	-	725,031		
030	+	1,518,743		
031	-	419,015		
Total		2,058,945	Net premiums	2,058,945
003	-	7-2,917		
004	+	29,241		
018	-	0		
028	-	88		
064	-	-552,381		
Total		584,450	Change in technical provisions	584,450
017	-	690,587		
019	-	358		
051	-	1,601,393		
065	-	45,035		
Total		-2,337,374	Claims, maturities and surrenders	-2,337,374
026	-	214,988		
072	-	175,908		
Total		-390,896	Operating costs	-390,896
007	+	717		
027	-	12,637		
044	+	5,502		
078	-	9,594		
Total		-16,013	Other technical income and changes	-16,013
			Technical interests of the life segment (*)	143,678
			Net underwriting balance (**)	42,791

(continues)

(continues)

(in thousand euro)			2020	
Compulsory profit and loss account			Riclassified profit and loss account	
Item	Sign	Amount	Item	Amount
006	+	296,374		
042	+	2,064,818		
043	+	44,420		
076	-	50,850		
077	-	15,231		
079	-	1,478,413		
Total		861,117		
minus tech. int.		143,678		
Total		717,439	Allocated investment returns	717,439
029	+	369,806		
080	+	390,423		
Total		760,229	Net technical result	760,229
042	+	2,064,818		
043	+	44,420		
076	-	50,850		
077	-	15,231		
092	+	2,197,053		
097	-	132,451		
Total		4,107,759	Financial result	4,107,759
006	-	296,374		
042	-	2,064,818		
043	-	44,420		
076	+	50,850		
077	+	15,231		
079	+	1,478,413		
Total		-861,117	minus allocated investment returns transferred to technical accounts and technical interests	-861,117
099	+	259,026		
100	-	1,540,679		
Total		-1,281,653	Other ordinary income and changes	-1,281,653
101			Profit from ordinary operations	2,725,219
102	+	46,629	Profits and losses on the realisation of other durable investments	422
103	-	39,796	Other extraordinary income and charges	6,412
Total		6,833	Total	6,833
105		2,732,052	Result before taxation	2,732,052
106	-	-237,866	Income tax	-237,866
107		2,969,918	Profit for the year	2,969,918

(*) Investment profit contractually acknowledged to the policyholders included in the items 042, 043, 076 and 077

(**) Alternative indicator of performance

ADDITIONAL INFORMATION ON THE PREPARATION OF THE FINANCIAL STATEMENTS

The information on reclassified statements and alternative performance indicators presented pursuant to the Consob recommendation of 28 July 2006 are aimed at providing a better understanding of the data and of the company's operational performance for the users of the financial statements. In this perspective, we deemed it opportune to provide further elements for assessing the underwriting results of the company, by describing the criteria adopted in the formation of the key technical performance indexes generally used by the Company when drawing up the statement concerning the "significant data" of the year 2020, which are calculated net of reinsurance.

Loss ratio of non-life segment

This represents the ratio, expressed as a percentage, between claims and earned premiums for the period.

Expense ratio

This represents the ratio, expressed as a percentage, between total operating expenses and written premiums for the period. This ratio can be subdivided into two principal components: the acquisition cost ratio (including commissions) to premiums and administrative expenses to premiums.

Combined ratio of non-life segment

It is the sum of the percentage of claims with that of total incidence of costs on the premiums. It is essentially important in order to analyse the technical performance of the Non-Life segments because it represents the percentage of absorption that the technical costs (claims and operating costs) have compared to the premiums. The combined ratio is closely related to the "net underwriting balance" since it is not affected by the income of the investments. The less the combined ratio compared to 100%, the greater will be the "net underwriting balance" coming from insurance operations.

PERFORMANCE INDEXES

Compulsory profit and loss account				
Item	Description	Non life business	Life business	Total amounts
LOSS RATIO				
Numerator				
017	Claims incurred, net of recoveries and reinsurance	690,587		
019	Premium refunds and profit sharing, net of reinsurance	358		
Total		690,945		
Denominator				
005	Earned premiums, net of reinsurance	991,375		
018	Change in other technical provisions, net of reinsurance	0		
028	Change in the equalisation provision	-88		
Total		991,287		
Index		69,7%		
EXPENSE RATIO				
Numerator				
026 / 072	Operating expense	214,988	175,908	390,896
Denominator				
001 / 030	Gross premiums written	1,684,248	1,518,743	3,202,991
002 / 031	(-) Outward reinsurance premiums	725,031	419,015	1,144,046
Total		959,217	1,099,728	2,058,945
Index		22.4%	16.0%	19.0%
COMBINED RATIO				
For the non-life business is the sum of the loss ratio and of the index of costs on premiums		92.1%		

THE AVERAGE RATE OF RETURN ON INVESTMENTS

The average rate of return on investments is the ratio of income for the period to half the sum of investments at book value for the year and that of the previous year.



PARENT COMPANY FINANCIAL STATEMENTS PROPOSAL

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#WEREALLABOUTYOU

**PARENT COMPANY
BALANCE SHEET AND
THE PROFIT AND LOSS ACCOUNT**

Company **Assicurazioni Generali S.p.A.**

Subscribed capital euro **1,576,052,047** Paid up euro **1,576,052,047**

FINANCIAL STATEMENTS

Balance Sheet

Year **2020**

(Amounts in Euro)

BALANCE SHEET
ASSETS

Current Year

A. SUBSCRIBED CAPITAL UNPAID				1	0
of which called-up capital		2	0		
B. INTANGIBLE ASSETS					
1. Acquisition commissions to be amortised					
a) life business	3	0			
b) non-life business	4	0	5	0	
2. Other acquisition costs			6	0	
3. Formation and development expenses			7	0	
4. Goodwill			8	0	
5. Other intangible assets			9	36,292,952	10 36,292,952
C. INVESTMENTS					
I - Land and Buildings					
1. Property used for own activities		11	513,022		
2. Property used by third		12	87,975,131		
3. Other properties		13	0		
4. Other realty rights		14	0		
5. Assets in progress and payments on account		15	2,622,494	16	91,110,647
II - Investments in affiliated companies and other shareholdings					
1. Interests in:					
a) parent companies	17	0			
b) affiliated companies	18	31,342,582,268			
c) affiliates of parent	19	0			
d) associated companies	20	511,125,899			
e) other	21	36,328,611	22	31,890,036,778	
2. Debt securities issued by:					
a) parent companies	23	0			
b) affiliated companies	24	0			
c) affiliates of parent	25	0			
d) associated companies	26	0			
e) other	27	0	28	0	
3. Loans to:					
a) parent companies	29	0			
b) affiliated companies	30	1,739,103,535			
c) affiliates of parent	31	0			
d) associated companies	32	0			
e) other	33	0	34	1,739,103,535	35 33,629,140,313
			carried forward		36,292,952

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Previous Year

					181	0
		182	0			
183	0					
184	0	185	0			
		186	0			
		187	0			
		188	0			
		189	32,963,074		190	32,963,074
		191	547,990			
		192	91,677,943			
		193	0			
		194	0			
		195	2,388,083	196	94,614,016	
197	0					
198	29,293,508,76					
199	0					
200	214,045,816					
201	56,212,792	202	29,563,767,36			
203	0					
204	0					
205	0					
206	0					
207	0	208	0			
209	0					
210	1,638,757,724					
211	0					
212	0					
213	0	214	1,638,757,724	215	31,202,525,09	
		carried forward				32,963,074

BALANCE SHEET
ASSETS

Current Year

brought forward				36,292,952
C. INVESTMENTS (follows)				
III - Other financial investments				
1. Equities				
a) quoted shares	36	13,483,532		
b) unquoted shares	37	10,307,272		
c) other interests	38	7,908,019	39	31,698,823
2. Shares in common investment funds			40	4,314,611,828
3. Debt securities and other fixed-income securities				
a) quoted	41	1,696,271,550		
b) unquoted	42	27,925,015		
c) convertible bonds	43	0	44	1,724,196,565
4. Loans				
a) mortgage loans	45	0		
b) loans on policies	46	298,743		
c) other loans	47	217,330	48	516,073
5. Participation in investment			49	0
6. Deposits with credit			50	187,486,508
7. Other			51	100
IV - Deposits with ceding			52	6,258,509,897
			53	3,816,492,917
			54	43,795,253,774
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS				
I - Investments relating to contracts linked to investments funds and market			55	191,392,336
II - Investments relating to the administration of pension funds			56	0
			57	191,392,336
REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS				
I - NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums	58	140,624,083		
2. Provision for claims outstanding	59	655,367,887		
3. Provision for profit sharing and premium refunds	60	0		
4. Other technical provisions	61	0	62	795,991,970
II - LIFE INSURANCE				
1. Mathematical provision	63	160,954,463		
2. Unearned premium provision for supplementary	64	33,300,441		
3. Provision for claims outstanding	65	348,757,398		
4. Provision for profit sharing and premium refunds	66	2,583,834		
5. Other provisions	67	354,856		
6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds	68	40,616,310	69	586,567,302
			70	1,382,559,272
				45,405,498,334
				carried forward

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		Previous Year			
	brought forward				32,963,074
216	18,675,454				
217	10,796,712				
218	7,908,019	219	37,380,185		
		220	3,133,386,729		
221	1,360,486,578				
222	45,937,433				
223	0	224	1,406,424,011		
225	0				
226	362,364				
227	320,185	228	682,549		
		229	0		
		230	145,997,432		
		231	441,481	232	4,724,312,387
				233	4,453,377,683
				234	40,474,829,17
				235	228,575,752
				236	0
				237	228,575,752
		238	107,738,966		
		239	501,371,354		
		240	0		
		241	0	242	609,110,320
		243	790,776,732		
		244	26,852,560		
		245	346,335,518		
		246	1,471,013		
		247	3,679,819		
		248	41,476,498	249	1,210,592,140
	carried forward			250	1,819,702,460
					42,556,070,46

BALANCE SHEET
ASSETS

		Current Year			
		brought forward		45,405,498,334	
E. DEBTORS					
I - Debtors arising out of direct insurance operations					
1. Policyholders					
a) for premiums - current year		71	128,089,550		
b) for premiums - previous year		72	84,736,407	73	212,825,957
2. Insurance intermediaries		74	16,720,952		
3. Current accounts with insurance companies		75	1,256,077		
4. Policyholders and third parties for recoveries		76	8,533,595	77	239,336,581
II - Debtors arising out of reinsurance operations					
1. Reinsurance companies		78	581,972,015		
2. Reinsurance intermediaries		79	16,230,044	80	598,202,059
III - Other debtors				81	799,208,827
				82	1,636,747,467
F. OTHER ASSETS					
I - Tangible assets and stocks					
1. Furniture, office equipment, internal transport		83	1,369,141		
2. Vehicles listed in public registers		84	972,514		
3. Equipment and appliances		85	0		
4. Stocks and other goods		86	447,098	87	2,788,753
II - Cash at bank and in hand					
1. Bank and postal deposits		88	301,291,525		
2. Cheques and cash in hand		89	96,611	90	301,388,136
IV - Other					
1. Deferred reinsurance items		92	2,966,393		
2. Miscellaneous assets		93	308,801,162	94	311,767,555
				95	615,944,444
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interests				96	50,394,912
2. Rents				97	528,622
3. Other prepayments and accrued income				98	85,483,908
				99	136,407,442
TOTAL ASSETS				100	47,794,597,687

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		Previous Year			
		brought forward		42,556,070,465	
251	144,500,166				
252	71,923,511	253	216,423,677		
		254	17,686,728		
		255	2,107,190		
		256	4,363,894	257	240,581,489
		258	597,417,326		
		259	7,418,820	260	604,836,146
				261	1,140,357,432
				262	1,985,775,067
		263	1,204,314		
		264	1,123,136		
		265	0		
		266	447,098	267	2,774,548
		268	467,307,474		
		269	77,904	270	467,385,378
		272	5,161,382		
		273	260,325,258	274	265,486,640
				275	735,646,566
				276	50,254,194
				277	503,528
				278	93,495,831
				279	144,253,553
				280	45,421,745,651

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' FUNDS

Current year

A. SHAREHOLDERS' FUNDS				
- Subscribed capital or equivalent funds		101	1,576,052,047	
- Share premium account		102	3,568,250,216	
- Revaluation reserve		103	2,010,834,652	
- Legal reserve		104	315,210,410	
- Statutory reserve		105	0	
- Reserve for parent company shares		400	0	
- Other reserve		107	6,827,124,259	
- Profit or loss brought forward		108	0	
- Profit or loss for the financial year		109	2,969,918,239	
- Negative reserve for own shares held		401	76,178,206	110 17,191,211,617
B. SUBORDINATED LIABILITIES				111 7,796,306,675
C. TECHNICAL PROVISIONS				
I - NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums	112	391,222,871		
2. Provision for claims outstanding	113	2,205,381,194		
3. Provision for profit sharing and premium refunds	114	0		
4. Other provisions	115	0		
5. Equalisation provision	116	652,288	117 2,597,256,353	
II - LIFE INSURANCE				
1. Mathematical provision	118	3,156,839,050		
2. Unearned premium provision for supplementary	119	57,313,098		
3. Provision for claims outstanding	120	1,447,187,472		
4. Provision for profit sharing and premium refunds	121	92,672,281		
5. Other provisions	122	215,718,544	123 4,969,730,445	124 7,566,986,798
D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS				
I - Provisions relating to contracts linked to investments funds and market index		125	230,320,442	
II - Provisions relating to the administration of pension funds		126	0	127 230,320,442
	carried forward			32,784,825,532

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Previous Year

		281	1,569,773,403		
		282	3,568,250,216		
		283	2,010,834,652		
		284	313,920,179		
		285	0		
		286	0		
		287	6,104,538,127		
		288	0		
		289	1,514,627,503		
		501	3,040,355	290	15,078,903,72
				291	7,834,488,804
	292		417,832,378		
	293		2,131,709,847		
	294		0		
	295		0		
	296		564,071	297	2,550,106,296
	298		4,380,807,382		
	299		55,769,011		
	300		1,329,319,343		
	301		94,434,255		
	302		231,277,913	303	6,091,607,904
				304	8,641,714,200
				305	266,411,252
				306	0
				307	266,411,252
	carried forward				31,821,517,98

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' FUNDS

		Current year			
brought forward				32,784,825,532	
E. PROVISIONS FOR OTHER RISKS AND CHARGES					
1.	Provision for pensions and similar obligations	128	0		
2.	Provisions for taxation	129	7,239,400		
3.	Other provisions	130	156,840,456	131	164,079,856
F. DEPOSITS RECEIVED FROM REINSURERS					
				132	506,389,060
G. CREDITORS					
I - Creditors arising out of direct insurance operations					
1.	Insurance intermediaries	133	14,869,684		
2.	Current accounts with insurance companies	134	7,473,153		
3.	Premium deposits and premiums due to	135	21,999,793		
4.	Guarantee funds in favour of policyholders	136	0	137	44,342,630
II - Creditors arising out of reinsurance operations					
1.	Reinsurance companies	138	246,063,433		
2.	Reinsurance intermediaries	139	34,735,252	140	280,798,685
III - Debenture loans					
				141	2,692,000,000
IV - Amounts owed to credit institutions					
				142	963,784,099
V - Loans guaranteed by mortgages					
				143	0
VI - Other financial liabilities					
				144	5,157,229,166
VII - Provisions for severance pay					
				145	1,455,522
VIII - Other creditors					
1.	Premium taxes	146	7,184,290		
2.	Other tax liabilities	147	26,479,402		
3.	Social security	148	1,461,790		
4.	Sundry creditors	149	4,491,500,121	150	4,526,625,603
IX - Other liabilities					
1.	Deferred reinsurance items	151	5,604,922		
2.	Commissions for premiums in course of collection	152	12,841,242		
3.	Miscellaneous liabilities	153	422,769,247	154	441,215,411
carried forward				155	14,107,451,116
				47,562,745,564	

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Previous Year				
	brought forward			31,821,517,98
		308	0	
		309	12,239,400	
		310	66,385,030	311 78,624,430
				312 498,531,799
313	14,416,578			
314	6,914,630			
315	21,820,277			
316	0	317	43,151,485	
318	236,604,885			
319	52,825,717	320	289,430,602	
		321	3,133,884,787	
		322	1,017,062,059	
		323	0	
		324	4,875,339,166	
		325	1,566,003	
326	4,472,375			
327	58,768,076			
328	1,442,300			
329	2,938,385,605	330	3,003,068,356	
331	5,333,382			
332	18,215,150			
333	367,966,948	334	391,515,480	335 12,755,017,93
	carried forward			45,153,692,14

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' FUNDS

	Current year		
brought forward			47,562,745,564
H. ACCRUALS AND DEFERRED INCOME			
1. Interests	156	205,343,934	
2. Rents	157	1,823,979	
3. Other accruals and deferred income	158	24,684,210	159 231,852,123
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS			160 47,794,597,687

Pag. 6

Previous Year

brought forward				45,153,692,148
	336	229,970,411		
	337	1,845,981		
	338	36,237,111	339	268,053,503
			340	45,421,745,651

Company **Assicurazioni Generali S.p.A.**

Subscribed capital euro **1.576.052.047** Paid up euro **1.576.052.047**

FINANCIAL STATEMENTS

Profit and Loss Account

Year **2020**

(Amounts in Euro)

PROFIT AND LOSS ACCOUNT

Current Year

				Current Year
I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS				
1.	EARNED PREMIUMS, NET OF REINSURANCE:			
	a) Gross premiums written	1	1,684,248,399	
	b) (-) Outward reinsurance premiums	2	725,031,038	
	c) Change in the gross provision for unearned premiums	3	-2,917,048	
	d) Change in the provision for unearned premiums, reinsurers' share	4	29,240,566	5 991,374,975
2.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT			6 296,373,699
3.	OTHER TECHNICAL INCOME, NET OF REINSURANCE			7 716,629
4.	CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE			
	a) Claims paid			
	aa) Gross amount	8	1,079,970,035	
	bb) (-) Reinsurers' share	9	349,998,456	10 729,971,579
	b) Recoveries net of reinsurance			
	aa) Gross amount	11	12,185,946	
	bb) (-) Reinsurers' share	12	782,696	13 11,403,250
	c) Change in the provision for claims outstanding			
	aa) Gross amount	14	146,844,445	
	bb) (-) Reinsurers' share	15	174,825,395	16 -27,980,950
17				690,587,379
5.	CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			18 0
6.	PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE			19 358,261
7.	OPERATING EXPENSES			
	a) Acquisition commissions	20	230,919,470	
	b) Other acquisition costs	21	25,568,080	
	c) Change in commissions and other acquisition costs to be amortised	22	0	
	d) Collecting commissions	23	607,037	
	e) Other administrative expenses	24	51,320,205	
	f) (-) Reinsurance commissions and profit sharing	25	93,426,819	26 214,987,973
8.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE			27 12,637,176
9.	CHANGE IN THE EQUALISATION PROVISION			28 88,216
10.	BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS			29 369,806,298

Pag 1
Previous Year

		111	1,982,246,111			
		112	625,089,086			
		113	7,179,595			
		114	-18,439,833	115	1,331,537,597	
				116	172,359,852	
				117	1,142,910	
	118	991,283,051				
	119	258,220,028	120	733,063,023		
	121	13,555,015				
	122	3,446,511	123	10,108,504		
	124	354,269,276				
	125	89,880,166	126	264,389,110	127	987,343,629
					128	0
					129	536,887
		130	290,278,240			
		131	36,522,933			
		132	0			
		133	636,502			
		134	55,023,593			
		135	67,674,166	136	314,787,102	
				137	11,950,195	
				138	97,114	
				139	190,325,432	

PROFIT AND LOSS ACCOUNT

Current Year

II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS				Current Year	
1.	PREMIUMS WRITTEN, NET OF REINSURANCE				
	a) Gross premiums written	30	1,518,742,980		
	b) (-) Outward reinsurance premiums	31	419,015,365	32	1,099,727,615
2.	INVESTMENT INCOME:				
	a) From participating interests	33	1,893,373,520		
	(of which, income from Group companies	34	1,893,154,610)		
	b) From other investments				
	aa) income from land and buildings	35	0		
	bb) from other investments	36	168,959,922	37	168,959,922
	(of which, income from Group companies	38	111,379,888)		
	c) Value re-adjustments on investment	39	984,097		
	d) Gains on the realisation of investments	40	1,500,138		
	(of which, income from Group companies	41	0)	42	2,064,817,677
3.	INCOME AND UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS			43	44,420,411
4.	OTHER TECHNICAL INCOME, NET OF REINSURANCE			44	5,501,544
5.	CLAIMS INCURRED, NET OF REINSURANCE				
	a) Claims paid				
	aa) gross amount	45	1,727,032,66		
	bb) (-) reinsurers' share	46	310,711,824	47	1,416,320,840
	b) Change in the provision for claims outstanding				
	aa) gross amount	48	206,327,573		
	bb) (-) reinsurers' share	49	21,255,184	50	185,072,389
				51	1,601,393,229
6.	CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
	a) Provisions for policy liabilities				
	aa) gross amount	52	-536,375,84		
	bb) (-) reinsurers' share	53	13,145,872	54	-549,521,721
	b) Change in the provision for claims outstanding				
	aa) gross amount	55	4,431,309		
	bb) (-) reinsurers' share	56	7,806,410	57	-3,375,101
	c) Other provisions				
	aa) gross amount	58	-15,317,047		
	bb) (-) reinsurers' share	59	-3,128,301	60	-12,188,746
	d) Provisions for policies where the investment risk is borne by the shareholders and relating to the administration of pension funds				
	aa) gross amount	61	14,057,304		
	bb) (-) reinsurers' share	62	1,352,417	63	12,704,887
				64	-552,380,681

Pag 2
Previous Year

		140	1,684,543,962			
		141	407,463,178	142	1,277,080,784	
		143	1,271,857,252			
(of which, income from Group		144	1,269,698,565)			
	145	0				
	146	259,076,032	147	259,076,032		
(of which, income from Group		148	195,910,712)			
		149	10,635,828			
		150	5,781,817			
(of which, income from Group		151	0)	152	1,547,350,929	
				153	41,398,315	
				154	9,666,038	
	155	1,747,863,082				
	156	325,046,621	157	1,422,816,461		
	158	177,593,623				
	159	27,552,799	160	150,040,824	161	1,572,857,285
	162	-408,179,099				
	163	60,323,137	164	-468,502,236		
	165	7,787,963				
	166	706,758	167	7,081,205		
	168	206,016,048				
	169	-10,242,731	170	216,258,779		
	171	51,093,171				
	172	-254,289	173	51,347,460	174	-193,814,792

PROFIT AND LOSS ACCOUNT

Current Year

7.	PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE			65	45,034,810
8.	OPERATING EXPENSES				
	a) Acquisition commissions	66	202,719,697		
	b) Other acquisition costs	67	5,786,441		
	c) Change in commissions and other acquisition costs to be amortised	68	0		
	d) Collecting commissions	69	0		
	e) Other administrative expenses	70	44,250,526		
	f) (-) Reinsurance commissions and profit sharing	71	76,848,955	72	175,907,709
9.	INVESTMENT CHARGES				
	a) Investment administration charges, including interest	73	14,141,097		
	b) Value adjustments on investments	74	34,737,299		
	c) Losses on the realisation of investments	75	1,972,012	76	50,850,408
10.	EXPENSES AND UNREALISED LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS			77	15,231,431
11.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	9,594,048
12.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4)			79	1,478,413,093
13.	BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item III.2)			80	390,423,200
III. NON TECHNICAL ACCOUNT					
1.	BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10)			81	369,806,298
2.	RESULT OF THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (ITEM II.13)			82	390,423,200
3.	PROFIT FROM INVESTMENTS FROM THE NON-LIFE BUSINESS:				
	a) From participating interests	83	2,091,917,560		
	(of which, income from Group companies	84	2,091,446,314)		
	b) From other investments				
	aa) income from land and buildings	85	3,685,077		
	bb) from other investments	86	60,639,577	87	64,324,654
	(of which, income from Group companies	88	48,098,850)		
	c) Value re-adjustments on investment	89	25,497,472		
	d) Gains on the realisation of investments	90	15,313,635		
	(of which, income from Group companies	91	0)	92	2,197,053,321

Pag 3
Previous Year

			175	60,990,984
	176	229,431,834		
	177	6,798,446		
	178	0		
	179	0		
	180	47,868,032		
	181	71,174,346	182	212,923,966
	183	13,564,205		
	184	5,540,904		
	185	1,153,112	186	20,258,221
			187	3,865,203
			188	1,128,235
			189	1,044,531,413
			190	152,755,551
			191	190,325,432
			192	152,755,551
	193	1,275,797,463		
(of which, income from Group	194	1,275,122,010)		
	195	5,156,062		
	196	74,344,859	197	79,500,921
(of which, income from Group	198	62,244,987)		
	199	7,628,650		
	200	7,666,244		
(of which, income from Group	201	0)	202	1,370,593,278

PROFIT AND LOSS ACCOUNT

Current Year

4.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (item il. 2)		93	1,478,413,093
5.	INVESTMENT CHARGES FOR NON-LIFE BUSINESS			
	a) Investment administration charges, including interest	94	5,298,978	
	b) Value adjustments on investments	95	120,517,925	
	c) Losses on the realisation of investments	96	6,633,845	
			97	132,450,748
6.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I. 2)		98	296,373,699
7.	OTHER INCOME		99	259,025,755
8.	OTHER CHARGES		100	1,540,678,666
9.	RESULT FROM ORDINARY ACTIVITY		101	2,725,218,554
10.	EXTRAORDINARY INCOME		102	46,629,422
11.	EXTRAORDINARY CHARGES		103	39,796,022
12.	EXTRAORDINARY PROFIT OR LOSS		104	6,833,400
13.	RESULT BEFORE TAXATION		105	2,732,051,954
14.	INCOME TAXES		106	-237,866,285
15.	PROFIT (LOSS) FOR THE YEAR		107	2,969,918,239

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Previous Year

		203	1,044,531,413
	204	3,796,469	
	205	110,808,021	
	206	11,423,461	
		207	126,027,951
		208	172,359,852
		209	240,848,219
		210	1,622,376,437
		211	1,078,289,653
		212	184,798,671
		213	16,246,300
		214	168,552,371
		215	1,246,842,024
		216	-267,785,479
		217	1,514,627,503

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOREWORD

The financial statements of Assicurazioni Generali at 31 December 2020 comprise the Balance Sheet, the Profit and Loss Account and the Notes to the Accounts and relative attachments, in addition to the Board of Directors' Report on the Company about the performance of the Company in its entirety.

The financial statements have been drawn up in compliance with Legislative Decree No. 209 dated September 7th 2005 (Code of the Private Insurance), in force at the reference date as well as with Legislative Decree No. 173 dated 26 May 1997, as amended by the Legislative Decree No. 139 dated 18 August 2015 and by the Legislative Decree No. 58 dated 24 February 1998 of the Italian Finance Consolidation Act (TUF), amended and integrated. In addition, the provisions of which at the ISVAP (now IVASS) Regulation No. 22 dated 4 April 2008 are applied with the amendments and integrations, and relative ISVAP (now IVASS) Regulations No. 53 dated 6 December 2016, the other implementing regulations

issued by the institute of vigilance and by CONSOB. Furthermore, given the specific nature of the industry and for what is not provided in the above-mentioned disposals, the Civil Code rules have been applied, as well as the indications of national accounting standards issued by the OIC are considered.

In compliance with the provisions set by ISVAP (now IVASS) Regulation No. 22 dated 4 April 2008, the cash flow statement of the Company drawn up in free form, has been enclosed in the financial statements.

The Company's administrative body report and the directors report is enclosed in the financial statements, according to Art. 154-bis of the Italian Finance Consolidation Act (TUF).

The financial statements have been audited by Ernst & Young S.p.A., the appointed audit firm from 2012-2020.

PART A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SECTION 1 – OUTLINE OF THE SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been applied when preparing the financial statements for the year are reported below.

Intangible assets

Acquisition commissions on multi-year policies paid in advance and advertisement costs are charged entirely to the profit and loss account in the year in which those costs are incurred.

Goodwill and other multi-year costs are amortised on the basis of their residual useful life over a period not exceeding five years.

Development costs are amortized over their residual period of use.

Other deferred charges are amortized over a maximum period of five year.

Land and buildings

Land and buildings are recognized on the basis of purchase or construction cost and additional acquisition costs, net of accumulated depreciation and impairment losses.

The costs of improvements and renovations with the aim of increasing the value of the assets and extending the remaining useful life are also capitalised. The cost is also increased on the basis of revaluations made in accordance with legislation introduced by special laws.

The cost of tangible fixed assets whose use is limited in time is depreciated annually based on their respective useful life.

Lands are not subject to regular depreciation.

If at closing date, the value of fixed assets is deemed permanently lower than the book value, as determined above, appropriate adjustments are made. Write-downs are maintained in subsequent years until they remain justified.

The value of land and buildings is determined on the basis of an appraisal by an independent expert. Both the appraisal report and the independent expert meet the requirements of ISVAP Regulation (now IVASS) n. 22/2008, and subsequent amendments and integrations.

Financial investments

Financial investments are subdivided into long-term investments, destined to be held permanently by the Company, and short-term investments (or marketable securities), which are held for trading; their classification, which also applies to own shares, is based on the criteria specifically set by the Board of Directors, in line with the requirements of ISVAP (now IVASS) Regulation No. 24 dated 6 June 2016.

Regarding the reasons and the most significant positions of the securities included in the item C.II and classified in the "short-term" portfolio, see part B Section 2.2 of the Notes.

The classification of the securities portfolio is defined under Art. 23-quinquies and 23-sexies of the ISVAP regulation (now IVASS) No. 22/2008, amended and integrated.

The securities held for long-term use are valued at the weighted average cost, adjusted for any write-down considered permanent and, in case of fixed interest securities, also adjusted for the share accrued in the year of the trading spread, i.e. the positive or negative difference between the acquisition cost and the reimbursement amount at maturity.

The marketable securities are valued at the lower between the acquisition cost and the realisable value estimated from market trends, which, for listed securities is the price quoted on the last trading day of the financial year and for unlisted securities is the estimated realisable value. The acquisition cost of fixed interest securities is adjusted for the share accrued in the year of the trading spread, i.e. the positive or negative difference between the acquisition cost and the reimbursement amount at maturity.

The acquisition cost includes ancillary costs, usually consisting of banking and financial intermediation costs, directly attributable consulting fees, or fees and stamp duties (Tobin Tax on Italian securities excluded).

The initial cost of securities held for long-term and short-term use is partially or fully restored whenever the reasons for the write-downs cease to exist.

If, in situations of exceptional nature, it is necessary to make a transfer of securities from one category to another, the value of the securities transferred is the amount resulting from the application of the assessment criteria of the portfolio of origin.

For investments in subsidiaries and associates whose book value is higher than that resulting from the corresponding quota of shareholders' equity, a recoverability test is carried out in order to determine the durability or otherwise of the loss.

With reference to the securities portfolios, a net unrealized gain of 6,695,555 thousand euro emerges from the comparison between the market values at the end of the year and the carrying amounts. This amount includes the net unrealized gain of 6,587,170 thousand of the long-term portfolios and a net unrealized gain of 108,384 thousand of the short-term portfolio.

The Company have not exercised the option granted by the Regulation no. 43 IVASS of 12 February 2019 concerning the temporary suspension of the unrealized losses of the marketable securities introduced by Law Decree of 23 October 2018 n. 119 containing urgent provisions on tax and financial matters, converted by the law n. 136 of the 17 December 2018.

Derivatives

The use of derivatives is consistent with the principles of sound and prudent management of the Company, as provided for in the investment policy adopted by the Board of Directors with respect to ISVAP Regulation (now IVASS) n. 24 dated 6 June 2016.

The evaluation criteria, in accordance with the provisions of Art. 23-septies of ISVAP regulation (now IVASS) n. 22/2008, amended and integrated, differ depending on the purpose of the financial transaction.

Hedging transactions are those carried out in order to protect the Company from financial risks related to the value of individual assets or liabilities, groups of assets, liabilities or future operations and cash flows. For example, hedging transactions protect the Company from the volatility of interest rates, exchange rates and market prices. Derivatives with hedging purposes are measured coherently with the related hedged asset and liabilities: gains and losses are recognized in the income statement in line with the corresponding capital gains and losses of the underlying items. For example, the income and expenses relating to derivatives hedging the interest rate on debt, are recognized among the other charges, just like the related interest due.

In the case a transaction may not be classifiable as hedging transactions, only the fair value losses of the derivative is recognized in the income statement.

The value of derivatives is determined by referring to their respective market quotations, and, if these are not available, on the basis of a prudent valuation of the probable realisable value using calculation methodologies adopted by the market operators.

Loans

Loans are recognized at nominal value which, given their characteristics, corresponds to their estimated realizable value.

Deposits with ceding companies

The item includes deposits with ceding companies in relation to reinsurance risks, and are recognized at nominal value.

Investment commitments relating to investment funds and market indexes and investments deriving from the management of pension funds

Such investments are measured at market value. The market value of the assets, established by contractual conditions, is determined as follows:

- for investments traded on regulated and active markets, by the value at the last trading day of the year;
- for investments traded in non-regulated markets, by the estimated realization value at the year-end;
- for other financial investments, other assets and liabilities and cash at hand, by the respective nominal value.

Receivables

Receivables from policyholders include premiums accrued but not yet collected. Commissions payable to intermediaries for premiums in the course of collection are recognized among the other liabilities. Receivables from brokers include the amounts to be paid by agents, brokers and other insurance intermediaries.

Current accounts with insurance companies include receivables from co-insurance relationships and relationships with insurance companies for services.

Policyholders and third parties for recoveries include receivables for deductibles and retrieves following the payment of insurance compensations.

Receivables arising out of reinsurance transactions include the amounts resulting from the current account balances opened with respect to insurance and reinsurance companies in relation to the ceded or indirect business. The item also includes receivables from reinsurance intermediaries.

Receivables are recognized at their estimated realizable value.

The estimated realizable value of the receivables from policyholders is determined on a flat-rate basis, according to the analysis of the collections trend of each single line of business, given the experience acquired.

Other receivables are recognised at their nominal value which, given their characteristics, corresponds to their realizable value.

Tangible assets and inventory

All tangible assets are recognized at their acquisition cost net of accumulated depreciation.

New purchased electronic equipment is depreciated over their remaining useful life.

Current purchases of furniture, office equipment and goods listed in public registers are entirely depreciated over the financial year, in view of the fact that they are constantly replaced.

The Company has not made use of the waiver option provided for by Law no. 126 of 13 October 2020, which introduces a right to derogate from the provisions of Article 2426, first paragraph, no. 2 of the Civil Code concerning the annual depreciation of tangible and intangible fixed assets, which use is limited in time.

Cash at bank and in hand

The item includes demand deposits and deposits that provide for withdrawals subject to a time limit of less than 15 days, bank cheques and cashier's checks, cash and stamps, recognized at nominal value.

Other Assets

The item holds assets that are not included in the previous items. This includes the algebraic sum of the differences deriving from rounding up the additions of the Balance Sheet as well as the counterpart of the unrealized gains on options and hedging swaps.

The item also includes the connection account between life and non-life business.

Subordinated liabilities

Liabilities in this category are recognized at their nominal value.

Technical items

The Company has classified its Italian and foreign portfolio based on the rules set by the Legislative Decree No. 209/2005 Art. 1, paragraph 1, letters pp) and qq), as modified by Legislative Decree No. 56/2008.

The Italian direct business portfolio includes contracts entered into by the Company (as an Italian insurance company), comprising contracts

stipulated by subsidiary branches in EU member countries; the Italian indirect business portfolio includes contracts wherever stipulated by the Company if the ceding company is Italian, or is established in Italy having its registered office in another state.

In the Notes, any references to the Italian portfolio is to be interpreted in this sense.

Technical items relating to acceptances and retrocessions are accounted for in the year in which they accrue, following the ceding company agreements and on the basis of timely communications.

For non-Group companies, only in cases of insufficient information received from ceding companies, to precisely determine the accrual economic result for the year at the reporting date, the technical income items regarding acceptances and retrocessions reinsurance are accounted for in the subsequent financial year.

In the current financial statements, such technical items are included in the reinsurance suspense accounts as a counterpart of the transactions occurred on the ceding companies current accounts. Further information is provided in Part B, paragraphs 6.3 and 13.7..

NON-LIFE PROVISIONS

The technical provisions for non-life business are computed according to the instructions of Art. 23 - ter and 23 - quater of Regulation No. 22 dated 4 April 2008, amended and integrated (hereinafter Regulation No. 22 dated 4 April 2008), in Annexes 15, 15 bis and 16 of the same Regulation.

The Italian direct business portfolio includes the provision for unearned premiums, the provisions for outstanding claims, and the equalisation provisions.

The provision for unearned premiums includes:

- a) the provision for premium fractions, calculated for all lines of business using the analytical method "pro rata temporis"; with reference to the contracts of the credit line of business signed or renewed before the 31 December 1991, the calculation criteria set by attachment 1 of the specific above-mentioned Regulation No. 15-bis have been applied;
- b) additional provisions to the provision for premium fractions, instituted in relation to the peculiarities of certain risks (hail and other natural disasters as earthquakes, seaquakes, volcanic eruptions and related phenomena, risks deriving from the use of nuclear energy, risks included in the suretyship lines of business) and computed according to the instructions of paragraph 1 Sec. III of the specific above-mentioned Regulation.

The provision for outstanding claims is determined by a prudent assessment of claims made on the basis of objective and prospective

considerations of all predictable charges. The provision is considered adequate to cover the payment of compensation and the settlement costs related to claims occurred during the year, even if not yet reported.

The methodology consists in the analytical measurement of the ultimate cost of each claim in all lines of business and in the verification of the results through the application of statistical and actuarial methodology. The exception is represented by the damages to property in the MTPL line of business managed by the Company, reported in the last thirty days of the financial year, which are measured according to the "average cost" of homogenous groups of claims.

Claims incurred but not yet reported are estimated prudently on the basis of previous experience regarding both the frequency and the average cost for each line of business of the claims reported late.

The equalisation provisions are established with the objective of equalising the rate fluctuations of future claims or in order to cover particular risks such as credit risk, natural disasters or risks deriving from the use of nuclear energy. The provisions are determined in accordance with the attachment 1 of the above-mentioned Regulation No.15.

The calculation principles, the valuations made and the declaration that technical provisions are sufficient to guarantee the obligations undertaken by the Company for the motor and marine third party liability, are presented, for the Italian portfolio, in the report of the appointed Actuary, pursuant to paragraph 3 of Art. 23-ter of Regulation No. 22 dated 4 April 2008.

For the indirect business accepted through branches located in EU Member States, the technical provisions are determined, with relation to the commitments made, on the basis of the information provided by the ceding companies, appropriately integrated on the basis of independent evaluation to meet the commitments arising from contracts acquired pursuant to Annex 16 of Regulation No. 22 dated 4 April 2008.

The provision for unearned premium includes the provision for premium fractions, calculated analytically on a "pro rata temporis" basis, and the provision for unexpired risks, which is calculated using the empirical method. The provision for premium fractions is integrated by additional provisions covering risks arising from natural disasters as earthquakes, seaquakes, volcanic eruptions and related phenomena.

The provision for outstanding claims is determined beginning from the information given by the ceding companies.

The methods of determination and the results of the analysis on the technical provisions of the reinsurance business are the subject of a technical report of the Actuarial Function, as provided by Par. 4 of Art. 23-quarter of the Regulation No. 22 dated 4 April 2008.

The provisions for outstanding claims related to cessions and retrocessions are computed in accordance to the reinsurance contractual agreement;

the provisions for unearned premiums are calculated consistently to the methods adopted for the gross business.

For the portfolio underwritten in non-EU branches, the technical provisions are computed in accordance with Art. 43 of Legislative Decree No. 209/2005, under the laws of the countries where branches operate.

LIFE PROVISIONS

The technical provisions of the life segment, related to the Italian direct business, are determined according to the provisions set by Art. 23-bis and 23-quarter of ISVAP (now IVASS) Regulations No. 22 dated 4 April 2008, amended and integrated (hereinafter Regulation No. 22 dated 4 April 2008). The provisions are set up, gross of reinsurance, in respect of the application rules identified in Annexes 14 and 16 of Regulation No. 22 dated 4 April 2008; they are analytically calculated on a contract by contract basis and on the basis of the prudent actuarial assumptions appropriate with each type of signed contract, with the aim to guarantee the obligations accepted by the Company.

For the Italian direct business portfolio, the provisions include:

- a) the mathematical provision, which includes unearned premiums, the provision for health and professional additional premiums, the additional reserve for demographic risks and the additional reserve for financial risks;
- b) the unearned premium provision of the complementary insurances, calculated using the methods provided by Paragraph 18 of Annex 14 to Regulation No. 22 dated 4 April 2008, mentioned above;
- c) the provision for sums to be paid, which equals the amounts needed to cover the payment of capitals, annuities, redemptions and claims incurred but not yet paid at the end of the year;
- d) the provision for future expenses;
- e) the provisions for profit sharing, representing the amounts to correspond to the policyholders or to the beneficiaries of the contracts based on their quota of technical profit, which are not considered in the mathematical provision.

The Company, in the calculation of the mathematical reserves, follows the provisions set out in paragraphs 13 and 14 of Annex 14 to Regulation No. 22 dated 4 April 2008, and operates a cautious assessment on the basis of best estimate and a reasonable margin for adverse deviation of the factors considered. In particular, consistent with paragraph 19 of Annex 14 to Regulation No. 22 dated 4 April 2008 mentioned above, the Company makes use of the same technical bases that have been adopted for the calculation of the premium, for almost all of the technical provisions whose corresponding assets are valued according to the acquisition price. In any case, the amount of the mathematical reserves cannot be lower than that calculated with reference to the minimum guaranteed or surrender value conditions, if established.

With specific reference to the technical provisions of the unit linked and

index linked contracts, the following provisions have been set up where applicable:

- mathematical provisions for “unit-linked” contracts, calculated according to the principles set by paragraph 39 of Annex 14 to Regulation No. 22 dated 4 April 2008 and represented, with the maximum approximation, by the value of the units of Undertakings for Collective Investments (UCI, OICR) or by the value of assets included in the Company’s internal funds at year’s end;
- mathematical provisions for “index-linked” contracts, calculated according to the principles set by paragraph 40 of Annex 14 to Regulation No. 22 dated 4 April 2008 and represented, with the maximum approximation, by the quota representing the reference value at year end; the provisions take into account all risk factors that might affect the level of security and marketability of the assets intended for their coverage.

Considering the presence of additional guarantees on “unit-linked” contracts, pursuant paragraph 4 of Art. 41 of the Legislative Decree No. 209/2005, additional technical provisions have been established, in accordance with actuarial principles and rules provided by paragraph 41 of Annex 14 to Regulation No. 22 dated 4 April 2008.

The calculation principles, the valuations made and the declaration that technical provisions are sufficient to guarantee the obligations undertaken by the Company, are presented, for the Italian portfolio, in the report of the appointed Actuary, pursuant to paragraph 3 of Art. 23 - bis 14 of the Regulation No. 22 dated 4 April 2008.

For the foreign direct portfolio, underwritten in non-EU branches, the technical provisions are made in accordance with Art. 43 of Legislative Decree No. 209/2005, under the laws of the countries where branches operate.

The provisions related to accepted business are determined, in principle, on the basis of the information given by the ceding companies, and can be supplemented as result of the adequacy evaluations performed taking into account the commitments made, pursuant to Annex 16 of the Regulation No. 22 dated 4 April 2008.

The methods of determination and the results of the analysis of the technical provisions of the indirect business are the subject of a technical report of the Actuarial Function, as provided by paragraph 4 of Art. 23-quarter of the Regulation No. 22 dated 4 April 2008.

The provisions for cessations and retrocessions are set up in accordance to the underlying reinsurance contract agreement and are calculated consistently with the methods adopted for gross business, pursuant to Art. 36 paragraph 6 of the Legislative Decree No. 209/2005 and pursuant to Annex 16 of the Regulation No. 22 dated 4 April 2008.

Provision for risks and charges

Provisions for risks and charges include provisions to cover losses or debts of a predetermined nature, of a certain or probable existence, for which, however, at year-end either the amount or date of occurrence are indeterminate.

Deposits received from reinsurers

The item includes payables towards reinsurers for deposits issued under reinsurance agreements. They are recognized at their nominal value.

Payables and other liabilities

PAYABLES, DEBENTURE LOANS AND OTHER LIABILITIES

Payables in this category are recognized at their nominal value.

Other liabilities include payables not included in other items, such as, premiums received but temporarily suspended due to mismatching. Moreover, the item includes the sum of the differences deriving from rounding up the additions of Balance Sheet, as well as the counterpart of the unrealized losses on options and swaps.

The item also includes the connection account between the life and non-life business.

PROVISIONS FOR SEVERANCE PAY

The severance indemnity is determined pursuant Art. 2120 of the Civil Code, as well as Law dated 27 December 2006, No. 296 and the labour agreements in force at the balance sheet date; the liability is considered appropriate and corresponds to the total of the single indemnities due to employees at that date.

Accruals and deferrals

Accruals and deferrals are recognized to ensure compliance with the “matching principle”, with reference to those transactions involving a period of several consecutive financial years. The trading spreads relating to financial liabilities are amortized over the residual duration of the liabilities.

Profit and loss items

GROSS PREMIUMS WRITTEN

Gross premiums written are accounted for in accordance with the ISVAP (now IVASS) Regulation n. 22/2008 amended and supplemented, gross of reinsurance premiums ceded. In particular, premiums are accounted together with the accessory premiums at the expiry date of each premium. The cancellations of a technical nature of premiums written during the year are directly deducted from premiums, whilst cancellations resulting from assessments by the Company on premiums receivable and annulments related to premiums written in previous years cannot be deducted, but are recognized within other insurance expenses.

ALLOCATION OF INVESTMENT RETURN

The transfer of the quota of investment return to the technical account for non-life business and to the non- technical account for life business is made on the basis of the principles set by Art. 22 and 23 of ISVAP (now IVASS) Regulation n. 22/2008 amended and supplemented.

OTHER PROFIT AND LOSS ITEMS

Costs and income are accounted in the year on an accrual basis. In particular, for items relating to insurance operations, the principle applied is that of "the regulations applicable to the profit and loss account" pursuant to Legislative Decree No. 173/1997 and in compliance with ISVAP (now IVASS) ruling No. 22/2008, modified and completed.

TAXES

Current taxes are determined based on the current tax law; the company has opted, as a consolidating company, for the Group taxation regime, pursuant to Title II, Chapter II, Section II of the Income Tax Code TUIR (Arts. 117-129).

Deferred tax assets and liabilities express taxation related to costs and incomes that contribute to taxable income in a tax period other than that in which they are recognized in profit and loss account; they are determined based on the rates that are expected to be in force in the year in which

such components will constitute taxable income; activities for deferred taxes are recognized, in accordance with the principle of prudence, when there is a reasonable certainty of their future recovery.

ALLOCATION OF COSTS AND REVENUES COMMON TO BOTH THE LIFE AND NON-LIFE BUSINESS

The Company is authorised to operate insurance and reinsurance business both in the Life and Non-life segments.

Pursuant Art. 7 of ISVAP (now IVASS) Regulation dated 11 March 2008, No. 17, which implements Art. 11 paragraph 3 and 348 of Legislative Decree dated 7 September 2005, No. 209, general expenses are recognized to the relevant segment, when they are directly attributable to that segment, based on the information relative to the cost centre, reflecting the organization of the Company.

"Common" costs and revenues that are not immediately attributable to Non-life or Life segment, are recognized based on their cost centre, and then correctly and timely allocated in their reference segment pursuant to Art. 8 and Art. 9 of the above-mentioned Regulation.

Criteria for the allocation of general expenses and any revenues "common" to both segments (Non-life and Life) are based on specific parameters, structured with the aim to obtain a consistent attribution with the operations carried out for each segment, as specified by the Resolution of the Board of Directors.

CONVERSION OF ENTRIES IN FOREIGN CURRENCY

The Company operates systematically in foreign currency and therefore uses multi-currency accounting, in compliance with the disposals set out in Art. 89, paragraph 2 of Legislative Decree No. 209/2005. All the items in the balance sheet and in the profit and loss account are converted into euro at the exchange rates at the year-end closing date. The difference emerging from the conversion is recognized in the profit and loss account.

Below are exposed the changes compared the previous year occurred on the exchange rates provided by Bloomberg and adopted for the conversion into euro of currencies particularly significant for the Company.

	Exchange Rate in Euro		Change %
	2020	2019	
USA dollar	1.224	1.123	9.0
British pound	0.895	0.847	5.6
Swiss franc	1.082	1.087	-0.5
Hong Kong dollar	9.487	8.746	8

PART B – INFORMATION ON THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

The breakdown of the balance sheet between the life and non-life lines of business is presented in attachments 1 and 2 to the Notes to the Accounts. The breakdown of non-life and life results is as follows (*attachment 3*).

(in thousand euro)	Non-life	Life	Total
Technical result	369,806	390,423	760,229
(+) Investment income	2,197,053	0	2,197,053
(-) Investment charges	132,451	0	132,451
(+) Quotas of investments profit transferred from the life technical account	0	1,478,413	1,478,413
(-) Quotas of investments profit transferred to the non-life technical account	296,374	0	296,374
Interim result	2,138,034	1,868,836	4,006,870
(+) Other income	227,603	31,424	259,027
(-) Other charges	1,102,543	438,135	1,540,678
(+) Extraordinary income	41,047	5,582	46,629
(-) Extraordinary charges	33,558	6,238	39,796
Result before taxation	1,270,583	1,461,469	2,732,052
(-) Income taxes for the year	-162,407	-75,459	-237,866
Result for the year	1,432,990	1,536,928	2,969,918

BALANCE SHEET

Summary

(in thousand euro)	2020	2019	Change
ASSETS			
Intangible assets	36,293	32,963	3,330
Investments			
Land and buildings	91,111	94,614	-3,503
Investments in Group companies and other shareholdings	33,629,140	31,202,525	2,426,615
Other financial investments	6,258,510	4,724,312	1,534,198
Deposits with ceding companies	3,816,493	4,453,378	-636,885
Total	43,795,254	40,474,829	3,320,425

(continues)

(continues)

(in thousand euro)	2020	2019	Change
Class D investments	191,392	228,576	-37,184
Reinsurers' share of technical provisions			
Non-life	795,992	609,110	186,882
Life	586,567	1,210,592	-624,025
Total	1,382,559	1,819,702	-437,143
Debtors	1,636,747	1,985,775	-349,028
Other assets			
Cash at hand	301,388	467,385	-165,997
Other	314,556	268,262	46,295
Total	615,944	735,647	-119,702
Accrued income and deferred charges	136,407	144,254	-7,847
TOTAL ASSETS	47,794,598	45,421,745	2,372,852
LIABILITIES AND SHAREHOLDERS' FUNDS			
Shareholders' funds			
Subscribed share capital or equivalent fund	1,576,052	1,569,773	6,279
Reserves	12,645,241	11,994,503	650,738
Profit for the year	2,969,918	1,514,628	1,455,292
Total	17,191,212	15,078,904	2,112,309
Subordinated liabilities	7,796,307	7,834,489	-38,182
Technical provisions			
Non-life	2,597,256	2,550,106	47,150
Life	4,969,730	6,091,608	-1,121,878
Total	7,566,987	8,641,714	-1,074,727
Technical provisions for investment and pension funds	230,320	266,411	-36,091
Provisions for other risks and charges	164,080	78,624	85,456
Deposits received from reinsurers	506,389	498,532	7,857
Creditors and other liabilities	14,107,451	12,755,018	1,352,433
Accrued expenses and deferred income	231,852	268,054	-36,202
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	47,794,598	45,421,746	2,372,852

BALANCE SHEET – ASSET

Section 1 – intangible assets – *Item B*

The account refers to the multi-year charges.

1.1. CHANGES TO INTANGIBLE ASSETS OVER THE YEAR – (ATTACHMENT 4)

(in thousand euro)		2020
Gross initial amount		273,761
Increase for the year for:	acquisitions or increases	17,714
	reversal value	0
	revaluation	0
	other changes	0
	Total	17,714
Decreases for the year for:	sales or decreases	1,143
	long-term devaluations	0
	other changes	0
	Total	1,143
Gross final amount (a)		290,332
Depreciations		
Gross initial amount		240,798
Increases for the year for:	amortisation quotas	14,262
	other changes	0
	Total	14,262
Decreases for the year for:	reductions from sales	0
	other changes	1,021
	Total	1,021
Gross final amount (b)		254,039
Book value (a - b)		36,293

The increases in the year refer to the new activations carried out during the year for projects relating to the adoption of new international accounting standards, to the risk management area and to the development of new IT platforms for the management and monitoring of Group investments.

Section 2 – Investments – Item C

The current value indicated in the Notes as the reference value for assets in classes C.II and C.III correspond:

- for investments traded in regulated markets, the value is the one of the last trading day of the year;
- for investments traded in non-regulated markets, the value is the one deriving from a prudent estimation of their probable realisable value at year end, with the exception of unlisted participations in subsidiaries and companies in which a significant interest is held, for which the current reference value is equal to the value of the

shareholders' equity calculated in accordance with the international accounting standards IAS/IFRS.

2.1 LAND AND BUILDINGS – ITEM C.I

The item includes property used for own use and properties rented for use by third parties. The depreciation rate for buildings is equal to 1%.

The variation over the year for land and buildings is provided in *attachment 4*.

2.1.1 Variations in land and buildings over the year – (attachment 4)

(in thousand euro)		2020
Gross initial amount		101,025
Increases for the year for:	acquisitions or increments	380
	reversal value	1,326
	revaluation	0
	other changes	0
	Total	1,706
Decreases for the year for:	sales or decrements	353
	long-term devaluations	3,192
	other changes	809
	Total	4,354
Gross final amount (a)		98,377
Depreciations		
Initial amount		6,411
	depreciation quota for the year	975
	other changes	0
	Total	975
Decreases for the year for:	reductions from sales	48
	other changes	72
	Total	120
Depreciated final amount (b)		7,264
Book value (a - b)		91,111

The decreases for the year mainly refer to write-downs, in particular to the property in Lebanon.

2.1.2 Leased properties and operations carried out with Group companies and companies in which a significant interest is held

There are no leased assets and there are not financial leasing operations implemented with regards to real estate or other asset.

2.1.3 Determination of the market value of land and buildings

Market values of land and buildings have been determined based on the principles set out by Title III, Paragraph I, of ISVAP (now IVASS) Regulation No. 22/2008 amended and integrated. In particular, with reference to

the properties for own use, valuation criteria alternatively used for the assessment of the market value are the following:

- financial income method
- market value comparison method.

2.2 INVESTMENTS IN GROUP COMPANIES AND OTHER COMPANIES IN WHICH A SIGNIFICANT INTEREST IS HELD – ITEM C.II

Certain investments in Group companies and other companies in which a significant interest is held for a total amount of 95,281 thousand are considered non-durable, since there is no permanent intention to hold these investments. The most significant are:

	Quantity	(thousand euro)
Shares		
LION RIVER I NV	173,092	94,911
PERILS AG	25	370

2.2.1 Equities – Item C.II.1

2.2.1 a) Variation in equities over the year – (attachment 5)

(in thousand euro)		2020
Gross initial amount		29,563,767
Increases for the year for:	acquisitions, subscriptions or payments	2,344,800
	reversal value	7
	revaluations	0
	other changes	1,709,896
	Total	4,054,703
Decreases for the year for:	sales or redemptions	0
	devaluations	76,330
	other changes	1,652,103
	Total	1,728,433
Book value		31,890,037

In the item acquisitions, subscriptions or payments, the most significant movements concern:

- the increase in the shareholding in Generali Beteiligungsverwaltung GmbH acquired by the subsidiary Transocean Holding LLC for an amount equal to 1,312,000 thousand;
- the recognition of the shareholdings in Cattolica Assicurazioni for 300,655 thousand;
- the purchase of the shareholdings in Generali Seguros, S.A. for 501,200 thousand;
- the capital increase in Generali Vietnam Life Insurance Limited Liability Company for 67,591 thousand and in Generali (Schweiz) Holding AG (+188,803 thousand).

In the other changes, both up and down, the most significant is the transfer from the non-life segment to the life segment of a part of the shareholding in Generali Italia S.p.A. for 1,162,623 thousand.

The write-downs recognized during the year mainly concern value adjustments of the shareholdings of the Generali Brasil Seguros S.A. Group, Generali Financial Asia Limited, GLL GmbH & Co. Retail KG, Generali Vitality GmbH, BMG Seguros S.A. and CMN Global Inc.

2.2.1 b) Information on companies in which a significant interest is held

Provided in attachment 6 of the Notes to the Accounts.

2.2.1 c) Detailed movement schedule

Provided in attachment 7 of the Notes to the Accounts.

2.2.2 Changes in bonds issued over the year – *Item C.II.2 (attachment 5)*

The company does not hold bonds issued by Group companies.

2.2.3 Changes in loans to companies over the year – *Item C.II.3*

(in thousand euro)		2020
Gross initial amount		1,638,758
Increases for the year for:	acquisitions, subscriptions or payments	152,460
	reversal value	0
	other changes	0
Total		152,460
Decreases for the year for:	sales or redemptions	48,793
	devaluations	0
	other changes	3,321
Total		52,114
Book value		1,739,104

2.2.4 a) Detailed outline of the most significant bonds issued by companies - *Item C.II.2*

The Company does not held bonds issued by other entities of the group.

2.2.4 b) Detailed outline of the most significant loans to companies - *Item C.II.3*

The increases for the year mainly concern new loans to the following companies of the Generali Group: Personenversicherungen AG (92,460 thousand), Redoze Holding N.V (39,000 thousand) and Calm Eagle Portugal, Sociedad Unipersonal, Lda (15,000 thousand). The decreases for the year concern the early repayment of loans to the subsidiaries Generali Investments Holding S.p.A. (40,000 thousand).

2.3 Other financial investments – *Item C.III*

There are no shareholdings that exceed one tenth of the capital or one tenth of the voting rights that can be exercised during the Shareholders' Ordinary General Meeting, classified in this category in the financial statements.

2.3.1 Breakdown on the basis of the durable or non-durable utilisation of the assets included in the equities items – *Item C.III.1*, units in common investment funds – *Item C.III.2*, bonds and other fixed-interest securities – *Item C.III.3*, participation in investment pools – *Item C.III.5* other financial investments – *Item C.III.7 (attachment 8)*

Apart from the investments in Group companies and other companies in which a significant interest is held, durable investments are those aimed to remain permanently held by the Company, namely:

- shares, listed and non-listed, that are considered related to the insurance operations;
- other debt securities, listed and non-listed, which are designed for medium/long-term commitments.

All other assets included in these items are considered non-durable.

(in thousand euro)	Durable		Non-durable		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
Non-life						
1) Equities of companies						
a) listed shares	4,037	3,755	3,205	5,300	7,242	9,055
b) unlisted shares	8,150	8,537	1,060	1,169	9,210	9,706
c) units	823	12,373	0	0	823	12,373
Total	13,010	24,665	4,265	6,469	17,275	31,134
2) Units in common investment funds	0	0	1,742,909	1,746,612	1,742,909	1,746,612
3) Bonds and other fixed-interest securities						
a1) listed government bonds	63,005	64,403	434,389	442,237	497,394	506,640
a2) other listed securities	58,575	61,492	142,252	144,408	200,827	205,900
b1) unlisted government bonds	0	0	630	729	630	729
b2) other unlisted securities	0	0	0	0	0	0
c) convertible bonds	0	0	0	0	0	0
Total	121,580	125,895	577,271	587,374	698,851	713,269
5) Participation in investment pools	0	0	0	0	0	0
7) Other investments	0	0	0	0	0	0
Life						
1) Equities of companies						
a) listed shares	0	0	6,241	6,928	6,241	6,928
b) unlisted shares	83	122	1,014	1,112	1,097	1,234
c) units	7,085	7,792	0	0	7,085	7,792
Total	7,168	7,914	7,255	8,040	14,423	15,954
2) Units in common investment funds	0	0	2,571,703	2,571,782	2,571,703	2,571,782
3) Bonds and other fixed-interest securities						
a1) listed government bonds	235,377	266,335	233,292	245,182	468,669	511,517
a2) other listed securities	227,448	277,080	301,934	324,941	529,382	602,021
b1) unlisted government bonds	14,117	18,582	2,778	2,778	16,895	21,360
b2) other unlisted securities	10,400	10,458	0	0	10,400	10,458
c) convertible bonds	0	0	0	0	0	0
Total	487,342	572,455	538,004	572,901	1,025,346	1,145,356
5) Participation in investment pools	0	0	0	0	0	0
7) Other investments	0	0	0	0	0	0
Total						
1) C.III.1 Equities of companies	20,178	32,579	11,520	14,509	31,698	47,088
2) C.III.2 Units in common investment funds	0	0	4,314,612	4,318,394	4,314,612	4,318,394
3) C.III.3 Bonds and other fixed-interest securities	608,922	698,350	1,115,275	1,160,275	1,724,197	1,858,625
4) C.III.5 Participation in investment pools	0	0	0	0	0	0
5) C.III.7 Other investments	0	0	0	0	0	0

With reference to bonds and other fixed interest securities in item C.III.3, the book value of the most significant components is:

(in thousand euro)	2020
Securities issued by the Italian government	374,725
Securities issued by the USA government	121,466
Securities issued by the UK government	80,263

The other items individually considered refer to sums below 50,000 thousand per issuer.

The issuing and trading spreads inherent to bonds and other fixed interest securities in *items C.II.2* and *C.III.3* are as follows:

(in thousand euro)	Positive	Negative	Balance
Issuing differences	2,746	244	2,502
Trading differences	146	4,384	-4,238
Total	2,892	4,628	-1,736

2.3.2 Variations over the year to durable assets included in the items as in point 2.3.1 (attachment 9)

(in thousand euro)	Equities	Units in common investment Funds	Bonds	Participation	Other
Initial amount	19,669	0	558,724	0	0
Increases for:					
acquisitions	548	0	93,751	0	0
reversal value	24	0	0	0	0
transfers from the non-durable portfolio	0	0	1,827	0	0
other changes	27	0	1,105	0	0
Total	599	0	96,683	0	0
Decreases for:					
sales	0	0	19,470	0	0
devaluations	0	0	0	0	0
transfers to the non-durable portfolio	0	0	0	0	0
other changes	90	0	27,015	0	0
Total	90	0	46,485	0	0
Book value	20,178	0	608,922	0	0

The increases in the year mainly relate to the capital increase of the Istituto della Enciclopedia Italiana (548 thousand), the related reversal of impairment (18 thousand) and the payment to Telco S.p.A. for 27 thousand.

Among the decreases, the most significant movement relates to the repayment of capital from Schemaquattordici S.p.A. (33 thousand); the residual part is mainly attributable to the exchange rate differences on the shares (58 thousand).

Regarding the bonds and other fixed-income securities, the increases mainly concern investments in government bonds (48,966 thousand) and corporate bonds (44,785 thousand) and the reclassification to the durable assets of bonds for 1,827 thousand. The decreases are attributable to sales and redemptions of corporate bonds for 10,770 thousand and government bonds for 8,700 thousand. The other decreases are mainly due to the capitalization of negative issuing and trading spread for 4,256 thousand and to the impact of the exchange rate effect for 22,759 thousand.

2.3.3 Changes in loans over the year – Item C.III.4 and in deposits with credit institutions - *Item C.III.6 (attachment 10)*

(in thousand euro)		Loans	Deposits with credit institutions
		C.III.4	C.III.6
Initial amount		683	145,997
Increases for:	payments	24	
	reversal value	0	
	other changes	0	
	Total	24	799,868
Decreases for:	redemptions	81	
	devaluations	56	
	other changes	53	
	Total	190	758,378
Book value		517	187,486

2.3.4 a) Detailed outline of significant guaranteed loans – *Item C.III.4.a.*

No guaranteed loans are recognized in the financial statements.

2.3.4 b) Detailed outline of significant other loans – *Item C.III.4.c*

The item refers to other loans granted to the Hong Kong branch, for a total amount of 217 thousand.

2.3.5 Breakdown of the duration of deposits with credit institutions – *Item C.III.6*

(in thousand euro)	2020
Less than 3 months	43,229
More than 3 months	144,258
Total	187,487

2.3.6 Breakdown of other financial investments by type – *Item C.III.7*

The item includes options for an equivalent value of 0.1 thousand.

attachment 16. In particular, deposits with subsidiaries include deposits with:

- Alleanza Assicurazioni S.p.A. for 2,170,758 thousand;
- Generali Vie S.A. for 269,364 thousand;
- Generali Seguros, S.A. for 131,775 thousand;
- Generali IARD S.A. for 91,546 thousand.

2.4 DEPOSITS WITH CEDING COMPANIES – *ITEM C.IV*

Deposits with ceding companies amount to 3,816,493 thousand (4,453,378 thousand in 2019).

The information relating transactions with Group companies is provided in

2.4.1 Impairment on deposits with ceding companies over the year

There are no impairments on deposits with ceding companies over the year.

Section 3 - Investments for the benefit of life- assurance policyholders who bear the investment risk and relating to the administration of pension funds – *Item D*

3.1 OVERVIEW OF OPERATIONS RELATED TO CONTRACTS LINKED TO INVESTMENT FUNDS AND MARKET INDEXES – *ITEM D.I (ATTACHMENT 11)*

(in thousand euro)	Current value		Acquisition costs	
	2020	2019	2020	2019
Land and buildings	0	0	0	0
Investments in Group companies and companies in which a significant interest is held				
Equities	0	0	0	0
Bonds	0	0	0	0
Loans	0	0	0	0
Total	0	0	0	0
Units in common investment funds	184,591	185,926	139,494	159,446
Other financial investments:				
Equities	255	255	234	223
Bonds and other fixed-interest securities	428	444	472	479
Deposits with credit institutions	0	0	0	0
Other investments	0	0	0	0
Total	683	699	706	702
Other assets	1,006	1,747	1,006	1,747
Cash at hand	1,820	3,608	1,820	3,608
Other liabilities	-1,744	-1,542	-1,744	-1,542
Deposits with ceding companies	5,036	38,138	5,036	38,138
Total	191,392	228,576	146,318	202,099

The investments related to the various types of managed products are described in detail in attachments 11.

The most significant change relates to the contraction in active reinsurance deposits following the cessation of the inward reinsurance to the subsidiary Generali Zavarovalnica d.d. Ljubljana.

3.2 OVERVIEW OF OPERATIONS RELATIVE TO CONTRACTS LINKED TO PENSION FUNDS – *ITEM D.II (ATTACHMENT 12)*

No investments related to pension funds have been recognised in the Financial Statement.

3.3 TRANSFERS OF INVESTMENTS FROM CLASS C TO CLASS D AND VICE VERSA

No transfers have been made during the year.

Section 4 - Reinsurers' share of technical provisions – *Item D bis*

4.1 A) BREAKDOWN OF OTHER TECHNICAL PROVISIONS – NON-LIFE BUSINESS – *ITEM D BIS I.4*

No other non-life business technical provisions borne by reinsurers have been recognised in the financial statements.

4.1 B) BREAKDOWN OF OTHER TECHNICAL PROVISIONS – LIFE BUSINESS – *ITEM D BIS II.5*

Other technical provisions of the life business borne by reinsurers have been recognised in the financial statements for 355 thousand.

Section 5 – Receivables – *Item E*

Item E includes, among other things, receivables arising out of reinsurance operations for an amount of 598,202 thousand and refer mainly to receivables from insurance and reinsurance companies (581,972 thousand). This amount relates to the non-life business for 291,749 thousand and to the life business for 290,223 thousand.

5.1 WRITE DOWNS CARRIED OUT OVER THE YEAR

Write downs of receivables from policyholders for premiums, carried out over the year and charged to the technical accounts, amount to 309 thousand.

The following table provides a detailed description of the write downs for line of business

(in thousand euro)	2020
Accident	4
Fire	50
Property other than fire	50
General Liability	200
Other LOB	5
Total	309

5.2 DETAILS OF OTHER RECEIVABLES – *ITEM E.III*

(in thousand euro)	2020
Credit on taxes	312,780
Credits for non-insurance relations	216,859
Credits for pre-paid taxes	144,171
Receivables for securities and coupons sold or purchased to be settled	39,759
Receivables from the employees	19,768
Receivables from Group companies for direct cash pooling	14,895
Credits for the attribution of economic items to the competence of the year	8,255
Advanced payments, guarantees and deposits	7,222
Credits due from subsidiaries for fiscal consolidation	6,271
Credits due from the real estate management	4,581
Credits due from Financial Administration	3,808
Credits from transactions on derivative financial instruments	2,395
Other credits	18,445
Total	799,209

Tax credits mainly include receivables for IRES for 250,642 thousand and receivables for IRAP for 27,208 thousand.

Receivables for non-insurance relationships mainly concern positions with Group companies.

Deferred tax assets refer to items which, from a tax point of view, concern years other than that in which they have been recognized in the income

statement, and are recognized net of the provision for deferred taxes liabilities.

Receivables from subsidiaries for tax consolidation include IRES receivables recognized towards other Group companies participating in the tax consolidation of Assicurazioni Generali. The decrease compared to the previous year is mainly due to the decrease in the taxable income of the main Italian companies of the Group.

Section 6 – Other assets – Item F

6.1 VARIATIONS TO DURABLE ASSETS IN CLASS F.I OVER THE YEAR

(in thousand euro)	2019	Increases	Decreases	2020
Furniture, office equipment, internal transport vehicles	1,204	2,543	-2,380	1,369
Movables listed in public registers	1,123	-1	-152	973
Equipments and appliances	0	0	0	0
Inventories	447	0	0	447
Total	2,774	2,542	-2,532	2,789

6.3 DEFERRED REINSURANCE ITEMS – ITEM F.IV.1

Deferred reinsurance items, amounting to 2,966 thousand, include the negative income values of technical nature that are to be entered in the profit and loss accounts in the following year.

Details of the items are illustrated in the following table.

(in thousand euro)	Non-Life	Life	Total
Premiums	0	0	0
Claims	1,318	1,453	2,771
Commissions	79	81	160
Profit portfolio on provisions and other technical items	0	35	35
Total	1,397	1,569	2,966

6.4 DETAILS OF MISCELLANEOUS ASSETS – ITEM F.IV.2

Miscellaneous assets amount to 308,801 thousand and mainly refer to the linkage account that reports a credit of the life business towards the non-life business.

Section 7 – Prepayments and accrued income – *Item G*

7.1 DETAILS OF ACCRUED INCOME AND DEFERRED CHARGES

(in thousand euro)	Accrued income	Deferred charges	Total
Interests	50,395	0	50,395
Rents	482	46	528
Other accrued income and deferred charges	5,801	79,683	85,484
Total	56,678	79,729	136,407

7.2 BREAKDOWN OF OTHER ACCRUED INCOME AND DEFERRED CHARGES – ITEM G.3

(in thousand euro)	Accrued income	Deferred charges	Total
Deferred charges for disagio on bond issues	0	43,713	43,713
Deferred charges for disagio on loans	0	0	0
Accrued income and deferred charged on derivatives	0	25,066	25,066
Other	5,801	10,904	16,705
Total	5,801	79,683	85,484

7.3 BREAKDOWN OF MULTI-YEAR ACCRUALS AND DEFERRALS AND THOSE WITH A DURATION OF OVER FIVE YEARS

The deferred charges with a residual duration of over one year are:

- discount on bonds and subordinated liabilities for 29,877 thousand;
- derivatives hedging the exchange rate changes on loans issued in previous years, for 7,726 thousand;
- derivatives hedging the interest rate changes relating to loans issued in previous years, for 4,993 thousand.

Furthermore, the deferred charges that have a residual duration of over five years are:

- discount on bonds and subordinated liabilities for 8,159 thousand.
- derivative hedging the exchange rate changes on loans issued in previous years, for 747 thousand.
- derivative hedging the interest rate changes relating to loans issued in previous years, for 144 thousand

SUBORDINATED ASSETS

Subordinated assets classified under items C.II.2 and C.III.3, are indicated based on their level of subordination, in accordance with international practice.

Issuing entity	Nominal value in thousand euro	Currency of denomination	Type of interest rate	Due date	Early paym. Clause	Subordination level
Aquarius Plus Investments Plc	311	EURO	fixed	02/10/43	Yes	Tier II
Arkema SA	1,500	EURO	variable	perpetual	Yes	Tier II
Aviva Plc	1,500	EURO	fixed	04/12/45	Yes	Tier II
Banco De Sabadell SA	200	EURO	fixed	12/12/28	Yes	Tier II
Bank of America Corp	3,352	GBP	fixed	22/11/21	No	Tier II
Bankia SA	100	EURO	fixed	15/02/29	Yes	Tier II
Barclays Plc	3,300	EURO	fixed	07/02/28	Yes	Tier II
Bbva Banco Bilbao Vizcaya Argentaria	1,000	EURO	variable	16/01/30	Yes	Tier II
Caixabank SA	600	EURO	fixed	17/04/30	Yes	Tier II
Citigroup Inc	1,000	EURO	fixed	25/02/30	Yes	Tier II
CNP Assurances	1,600	EURO	fixed	10/06/47	Yes	Tier II
Cooperatieve Rabobank UA	858	USD	fixed	01/12/43	No	Other clauses
Credit Mutuel Arkea	800	EURO	variable	25/10/29	Yes	Tier II
Danske Bank A/S	2,000	EURO	fixed	12/02/30	Yes	Tier II
EDF SA	447	GBP	fixed	perpetual	Yes	Tier II
Engie SA	1,200	EURO	variable	perpetual	Yes	Tier II
Erste Group Bank AG	2,000	EURO	variable	08/09/31	Yes	Tier II
Hsbc Holdings Plc	409	USD	fixed	01/06/38	No	Tier II
Infineon Technologies AG	200	EURO	fixed	perpetual	Yes	Tier II
Ing Groep NV	3,100	EURO	fixed	19/05/31	Yes	Tier II
Kbc Group NV	800	EURO	variable	03/12/29	Yes	Other clauses
La Mondiale SA	1,600	EURO	fixed	perpetual	Yes	Tier II
Lumen Spv S.r.l.	10,000	EURO	variable	24/07/26	No	Other clauses
Merck Kgaa	1,500	EURO	fixed	12/12/74	Yes	Tier II
Merck Kgaa	1,000	EURO	variable	09/09/80	Yes	Other clauses
Muenchener Rueckvericherungs AG	1,676	GBP	fixed	26/05/42	Yes	Tier II
Orange SA	1,000	EURO	fixed	perpetual	Yes	Tier II
Orsted A/S	400	EURO	fixed	09/12/99	Yes	Tier II
Scor SE	1,600	EURO	fixed	05/06/47	Yes	Tier II
Sse Plc	817	USD	fixed	16/09/77	Yes	Tier II
Standard Chartered Plc	1,000	EURO	variable	09/09/30	Yes	Other clauses
Standard Chartered Plc	654	USD	fixed	09/01/43	No	Other clauses
Swiss Life AG	925	CHF	variabile	25/09/48	Yes	Tier II
Telia Co Ab	1,600	EURO	fixed	11/05/81	Yes	Tier II
Tlg Finance S.a.r.l.	1,000	EURO	fixed	perpetual	Yes	Tier II
Unicredit S.p.A.	350	EURO	fisso	23/09/29	Yes	Tier II
Uniq Insurance Group AG	1,600	EURO	fisso	27/07/46	Yes	Tier II
Vodafone Group Plc	300	EURO	fisso	03/01/79	Yes	Tier II
Volkswagen International Finance NV	2,500	EURO	variable	perpetual	Yes	Tier II
Wells Fargo & Co	1,471	USD	fixed	02/11/43	No	Other clauses

BALANCE SHEET – LIABILITIES

Section 8 – Shareholders' funds – *Item A*

8.1 CHANGES TO SHAREHOLDERS' FUNDS OVER THE YEAR

(in thousand euro)	2019	Increases	Decreases	2020
Subscribed share capital	1,569,773	6,279	0	1,576,052
Share premiums reserve	3,568,250	0	0	3,568,250
Revaluation reserves	2,010,835	0	0	2,010,835
Legal reserve	313,920	1,290	0	315,210
Reserve for parent company shares	0	0	0	0
Other reserves	6,104,538	728,865	6,279	6,827,124
Negative reserve for own shares held	3,040	73,138	0	76,178
Income carried forward	0	0	0	0
Profit/Loss for the previous year	1,514,628	0	1,514,628	0
Profit/Loss for the year	0	2,969,918	0	2,969,918
Total	15,078,904	3,633,214	1,520,907	17,191,212

The increase in other reserves includes an amount equal to 722,175 thousand relating to the second tranche of the undistributed dividend, relating to the 2019 financial year.

The increase in the negative reserve for own shares held for 73,138 thousand refers to the purchase of shares of the Company to service the employee share plan of the Generali Group.

8.2 SHARE CAPITAL – *ITEM A.I*

The share capital at 31 December 2020 is equal to 1,576,052 thousand, divided into ordinary shares with a nominal value of 1 euro each. The item shows an increase of 6,279 thousand following the assignment of Generali shares to the management of the Group, in accordance to the "Long Term Incentive Plan 2017".

8.3 A) SHARE PREMIUMS RESERVE – *ITEM A.II*

The reserve remains unchanged compared to the previous year.

8.3 B) DETAILS OF THE REVALUATION RESERVES – *ITEM A.III*

The total of the revaluation reserves, amounting to 2,010,835 thousand, include:

- revaluation Reserve pursuant to Law 413/1991 for 802,314 thousand;
- revaluation Fund for fixed assets pursuant to Law 168/1982 for 153,474 thousand;
- revaluation Fund pursuant to Law 904/1977 for 20,123 thousand;
- revaluation Reserve pursuant to Law 266 dated 23 December 2005 for 793,054 thousand;
- revaluation Reserve pursuant to Law Decree 185/2008 converted with the Law No. 2 dated 28 January 2009 for 92,676 thousand;
- revaluation Reserve pursuant to Law 576/75 for 30,425 thousand;
- revaluation Reserve pursuant to Law 72/83 for 118,769 thousand.

8.3 C) LEGAL RESERVE – *ITEM A.IV*

Following the capital increase based on the Long-Term Incentive Plan 2017 previously mentioned, the legal reserve has been risen by 1,290 thousand in order to achieve the minimum level required by law.

8.4 A) RESERVES FOR OWN SHARES AND THOSE OF THE PARENT COMPANY – ITEM A.VI AND DETAIL OF THE OTHER RESERVES – ITEM A.VII AND THE NEGATIVE RESERVE FOR OWN SHARES – ITEM A.X

The negative reserve for own shares, constituted as provided by the amended and integrated Regulation No. 22/2008 amounted to 76,178 thousand. Pursuant to the new OIC 28, own shares are recognized at a value corresponding to their cost of purchase and possible effects are applied retroactively.

8.4 B) DETAILS OF THE OTHER RESERVES – ITEM A.VII

(in thousand euro)	2019	Increases	Decreases	2020
Merger residual reserve	4,155,965	0	0	4,155,965
Extraordinary reserve	1,948,573	728,865	6,279	2,671,159
Total	6,104,538	728,865	6,279	6,827,124

The increase in the extraordinary reserve includes an amount of 722,175 thousand relating to the second tranche of the undistributed dividend, relating to the 2019 financial year.

Such extraordinary reserve consists of tax suspension for 170,928 thousand, corresponding to the sum of the realignment of the real estate fiscal values during the 2006 financial year as required by Law No. 266/2005, net of substitute taxation.

The merger residual reserve at the end of the period includes:

- revenue reserves for 3,998,607 thousand, deriving from the merger of Alleanza Assicurazioni S.p.A.;
- capital reserves for 149,005 thousand deriving from the merger by acquisition of Alleanza Assicurazioni S.p.A.;
- capital reserves for 8,353 thousand deriving from the merger by acquisition of Generali Finance B.V..

8.4 C) OUTLINE OF CHANGES TO SHAREHOLDERS' FUNDS OVER THE LAST THREE YEARS

(in thousand euro)					
	Share Capital	Share premiums reserve	Negative reserve for own shares held	Revaluation reserve L. 266 23/12/2005	Revaluation reserve L.D. 185/2008
Initial amount of the 2018 financial year	1,561,808	3,568,250	-3,040	793,055	92,676
Capital increase	3,357				
Distribution of previous year result					
legal reserve adjustment					
to dividends (0.85 euro per share)					
Withdrawal from extraordinary reserve					
Generali Finance Merger					
Result for the 2018 financial year					
Final amount of the 2018 financial year and initial amount of the 2019 financial year	1,565,165	3,568,250	-3,040	793,055	92,676
Capital increase	4,608				
Distribution of previous year result					
legal reserve adjustment					
to dividends (0.90 euro per share)					
Withdrawal from extraordinary reserve					
Result for the 2017 financial year					
Final amount of the 2019 financial year and initial amount of the 2020 financial year	1,569,773	3,568,250	-3,040	793,055	92,676
Capital increase	6,278				
Distribution of previous year result					
legal reserve adjustment					
to dividends (0.50 euro per share)					
Allocation to extraordinary reserve			-73,178		
Cancellation of prescribed dividends					
Result for the 2020 financial year					
Final amount of the 2020 financial year	1,576,052	3,568,250	-76,178	793,055	92,676

Revaluation reserve L. 413 30/12/1991	Revaluation reserve L. 576/75	Revaluation reserve L. 72/83	Revaluation reserve L. 904 16/12/1977	Provision for revaluation of long-term assets	Merger residual reserve	Extraordinary reserve	Legal reserve	Profit for the year	Total
802,313	30,425	118,769	20,123	153,474	4,147,612	1,823,197	312,362	1,404,459	14,825,483
						-3,357			0
									0
							671	-671	0
								-1,330,299	-1,330,299
						73,489		-73,489	0
					8,353				8,353
								1,473,283	1,473,283
802,313	30,425	118,769	20,123	153,474	4,155,965	1,893,329	313,033	1,473,283	14,976,820
						-4,608			0
									0
							887	-887	0
								-1,412,544	-1,412,544
						59,852		-59,852	0
								1,514,627	1,514,627
802,313	30,425	118,769	20,123	153,474	4,155,965	1,948,573	313,920	1,514,627	15,078,904
						-6,278			0
									0
							1,290	-1,290	0
						722,175		-1,507,147	-784,972
						6,190		-6,190	-73,138
						500			500
								2,969,918	2,969,918
802,313	30,425	118,769	20,123	153,474	4,155,965	2,671,160	315,210	2,969,918	17,191,212

8.4 D) BREAKDOWN, OPPORTUNITIES FOR USE AND ACTUAL USE OF SHAREHOLDERS' FUNDS OVER THE LAST THREE YEARS

Type / Description	Amount	Possibility of utilisation ⁽¹⁾	Available quota	Summary of utilisations carried out during the previous three years	
				Losses cov.	Other ⁽⁵⁾
Capital	1,576,052				
Capital reserves					
Share premiums reserve	3,568,250	A,B,C	3,568,250 ²⁾		
Merger residual reserve	157,358	A,B,C	157,358		
Revaluation reserve pursuant to Law 413 - 30.12.1991	802,314	A,B,C	802,314 ³⁾		
Revaluation reserve pursuant to Law 904 - 16.12.1977	20,123	A,B,C	20,123 ³⁾		
Revaluation reserve pursuant to Law 266 - 23.12.2005	793,054	A,B,C	793,054 ³⁾		
Revaluation reserve pursuant to Law 2 - 28.1.2009 (DL 185/2008)	92,676	A,B,C	92,676		
Revaluation reserve pursuant to Law 576/75	30,425	A,B,C	30,425 ³⁾		
Revaluation reserve pursuant to Law 72/83	118,769	A,B,C	118,769 ³⁾		
Reserve for revaluation of long-term assets	153,474	A,B,C	153,474		
Negative reserve for own shares held	-76,178 ⁶⁾				
Revenue reserves					
Legal reserve	315,210	B	315,210		
Merger residual reserve	3,998,607	A,B,C	3,998,607		
Extraordinary reserve	2,671,159	A,B,C	2,671,159 ⁴⁾		14,243
Total	14,221,293		12,721,419		
Of which:					
Non distributable quota			315,210		
Distributable residual quota			12,406,209		

1) Key: A = for capital increase, B = for hedging, C = for distribution to shareholders.

2) In compliance with art. 2431 of the Italian Civil Code, the entire amount of this reserve can only be distributed if the legal reserve has reached the limit set out in art. 2430 of the Civil Code (20% of the share capital).

3) Taxable in case of distribution.

4) The amount of 170,928 thousand euro is taxable in case of distribution.

5) The reserves were aimed to the distribution of dividends and increases of capital.

6) It is a negative reserve for own shares held. This reserve has been recorded as a deduction of shareholders' funds, in compliance with the modified Regulation 22/2008. The negative reserve for own shares is unavailable.

Section 9 – Subordinated liabilities – Item B

Subordinated liabilities amount to 7,796,307 thousand and consist of:

- hybrid bonds denominated in pound sterling, worth 391,018 thousand Euro, with the following characteristics:
 - maturity equal to the duration of the company;
 - early repayment option for the Company from the 16 June 2026;
 - fixed interest rate until 16 June 2026, first date of the early repayment option;
 - variable interest rate after 16 June 2026;
 - subordinated with respect to all the non-subordinated creditors, including policyholders, and to all the lower grade subordinated debtors;
 - suitable to cover the solvency requirements of Solvency II;
- hybrid bonds denominated in pound sterling, worth 186,739 thousand Euro, with the following characteristics:
 - maturity equal to the duration of the company;
 - early repayment option for the Company from the 8 February 2022;
 - fixed interest rate until 8 February 2022, first date of the early repayment option;
 - variable interest after 8 February 2022;
 - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
 - suitable to cover the solvency requirements of Solvency II;
- bonds for a total of 301,600 thousand Euro, with the following characteristics:
 - maturity equal to the duration of the company;
 - early repayment option for the Company starting from the tenth year of issue;
 - fixed interest rate until the first date of the early re-payment option;
 - variable interest rate after the first date of the early repayment option;
 - subordinated towards all the non-subordinated debtors, including policyholders, and to all the lower grade subordinate debtors;
 - suitable to cover the solvency requirements of Solvency II;
- bonds for 467,600 thousand Euro with the following characteristics:
 - maturity 12 December 2042;
 - early repayment option for the Company from 12 December 2022;
 - fixed interest rate until 12 December 2022, first date of the early repayment option;
 - variable interest rate after 12 December 2022, until maturity;
 - subordinated towards all the non-subordinated debtors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- bonds for 1,000,000 thousand Euro with the following characteristics:
 - maturity 4 May 2026;
 - fixed interest rate until maturity;
- subordinated towards all the non-subordinated debtors, including policyholders;
- suitable to cover the solvency margin;
- bonds for 1,250,000 thousand Euro with the following characteristics:
 - maturity 27 October 2047;
 - early repayment option for the Company from 27 October 2027;
 - fixed rate until 27 October 2027, first date of the early repayment option;
 - variable interest rate after 27 October 2027, until due date;
 - subordinated towards all the non-subordinated debtors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- bonds for 850,000 thousand Euro with the following characteristics:
 - maturity 8 June 2048;
 - early repayment option for the Company from 8 June 2028;
 - fixed interest rate until 8 June 2028, first date of the early repayment option;
 - variable interest after 8 June 2028, until due date;
 - subordinated towards all the non-subordinated debtors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- bonds for 1,499,350 thousand Euro with the following characteristics:
 - maturity equal to the duration of the company;
 - early repayment option for the Company from 21 November 2025;
 - fixed interest rate up to 21 November 2025, the earliest possible exercise date of the early repayment option;;
 - variable interest rate after 21 November 2025, until maturity;
 - subordinated to all non-subordinated creditors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- bonds for 500,000 thousand Euro with the following characteristics:
 - maturity 29 January 2029;
 - fixed interest rate until maturity;
 - subordinated to all non-subordinated creditors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- bonds for 750,000 thousand Euro with the following characteristics:
 - maturity 1st October 2030;
 - fixed interest rate until maturity;
 - subordinated to all non-subordinated creditors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II;
- bonds for 600,000 thousand Euro with the following characteristics:
 - maturity 14 July 2031;
 - fixed interest rate until maturity;
 - subordinated to all non-subordinated creditors, including policyholders;
 - suitable to cover the solvency requirements of Solvency II.

Section 10 – technical provisions – *Item C. I* for the non-life business and *C. II* for the life business

10.1 CHANGES OVER THE YEAR TO THE PROVISION FOR UNEARNED PREMIUMS – *ITEM C.I.1* – AND TO THE PROVISION FOR OUTSTANDING CLAIMS – *ITEM C.I.2* NON-LIFE BUSINESS (*ATTACHMENT 13*)

(in thousand euro)	2020	2019	Change
Provision for unearned premiums			
Provision for premium instalments	391,223	417,828	-26,605
Provision for unexpired risks	0	4	-4
Book value	391,223	417,832	-26,609
Provisions for outstanding claims			
Provision for refunds and direct expenses	1,519,606	1,549,914	-30,308
Provision for claim settlement costs	19,961	20,147	-186
IBNR provision	665,814	561,649	104,165
Book value	2,205,381	2,131,710	73,671

Provision for unearned premiums

The following table illustrates the provision for unearned premiums by line of business.

(in thousand euro)	Direct business		Indirect Business		Total
	Premium instalment	Premiums in course of collection	Premium instalment	Premiums in course of collection	
Accident	12,281	0	14,461	0	26,742
Health	16,165	0	31,489	0	47,654
Motor material damage	1,230	0	0	0	1,230
Hull transport (trains)	1,010	0	0	0	1,010
Hull aviation	62	0	265	0	327
Hull marine	702	0	3,109	0	3,811
Cargo	3,861	0	5,091	0	8,952
Fire	29,492	0	45,460	0	74,952
Property other than fire	30,768	0	44,985	0	75,753
TPL Motor	263	0	983	0	1,246
TPL Aviation	326	0	673	0	999
TPL Marine	153	0	-81	0	72
General liability	58,301	0	30,016	0	88,317
Credit	0	0	10	0	10
Suretyship	2,354	0	22,296	0	24,650
Pecuniary losses	11,273	0	24,213	0	35,486
Legal protection	2	0	0	0	2
Assistance	13	0	0	0	13
Total	168,256	0	222,970	0	391,226

The methodologies used for the evaluation of the provision for unearned premiums are indicated in the part A – Summary of significant accounting policies – of the Notes to the Accounts.

Provision for premium instalment and additional reserves

The additional reserves are calculated by applying the provisions of paragraphs 4 and 5 of Annex 15 of ISVAP regulation (now IVASS) No.22 / 2008 amended and supplemented.

In detail:

- Suretyship risks: integrations are allocated by applying different rates to premiums issued over the past five years, separately for the various classes of risk.

- Natural disaster risks: the premium reserve for each business is integrated with an additional allocation in an amount equal to the sum of 35% of premiums of the year and 70% of premiums of previous years. The obligation to make this allocation ceases when the integration has reached an amount equal to 100 times the total premiums for the year. The additional reserve is used upon occurrence of the ensured events, when the cost of claims for the financial year exceeds gross premiums recognized in the year. During the year has been allocated to this reserve an amount of 9,728 thousand in direct insurance and 2,351 thousand in indirect business.

Provision for unexpired risks

During the year it was not necessary to recognize the reserve for unexpired risks of direct business as the coverage was sufficient in all line of business as shown in the following table:

(in thousand euro)	% Loss ratio expected	Amount of claims expected	Provision for premium inst.+ inst.to be due	Excess/lack of the provision
Accident	40	591	1,485	894
Health	49	1,658	3,376	1,718
Motor material damage	94	1,157	1,230	73
Hull transport (trains)	6	62	1,010	948
Hull aviation	0	0	71	71
Hull marine	5	15	304	289
Cargo	0	1	4,006	4,005
Fire	5	1,026	22,365	21,339
Property other than fire	24	5,371	22,367	16,996
TPL Motor	13	13	98	85
TPL Aviation	0	0	56	56
TPL Marine	0	0	44	44
General liability	6	2,606	45,058	42,452
Credit	0	0	0	0
Suretyship	0	0	1,143	1,143
Pecuniary losses	11	1,251	11,059	9,808
Legal protection	0	0	2	2
Assistance	0	0	13	13
Total	12	13,751	113,687	99,936

During the year, it was not necessary to recognize the reserve for unexpired risks for the indirect business.

Provisions for outstanding claims

The methodologies adopted for the valuation of the provision for outstanding claims are indicated in part A – Summary of significant accounting policies – of the Notes to the Accounts.

The actuarial statistical methods adopted in the analytical valuation of the provisions for outstanding claims in the main lines of business can be classified into the following types:

1. Chain Ladder on paid amount (or “chain” method). In its traditional version, this method is based on the analysis of the accumulated payments, assuming that the progression of payments remains constant over time. The provisions for outstanding claims for each generation therefore depend exclusively on payments accumulated at the time of valuation and on this rule. There are also several variants in the calculation of the model parameters, known as Link Ratio/Link Ration modified for inflation methods. This method is similar to the previous one, but appropriately revised in order to take into account the effect of the growth rates of claims costs (so-called “endogenous inflation”). Therefore, the amounts paid are discounted at the time of valuation, while the future amounts are projected using an appropriate endogenous inflation rate.
2. Link Ratio on “incurred”. This method is the same as the traditional Chain Ladder method, but analyses and projects the development of the “incurred” rather than the “paid”. “Incurred” for a given generation of claims at a specific year, correspond to payments accumulated over the year and the reserve at end of year.
3. Bornhütter-Ferguson method. This method is substantially based on the Link Ratio method (on “paid” or “incurred”), but also uses

a series of loss ratios per generation, which is used as an “advance hypothesis” of the last generation cost, so that the estimated reserve is a weighted average between this “advance hypothesis” and the estimate obtained using the link ratio method. Amongst the input data, it is necessary to specify a series of factors (premiums or risk exposure) to be associated with each generation of claims.

IBNR provision

The IBNR provision for claims that have incurred but not yet been reported at year-end is determined on the basis of the experience acquired during previous years with regards to the frequency and average cost of late claims reported and the average cost of claims reported during the year. Claims exceeding a given threshold are excluded when determining average cost in order to exclude events of an exceptional nature.

The compatibility of the estimated values is also verified with elements derived from late claims received at the moment in which the provision is valued.

Provision for profit sharing and premium refunds

There are no contracts with the characteristics indicated in the paragraph 45 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented.

10.2 OTHER NON-LIFE TECHNICAL PROVISIONS – ITEM C.I.4 – BY PROVISION TYPE AND LINE OF BUSINESS

There are no contracts with the characteristics indicated in the paragraph 42 and 43 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented.

10.3 COMPULSORY AND NON-COMPULSORY EQUALISATION PROVISIONS – ITEM C.I.5

(in thousand euro)	2020
Equalisation provision::	
Accident	2
Fire	643
Pecuniary losses	7
Total	652
Compensation provision for the credit sector	0
Total equalisation provision	652

The equalisation provisions is determined according to the paragraph from 37 to 41 of the Annex 15 of the ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented.

There are no non-compulsory equalisation provisions in the financial statements.

10.4 CHANGES DURING THE YEAR TO THE MATHEMATICAL PROVISIONS – ITEM C.II.1 – AND THE PROVISION FOR PROFIT-SHARING AND PREMIUM REFUNDS – ITEM C.II.4 (ATTACHMENT 14)

(in thousand euro)	2020	2019	Variazione
Mathematical provision for pure premiums	2,862,959	4,109,475	-1,246,516
Premiums brought forward	214,806	222,909	-8,103
Provision for death risks	0	0	0
Additional provisions	79,074	48,423	30,651
Book value	3,156,839	4,380,807	-1,223,968
Provision for profit sharing and premium refunds	92,672	94,434	-1,762

The reduction in the mathematical reserve for pure premiums is affected by the physiological reduction of the technical reserves relating to the reinsurance acceptance in run off by the subsidiary Alleanza Assicurazioni S.p.A. as well as the transfer of the closed portfolio of individual annuities of the London branch

10.5 OTHER LIFE TECHNICAL PROVISIONS – ITEM C.II.5 – BY PROVISION TYPE AND LINE OF BUSINESS

Other life technical provisions, amounted to 215,719 thousand, include:

- additional provisions consequent to the adequacy checks carried out by the Company on the technical provisions relating to indirect business, pursuant to Annex 16 of Regulation no. 22 of 4 April 2008, modified and integrated. The provision concerned the reinsurance

treaty with the subsidiary Generali Personenversicherungen AG for 206,977 thousand in line of business I;

- reserve for future expenses recognized pursuant to points 9 and 17 of annexes 16 and 14 respectively, of Regulation no. 22 of 4 April 2008, modified and integrated. It refers for 4,300 thousand to the line of business I, for 826 thousand to the line of business III, for 3,615 thousand to the line of business IV and for 1 thousand to the line of business V.

Section 11 - technical provisions for policies where the investment risk is borne by the policyholders and technical provisions relating to the administration of pension funds – Item D

11.1 OVERVIEW OF PROVISIONS RELATIVE TO CONTRACTS LINKED TO INVESTMENT FUNDS OR MARKET INDEXES – ITEM D.I

(in thousand euro)	2020
Unit vision choice	180,368
Lavoro Indiretto	5,036
AG European Equity Fund	308
Lifetime income bond	0
Managed Funds	0
Other funds	44,608
Book value	230.320

11.2 OUTLINE OF PROVISIONS DERIVING FROM THE ADMINISTRATION OF PENSION FUNDS – ITEM D.II

No provisions deriving from the administration of pension funds are recognized in the financial statements.

Section 12 - Provisions for other risks and charges – Item E

12.1 CHANGES TO THE PROVISIONS FOR OTHER RISKS AND CHARGES (ATTACHMENT 15)

(in thousand euro)	Funds for retirement and similar obligations	Tax funds	Other provisions
Initial amount	0	12,239	66,385
Sums set aside for the year	0	0	51,804
Other increases	0	0	62,280
Withdrawals	0	5,000	23,629
Other decreases	0	0	0
Book value	0	7,239	156,840

At the end of the period the provision for taxes amounts to 7,239 thousand. The release of the year for 5,000 thousand mainly concerns the recent favourable evolution of a dispute with the income revenue authority with regard to taxation as a CFC.

12.2 DETAILS OF OTHER PROVISIONS – ITEM E.III

Provisions for the year, equal to 51,804 thousand, mainly refer to the provision for litigation risks (31,599 thousand). In addition to this, the allocations to the provision for future risks and charges (16,360 thousand) also contributes, mainly referable to the restructuring of the Global Health sector of the London Branch, and to the solidarity fund

(INPS Circular number 56 of 10 March 2015, 1,891 thousand).

The withdrawals mainly concern releases from the provision for future risks and charges relating to the establishment of the Luxembourg office (2,509 thousand) and to the contribution to the closed-end pension fund reserved for employees of the London office (4,022 thousand). There are also releases from the provision for disputes (7,499 thousand).

Section 13 – Payables – Item G

13.1 BOND ISSUED – ITEM G.III

Non-convertible bonds issued amounted to 2,692,000 thousand. The item includes the “Senior September 2024” loan for 1,750,000 thousand, the “Senior 2019-2024” bond for 70,000 thousand, the “Senior 2020-2025” bond for 100,000 thousand, the “Senior 2020-2040” bond Series no.2” for 386,000 thousand, the “Senior 2020-2040 Series no.3” bond for 232,000 thousand, the “Senior 2020-2035 Series no.4” bond for 154,000 thousand.

thousand and mainly refer to loans granted by Deutsche Bank and BNP Paribas in relation to the Group indirect cash pooling.

13.3 DETAILS OF GUARANTEED LOANS – ITEM G.V

No guaranteed loans are recognized in the financial statements.

13.4 BREAKDOWN OF OTHER LOANS AND OTHER FINANCIAL LIABILITIES – ITEM G.VI

The total of the item, amounting to 5,157,229 thousand, refers to loans granted by:

13.2 DETAILS OF LIABILITIES TO BANKS AND OTHER FINANCIAL INSTITUTIONS – ITEM G.IV

Liabilities to banks and other financial institutions amount to 963,688

(in thousand euro)	2020
Generali Participations Netherlands	4,017,778
Generali Versicherung Ag	543,281
Generali Vie s.a.	200,000
Generali Deutschland Holding	119,170
Cosmos Leben	185,000
AachenMünchener Leben	59,000
UMS Immobiliare Genova S.p.A.	27,000
Transocean Holding LLC	5,000
Verorgungskasse AM GD	1,000
Book value	5,157,229

13.5 CHANGES TO PROVISIONS FOR SEVERANCE PAY OVER THE YEAR – ITEM G.VII – (ATTACHMENT 15)

(in thousand euro)	2020
Initial amount	1,566
Sums set aside for the year	842
Other increases	0
Withdrawals	261
Other decreases	692
Book value	1,456

13.6 DETAILS OF OTHER CREDITORS – ITEM G.VIII.4

(in thousand euro)	2020
Sums due to Group companies for direct cash pooling	2,683,145
Sums for entries to be settled	1,362,686
Payables for invoices to be received	131,407
Sums due to subsidiaries companies for fiscal consolidation	83,966
Payables for the attribution of economic items to the competence of the year	79,153
Sums due to suppliers and professionals	65,272
Sundry payables to staff	37,256
Sums due to companies for non-insurance dealings	16,121
Sums due from Financial Administration	11,098
Others	21,398
Total	4,491,500

The item Sums for entries to be settled mainly includes the payable to Transocean Holding LLC (1,312,000 thousand) relating to the purchase of the investment in Generali Beteiligungsverwaltung GmbH.

13.7 DEFERRED REINSURANCE ITEMS – ITEM G.IX.1

Deferred reinsurance items, amounting to 5,605 thousand, include the positive technical values to be recognized in the profit and loss accounts in the following year.

The items are illustrated in detail in the following table.

(in thousand euro)	Non-Life	Life	Total
Premiums	2,102	3,503	5,605
Claims	0	0	0
Commissions	0	0	0
Profit portfolio on provisions and other technical items	0	0	0
Total	2,102	3,503	5,605

13.8 DETAILS OF MISCELLANEOUS LIABILITIES – ITEM G.IX.3

(in thousand euro)	2020
Operations on derivatives	181,458
Linkage account between Life and Non-Life	180,626
Premiums earned to be posted	17,926
Others	42,759
Total	422,769

The item "Operations on Derivatives" mainly refers to the hedging transactions covering risks deriving from exchange rates and interest rates on medium/long-term subordinated liabilities denominated in pound sterling, based on the "principle of coherent valuation" with reference to the underlying items.

Section 14 – Accrued expenses and deferred income - *Item H*

14.1 DETAILS OF ACCRUED EXPENSES AND DEFERRED INCOME

(in thousand euro)	Accrued income	Deferred charges	Total
Interests	204,891	453	205,344
Rents	401	1,423	1,824
Other accrued income and deferred charges	16,101	8,583	24,684
Total	221,393	10,459	231,852

14.2 BREAKDOWN OF THE OTHER ACCRUED EXPENSES AND DEFERRED INCOME – *ITEM H.3*

(in thousand euro)	Accrued income	Deferred charges	Total
Deferred charges for disagio on bond issues	0	0	0
Deferred charges for disagio on loans	0	0	0
Accrued income and deferred charged on derivatives	1,532	8,583	10,115
Other	14,569	0	14,569
Total	16,101	8,583	24,684

14.3 BREAKDOWN OF ACCRUED EXPENSES AND DEFERRED INCOME AND THOSE WITH A DURATION OF OVER FIVE YEARS

Deferred income that has a residual duration of over one year relates to:

- derivatives hedging changes in exchange rates, relative to loans issued in previous years, for 786 thousand;
- derivatives hedging changes in interest rates, relative to loans issued in previous years, for 5,920 thousand.

Furthermore, deferred income that has a residual duration of over five years relates to:

- derivatives hedging changes in exchange rates, relative to loans issued in previous years, for 80 thousand;
- derivatives hedging changes in interest rates, relative to loans issued in previous years, for 603 thousand.

Section 15 – Assets and liabilities relating to Group companies and other companies in which a significant interest is held

15.1 DETAILS OF THE ASSETS AND LIABILITIES RELATING TO GROUP COMPANIES AND OTHER COMPANIES IN WHICH A SIGNIFICANT INTEREST IS HELD – (ATTACHMENT 16)

(in thousand euro)	Parent companies	Subsidiaries	Affiliated	Associates	Others	Total
Assets						
Equities	0	31,342,582	0	511,126	36,329	31,890,037
Bonds	0	0	0	0	0	0
Loans	0	1,739,104	0	0	0	1,739,104
Participation in investments pools	0	0	0	0	0	0
Deposits with credit institutions	0	20,000	0	0	0	20,000
Other financial investments	0	0	0	0	0	0
Deposits with ceding companies	0	2,747,411	0	0	0	2,747,411
Investments relating to contracts linked to investment funds and market indexes	0	0	0	0	0	0
Investments relating to the administration of pension funds	0	0	0	0	0	0
Credits arising from direct insurance operations	0	5,421	0	0	0	5,421
Credits arising from reinsurance operations	0	97,819	0	1,070	0	98,889
Sundry credits	0	202,241	0	0	0	202,241
Bank and postal deposits	0	25,359	0	0	0	25,359
Other assets	0	52,506	0	0	0	52,506
Total	0	36,232,443	0	512,196	36,329	36,780,968
of which subordinated assets	0	0	0	0	0	0
Liabilities						
Subordinated liabilities	0	158,762	0	0	0	158,762
Deposits from reinsurers	0	9,683	0	0	0	9,683
Creditors arising from direct insurance operations	0	4,150	0	0	0	4,150
Creditors arising from reinsurance operations	0	163,189	0	0	0	163,189
Amounts due to banks and financial institutions	0	0	0	0	0	0
Loans guaranteed by mortgages	0	0	0	0	0	0
Other loans and financial debts	0	6,104,229	0	0	0	6,104,229
Other creditors	0	4,053,550	0	655	0	4,054,205
Sundry liabilities	0	51	0	0	0	51
Total	0	10,493,614	0	655	0	10,494,269

Section 16 – Receivables and Payables

16.1 DURATION OF RECEIVABLES AND PAYABLES

With regards to receivables in items C and E of assets, 9,173 thousand may be collected after the next financial year, of which 6,220 after five years.

Among the payables in items F and G of liabilities, the loans by group companies with a residual duration of more than 5 years are towards the following companies:

- Generali Participations Netherlands N.V. for 1,872,778 thousand;
- Generali Deutschland Holding for 95,150 thousand;
- Cosmos Leben for 110,000 thousand;
- AachenMünchener Leben for 59,000 thousand;
- Versorg. AM-GDH for 1.000 thousand.
- Generali Versicherung AG for 110,700 thousand.

In addition, the following bonds also have a residual maturity of more than 5 years:

- “Senior 2020-2040 Series no.2” for 386,000 thousand;
- “Senior 2020-2040 Series no.3” for 232,000 thousand;
- “Senior 2020-2035 Series no.4” for 154,000 thousand.

With regard to debts for loans with maturity beyond one year, the group companies concerned are:

- Generali Participations Netherlands for 1,010,000 thousand;
- Transocean Holding for 5,000 thousand;
- UMS-Immobiliare Genova S.p.A. for 27,000 thousand;
- Generali Versicherung AG for 432,581 thousand;
- Generali Deutschland Holding for 19,190 thousand;
- Cosmos Leben for 75,000 thousand.

Moreover, the following bond loans also have a residual duration of more than one year:

- “Senior 2024” for 1,750,000 thousand;
- “Senior 2019-2024” for 70,000 thousand;
- “Senior 2020-2025” for 100,000 thousand.

Section 16 bis – individual pension funds

There are no individual pension funds in this item.

Section 17 – Guarantees, commitments and other memorandum accounts

17.1 DETAILS OF GUARANTEES ISSUED/RECEIVED AND COMMITMENTS – VOCI I, II, III E IV (ATTACHMENT 17)

(in thousand euro)	2020	2019
I. Guarantees issued		
a) Guarantees and endorsements issued in the interest of parent companies, subsidiaries and affiliates	0	0
b) Guarantees and endorsements issued in the interest of associates and companies in which a significant interest is held	0	0
c) Guarantees and endorsements issued in the interest of third parties	0	0
d) Other personal guarantees issued in the interest of parent companies, subsidiaries and affiliates	1,104,717	1,186,348
e) Other personal guarantees issued in the interest of associates and companies in which a significant interest is held	0	0
f) Other personal guarantees issued in the interest of third parties	0	0
g) Real securities for bonds of parent companies, associates and affiliates	0	0
h) Real securities for bonds of associates and other companies in which a significant interest is held	0	0
i) Real securities for bonds of third parties	0	0
l) Guarantees issued for bonds of the Company	0	0
m) Assets deposited for direct reinsurance operations	149,382	152,105
Total	1,254,099	1,338,453
II. Guarantees received		
a) from Group Companies, associates and other companies in which a significant interest is held	0	0
b) from third parties	446,120	1,102,276
Total	446,120	1,102,276
III. Guarantees received in the interest of the Company		
a) from Group companies, associates and other companies in which a significant interest is held	0	0
b) from third parties	91,022	22,701
Total	91,022	22,701
IV. Commitments		
a) Commitments for purchases which must be resold	0	0
b) Commitments for sales which must be repurchased	0	0
c) Other commitments	6,466,222	3,065,130
Total	6,466,222	3,065,130
V. Assets relating to pension funds managed in the name and on behalf of third parties	0	0
VI. Securities deposited with third parties	13,817,880	13,693,152
Total	22,075,343	19,221,712

The Company has granted sureties and guarantees, primarily in the interest of subsidiaries, in the context of operations of a non-systematic nature and that did not involve a risk of insolvency inside the insurance group.

The other outstanding positions, provided from third parties in the interest of the Company, consist mainly of sureties provided to CONSAP, to government authorities and foreign insurance regulators as required for Company operations in non-European Union countries.

17.2 EVOLUTION OF GUARANTEES ISSUED

The guarantees referred to in point I.d) are issued in favor of the subsidiary Generali Life (Hong Kong) Limited for 1,104,717 thousand. In relation to financial derivatives in Cross Currency Swap with a reference value of 101,205 thousand and a fair value of 151,643 thousand, the Company has given as collateral assets for a corresponding market value of 160,205 thousand. Such collateral is not recognized in the guarantees given, as the transaction as a whole is represented in the appropriate items in the financial statements.

17.3 DETAILS OF THE ASSETS AND LIABILITIES RELATING TO PENSION FUNDS MANAGED IN THE NAME AND ON BEHALF OF THIRD PARTIES

There are no assets and liabilities attributable to pension funds managed in the name and on behalf of third parties classified in this item.

17.4 DETAILS OF SECURITIES DEPOSITED WITH THIRD PARTIES – ITEM VII

The securities owned by the Company, deposited in custody in various brokers, are recognized in the memorandum accounts at the nominal value of 13,817,880 thousand.

17.5 BREAKDOWN OF COMMITMENTS BREAKDOWN OF COMMITMENTS – ITEM IV – AND OTHER MEMORANDUM ACCOUNTS – ITEM VIII

Among the commitments, the positions of significant amount represent the notional reference value of the open transactions in the purchase and sale of derivative financial instruments, as illustrated in the table at point 17.6, and the commitments relating to the subscription of ancillary own funds of the subsidiary Generali Vie S.A. for 500,000 thousand and the commitments to provide the subsidiary Generali Personenversicherungen AG with the necessary financial means if it is unable to fulfill its technical commitments, up to a maximum of 3,850,000 thousand Swiss francs.

17.6 COMMITMENTS REGARDING DERIVATIVE TRANSACTIONS – (ATTACHMENT 18)

(in thousand euro)	2020				2019			
	Purchase		Sale		Purchase		Sale	
	Price	Fair value	Price	Fair value	Price	Fair value	Price	Fair value
Futures: on shares	0	0	0	0	0	0	0	0
on bonds	0	0	0	0	0	0	0	0
on currencies	0	0	0	0	0	0	0	0
on rates	0	0	0	0	0	0	0	0
other	0	0	0	0	0	0	0	0
Option: on shares	0	0	0	0	0	0	0	0
on bonds	0	0	0	0	0	0	0	0
on currencies	0	0	0	0	0	0	0	0
on rates	0	0	0	0	0	0	0	0
other	0	0	0	0	0	0	0	0
Swaps: on currencies	911,740	-165,959	569,987	-4,909	1,048,749	-176,670	601,751	-19,423
on rates	0	0	550,000	-59,172	0	0	613,885	-24,639
other	0	0	255,000	0	0	0	255,000	0
Other operations	0	0	0	0	0	0	0	0
Total	911,740	-165,959	1,374,987	-64,081	1,048,749	-176,670	1,470,636	-44,062

Derivatives transactions are consistent with the guidelines set by the specific resolution of the Board of Directors and in compliance with the rulings set by IVASS Regulation No. 24 dated 6 June 2016 and exclude transactions of a purely speculative nature.

Additional information about the criteria of evaluation, as well as changes in value recognized directly in the income statement, is shown in Part A – Summary of significant accounting policies.

Transactions

The most important transactions, with reference to notional values, took place in the Over the Counter (OTC) markets, offering adequate guarantees of settlement of the positions assumed. The contracts negotiated in these

markets were drawn up with counterparties having investment grade rating, enabling the carrying out of professional operations, subject to prudential vigilance with the purpose of stability, pursuant to the current regulations.

Outstanding contracts at the end of the year

The overall value of outstanding contracts at year end, in terms of the nominal value of the reference capital (notional reference value), was 2,286,726 thousand.

The following table is a breakdown of all contracts outstanding at year end, divided by purpose and contract type.

(in thousand euro)	Hedging		Efficient management		Total	
	Number	Value	Number	Value	Number	Value
Cross Currency Swap	19	1,174,821	9	306,905	28	1,481,726
Interest Rate Swap	10	550,000	0	0	10	550,000
Equity swap	0	0	0	0	0	0
Other Swap	0	0	3	255,000	3	255,000
Total	29	1,724,821	12	561,905	41	2,286,726

17.7 DISCLOSURE CONCERNING CONTINGENT LIABILITIES NOT RECORDED IN THE BALANCE SHEET OF WHICH TO IN ART. 2427, NO. 9) OF THE FIRST PARAGRAPH

The Company has identified potential additional liabilities with respect to those already taken into account for the determination of provisions for risks and charges (Section 12), for 1,409 thousand, relating to lawsuits for which the unsuccessful outcome was determined.

17.8 DISCLOSURE REGARDING TO THE AMOUNT OF THE SECURITIES HELD ON DEPOSIT WITH A CEDING COMPANY OR THIRD PARTIES WHICH REMAIN PROPERTY OF THE COMPANY ACCEPTING REINSURANCE

The amount of the securities held on deposit with a ceding company or third parties which remain property of the company accepting reinsurance, is equal to 149,382 thousand.

PROFIT AND LOSS ACCOUNT

Summary

(in thousand euro)	2020			2019	
	Non-life	Life	Total	Total	Change
Gross premiums written	1,684,248	1,518,743	3,202,991	3,666,790	-463,799
Ceded reinsurance premiums	-725,031	-419,015	-1,144,046	-1,032,552	-111,494
Income and charges from life investments	0	2,013,967	2,013,967	1,527,093	486,874
Allocated investment return transferred to/from the technical account	296,374	-1,478,413	-1,182,039	-872,171	-309,868
Income and charges from class D	0	29,189	29,189	37,533	-8,344
Charges relating to claims	-690,587	-1,601,393	-2,291,980	-2,560,200	268,220
Change in unearned premiums, mathematical and other provisions	32,069	552,381	584,450	168,098	416,352
Profit-sharing and premium refunds	-358	-45,035	-45,393	-61,528	16,135
Operating expenses	-214,988	-175,908	-390,896	-527,711	136,815
Other technical income and charges	-11,921	-4,093	-16,014	-2,269	-13,745
Result of technical account	369,806	390,423	760,229	343,083	417,146
Income and charges from non-life investments	2,064,603	0	2,064,603	1,244,565	820,038
Investments profit transferred from/to the non-technical account	-296,374	1,478,413	1,182,039	872,171	309,868
Other income	227,602	31,424	259,026	240,848	18,178
Other charges	-1,102,544	-438,135	-1,540,679	-1,622,376	81,698
Results from ordinary operations	1,263,094	1,462,125	2,725,218	1,078,291	1,646,928
Extraordinary income	41,047	5,583	46,630	184,798	-138,169
Extraordinary charges	-33,558	-6,238	-39,796	-16,246	-23,550
Result before taxation	1,270,583	1,461,470	2,732,052	1,246,843	1,485,209
Income taxes for the year	162,407	75,459	237,866	267,785	-29,919
Result for the year	1,432,990	1,536,928	2,969,918	1,514,628	1,455,290

Section 18 – Information on the non-life business technical account (/)

18.1 PREMIUMS WRITTEN

(in thousand euro)	Direct business	Reinsurance	Total
Non-life	482,061	1,202,187	1,684,248
Life	179,324	1,339,419	1,518,743
Total	661,385	2,541,606	3,202,991

18.2 SUMMARY OF THE NON-LIFE BUSINESS TECHNICAL ACCOUNT – ITALIAN AND FOREIGN BUSINESS – (ATTACHMENT 19)

(in thousand euro)	Gross premiums written	Gross premiums for the year	Gross cost of claims	Operating costs	(*) Reinsurers' share
Direct insurance:					
Accident and Health	59,193	61,815	42,232	12,135	-3,787
Motor TPL	345	306	-1,030	27	-1
Material damage	1,665	3,645	3,175	20	-68
Hull marine	15,373	14,490	14,810	3,627	-1,694
Fire and property other than fire	70,036	60,221	28,975	8,516	-6,735
General liability	113,010	114,165	79,992	18,769	-31,965
Credit and suretyship	1,118	1,532	23	226	-428
Pecuniary losses	26,914	23,099	12,377	3,857	-7,746
Legal protection	7	11	89	0	101
Assistance	32	98	9	4	-66
Total direct insurance	287,693	279,383	180,652	47,181	-52,389
Reinsurance	249,530	236,524	276,123	42,564	-28,843
Total Italian portfolio	537,223	515,907	456,775	89,745	-81,231
Foreign portfolio	1,147,025	1,171,258	757,853	218,669	-8,339
Grand total	1,684,248	1,687,165	1,214,628	308,414	-89,570

(*) The reinsurers' share is the technical balance of cessions and retrocessions.

18.3 STATEMENT CONCERNING THE TRANSFER OF THE ALLOCATED INVESTMENT RETURN FROM THE NON-TECHNICAL ACCOUNT AND INDICATION OF THE BASE APPLIED FOR THE CALCULATION – ITEM I.2

The net investment return assumed for the determination of the quota to be transferred to the non-life technical account arises from the amounts, recognized in the non-technical account, of investment returns and related financial charges.

The percentage to be allocated to the technical account – in compliance with ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented– is calculated by applying to the net investment return, the ratio resulting between the average of (current and prior year) technical provisions, net of reinsurance and this same average added

to the average (current and prior year) of the shareholders' funds plus subordinated liabilities.

In 2020 the ratio has been 14.355% and, applied to the investment profit of 2,064,603 thousand, the sum allocated to the technical account has been 296,374 thousand (172,360 thousand in 2019).

The division into single portfolios and lines of business of the allocated investment return to the technical account was also carried out based on the above- mentioned ISVAP (now IVASS) ruling.

18.4 OTHER TECHNICAL INCOME NET OF REINSURANCE – ITEM 1.3

(in thousand euro)	2020
Reversal of commissions relating to devalued or cancelled premiums of previous years	31
Other technical income	686
Total of other technical income	717

18.5 NET PROVISION FOR OUTSTANDING CLAIMS DEVELOPMENT RESULT

The difference between the amount of the provision for outstanding claims recorded at the beginning of the year and the payment for claims accrued in previous years, as well as the amount of the relevant provision at the end of the year, produced a loss of 17,143 thousand, corresponding to the 7.9% of the provision for outstanding claims.

18.6 PREMIUM REFUNDS AND PROFIT-SHARING – ITEM 1.6

(in thousand euro)	2020
Premium refunds	358
Change in profit-sharing	0
Total	358

18.7 REINSURANCE COMMISSIONS AND PROFIT-SHARING – ITEM 1.7.F

(in thousand euro)	2020
Commissions	93,299
Profit-sharing	128
Total	93,427

18.8 ALOTHER TECHNICAL CHARGES NET OF REINSURANCE – ITEM 1.8

(in thousand euro)	2020
Cancellation of issued premiums of previous years	470
Devaluation for uncollectable sums due towards policyholders for premiums	309
Other technical charges	11,858
Total of other technical charges	12,637

The item "other technical charges" mainly consists of reversed commissions related to canceled reinsurance premiums.

18.9 EQUALISATION PROVISIONS – ITEM I.9

(in thousand euro)	2020	2019	Change
Equalisation provision:			
Accident	2	2	0
Cargo	0	0	0
Fire	643	555	88
Pecuniary losses	7	7	0
Total	652	564	88
Compensation provision for the credit sector	0	0	0
Total equalisation provisions	652	564	88

Section 19 – Information on the life business technical account (II)**19.1 SUMMARY OF THE LIFE BUSINESS: PREMIUMS AND REINSURERS' SHARE – (ATTACHMENT 20)**

(in thousand euro)	Direct business	Reinsurance	Total
Gross premiums:	179,324	1,339,419	1,518,743
a) 1. for individual policies	33,214	218,907	252,121
2. for group policies	146,110	1,120,512	1,266,622
b) 1. regular premiums	179,263	1,339,358	1,518,621
2. single premiums	61	61	122
c) 1. for non-profit-sharing contracts	146,776	1,329,416	1,476,192
2. for profit-sharing contracts	0	0	0
3. for contracts in which the investment risk is borne by policyholders and for contracts linked to pension funds	32,548	10,003	42,551
Reinsurers' share (*)	45,138	-37,989	7,149

(*) The reinsurers' share is the technical balance of cessions and retrocessions.

19.2 DETAILS OF INVESTMENT INCOME – ITEM II.2 (ATTACHMENT 21 – LIFE)

(in thousand euro)	2020
from equities:	
Dividends and other income from equities of Group companies	1,893,155
Dividends and other income from equities of other companies	219
Total	1,893,374
Income from land and buildings	0
Income from other investments:	
Income from bonds of Group companies and companies in which a significant share is held	0
Interest on loans to Group companies and companies in which a significant share is held	28,427
Income from units of common investment funds	0
Income from bonds and other fixed-interest securities	32,376
Interest on loans	129
Income from participation in investment pools	0
Interest on deposits with credit institutions	221
Income from various financial investments	0
Interest on deposits with ceding companies	107,807
Total	168,960
Reversal value adjustments on investments relating to:	
Land and buildings	0
Equities of Group companies and companies in which a significant share is held	0
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	99
Other bonds	885
Other financial investments	0
Total	984
Gains on the realisation of investments:	
Gains from sale of land and buildings	0
Gains from equities of Group companies and companies in which a significant share is held	0
Gains from bonds issued by Group companies and companies in which a significant share is held	0
Gains from other equities	0
Gains from other bonds	1,500
Gains from other financial investments	0
Total	1,500
Grand total	2,064,818

19.3 DETAILS OF INCOME AND UNREALIZED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENTS RELATING TO THE ADMINISTRATION OF PENSION FUNDS – ITEM II.3 (ATTACHMENT 22)

(in thousand euro)	2020
Income from:	
Land and buildings	0
Investments in Group companies and companies in which a significant share is held	1,312
Income from units of common investment funds	0
Other financial investments	870
- of which, income from bonds	15
Other assets	4
Total	2,186
Gains from the realisation of investments	
Gains from sale of land and buildings	0
Gains from investments in Group comp. and comp. in which a significant share is held	0
Income from units of common investment funds	2,333
Gains from other financial investments	26
- of which, from bonds	0
Other income	0
Total	2,359
Unrealised gains	39,875
Grand total	44,420

19.4 OTHER TECHNICAL INCOME NET OF REINSURANCE – ITEM II.4

(in thousand euro)	2020
Reversal of commissions relating to devalued or cancelled premiums of previous years	68
Other technical income	5,434
Total of other technical income	5,502

The item "Other technical income" consists, in particular, of commissions collected from the internal funds of the Dubai Branch.

19.5 OUTSTANDING PAYMENTS PROVISION DEVELOPMENT RESULT

The difference between the amount of the reserve for outstanding claims existing at the beginning of the year and the amounts paid to the beneficiaries of the contracts during the period for claims incurred in previous years and the amount of the reserves at year-end is not significant.

19.6 PREMIUM REFUNDS AND PROFIT-SHARING – ITEM II.7

(in thousand euro)	2020
Premium refunds	160
Change in profit-sharing	44,875
Total	45,035

The item Change in profit-sharing regards in particular payments, net of reinsurance, of the Luxembourg branch to multinational customers.

19.7 REINSURANCE COMMISSIONS AND PROFIT-SHARING – ITEM II.8.F

(in thousand euro)	2020
Commissions	67,004
Profit-sharing	9,845
Total	76,849

The amounts mainly relate to the reinsurance relationships of the Luxembourg branch with the captives of multinational customers.

19.8 DETAILS OF INVESTMENT CHARGES – ITEM II.9 (ATTACHMENT 23 – LIFE)

(in thousand euro)	2020
Investments operating charges and other charges:	
Charges relating to equities	0
Charges relating to investments in land and buildings	0
Charges relating to bonds	4,023
Charges relating to units of common investment funds	0
Charges relating to shares in investment pools	0
Charges relating to other financial investments	1,408
Interest on deposits with reinsurers	8,710
Total	14,141
Value adjustments on investments relating to:	
Land and buildings	0
Equities in Group companies and companies in which a significant share is held	26,438
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	1,740
Other bonds	908
Other financial investments	5,651
Total	34,737
Losses on the realisation of investments:	
Losses from sale of land and buildings	0
Losses from equities	14
Losses from bonds	194
Losses from other financial investments	1,764
Total	1,972
Grand total	50,850

19.9 DETAILS OF FINANCIAL CHARGES AND UNREALISED LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENTS RELATING TO THE ADMINISTRATION OF PENSION FUNDS – ITEM II.10 (ATTACHMENT 24)

(in thousand euro)	2020
Charges relating to:	
Land and buildings	0
Investments in Group companies and companies in which a significant share is held	0
Units of common investment funds	0
Other financial investments	13
Other assets	3
Total	16
Losses on the realisation of investments	
Losses from sale of land and buildings	0
Losses from investments in Group companies and companies in which a significant share is held	0
Losses from units of common investment funds	1,687
Losses from other financial investments	58
Other charges	0
Total	1,745
Unrealised losses	13,470
Grand total	15,231

19.10 OTHER TECHNICAL CHARGES NET OF REINSURANCE – ITEM II.11

(in thousand euro)	2020
Cancellation of issued premiums of previous years	462
Other technical charges	9,132
Total of other technical charges	9,594

19.11 STATEMENT CONCERNING THE TRANSFER OF THE ALLOCATED INVESTMENT RETURN TO THE NON – TECHNICAL ACCOUNT AND INDICATION OF THE BASE APPLIED FOR THE CALCULATION

– ITEM II.12

The investment return assumed for the determination of the quota to be transferred to the non-technical account arises from the amounts, registered in the technical account, of the investment profits and related financial charges. Profits and unrealised gains as well as charges and unrealised losses deriving from investments relating to item D (held for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds) are excluded. These items, therefore, continue to be accounted for in the technical account.

The quota to be allocated to the non-technical account – in compliance with ISVAP (now IVASS) Regulation No. 22/2008 amended and supplemented – is calculated by applying, to the investment return, the ratio resulting between:

- the average of (current and prior year) Shareholders' funds;

- the average of (current and prior year) Shareholders' funds plus the average of (current and prior year) technical provisions, net of reinsurance.

If the investment return that remains allocated to the life technical account is lower than the investment profits contractually acknowledged with the policyholders during the year, the quota to be transferred to the non-technical account must be similarly reduced in the proportion of this lower value, and may even be cancelled if necessary.

For the 2020 financial statements, on the basis of the calculation methods explained in the previous paragraph, the quota to be applied to the total income for the year, equal to 2,013,967 thousand, has been 73.408%, and involved an allocation to the non-technical account of 1,478,413 thousand (1,044,531 thousand in 2019).

The division into single portfolios and lines of business of the investment return quota relative to the technical account has been calculated on the basis of their origin.

Section 20 – Development of technical items by line of business

20.1 NON-LIFE INSURANCE

20.1.1. Summary of technical accounts by line of business – Italian portfolio – (attachment 25)

(in thousand euro)	Isvap Class 01	Isvap Class 02	Isvap Class 03	Isvap Class 04	Isvap Class 05	Isvap Class 06
	Accident	Health	Motor material damage	Hull transport (trains)	Hull aviation	Hull marine
Gross direct business						
(+) Premiums written	3,942	55,251	1,665	1,121	185	1,419
(–) Change in unearned premium provision	–226	–2,396	–1,980	279	–8	119
(–) Charges relating to claims	1,774	40,458	3,175	–98	324	512
(–) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	–8	–315	0	0	–23	–24
(–) Operating expenses	229	11,906	20	104	189	382
Technical balance of direct business	2,157	4,968	450	836	–343	382
Result of ceded reinsurance	–15	–3,772	–68	88	–34	–13
Net result of reinsurance	10,783	–24,444	3,101	2	–2,586	8,168
(–) Change in equalisation provision	0	0	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	9,292	9,462	1,113	168	294	1,347
Technical result	22,217	–13,786	4,596	1,094	–2,669	9,884

(in thousand euro)	Isvap	Isvap	Isvap	Isvap	Isvap	Isvap
	Class 07	Class 08	Class 09	Class 10	Class 11	Class 12
	Cargo	Fire	Property other than fire	Motor TPL	Aviation TPL	Marine TPL
Gross direct business						
(+) Premiums written	11,724	36,157	33,879	345	545	379
(-) Change in unearned premium provision	650	4,882	4,933	38	-111	-46
(-) Charges relating to claims	8,676	9,973	19,002	-1,030	5,069	327
(-) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	0	-289	-35	-4	-6	0
(-) Operating expenses	2,684	4,214	4,302	27	192	76
Technical balance of direct business	-286	16,799	5,607	1,306	-4,611	22
Result of ceded reinsurance	-3,173	-6,250	-485	0	1,517	-79
Net result of reinsurance	4,883	-5,428	-3,468	-3,670	-6,429	-1,917
(-) Change in equalisation provision	0	88	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	3,204	14,619	9,565	1,252	1,141	99
Technical result	4,628	19,652	11,219	-1,112	-8,382	-1,875

(in thousand euro)	Isvap	Isvap	Isvap	Isvap	Isvap	Isvap
	Class 13	Class 14	Class 15	Class 16	Class 17	Class 18
	General liability	Credit	Suretyship	Pecuniary losses	Legal protection	Assistance
Gross direct business						
(+) Premiums written	113,010	0	1,118	26,914	7	32
(-) Change in unearned premium provision	-1,155	0	-414	3,815	-4	-66
(-) Charges relating to claims	79,992	17	6	12,377	89	9
(-) Change in other technical provisions	0	0	0	0	0	0
(+) Balance of other technical items	-221	0	0	-44	0	-76
(-) Operating expenses	18,769	0	226	3,857	0	4
Technical balance of direct business	15,183	-17	1,300	6,821	-78	9
Result of ceded reinsurance	-31,965	0	-428	-7,746	101	-66
Net result of reinsurance	-85,156	-169	-5,600	1,030	-106	0
(-) Change in equalisation provision	0	0	0	0	0	0
(+) Positive share of investments allocated from the non-technical account	55,874	57	2,003	4,681	130	3
Technical result	-46,064	-129	-2,725	4,786	47	-54

Whenever possible, costs have been charged to each specific line of business from the outset; common expenses are shared proportionally

according to parameters (gross premiums, number of policies managed, commissions and claims paid) suitable for the different types of costs.

20.1.2. Summary of non-life business technical accounts – Italian portfolio – (attachment 26)

(in thousand euro)	Direct insurance		Reinsurance		Risks retained
	Direct risks	Ceded risks	Direct risks	Retroc. risks	
(+) Premiums written	287,693	114,089	249,530	238,927	184,207
(–) Change in unearned premium provision	8,310	4,891	13,006	35,029	–18,604
(–) Charges relating to claims	180,652	52,144	276,123	142,087	262,544
(–) Change in other technical provisions	0	0	0	0	0
(+) Balance of other technical items	–1,045	257	0	2,933	–4,236
(–) Operating expenses	47,181	4,923	42,564	35,900	48,922
Technical balance	50,505	52,388	–82,163	28,844	–112,890
(–) Change in equalisation provisions					88
(+) Positive share of investments allocated from the non-technical account	70,978		43,325		114,303
Technical result	121,483	52,388	–38,838	28,844	1,325

20.2 LIFE INSURANCE

20.2.1. Summary of technical accounts by line of business – Italian portfolio – (attachment 27)

(in thousand euro)	Isvap Class I	Isvap Class III	Isvap Class IV	Isvap Class V	Isvap Class VI
	Life	Investment funds	Health	Capitalisation	Pension funds
Gross direct business					
(+) Premiums written	74,586	28	50,044	51	0
(–) Charges relating to claims	109,087	5,956	33,811	5,292	0
(–) Change in mathematical and other provisions	–437	441	2,205	–486	0
(+) Balance of other technical items	–9,099	1	0	0	0
(–) Operating expenses	4,834	91	4,411	0	0
(+) Investment profit net of the quota allocated to the non-technical account	21,820	–43	5,668	14,500	0
Technical balance	–26,177	–6,502	15,285	9,745	0
Result of ceded reinsurance	44,673	6,182	–1,952	0	0
Net result of reinsurance	448,298	20	40	0	0
Technical result	466,794	–300	13,373	9,745	0

For the attribution of the expenses to the Isvap Classes please refer to point 20.1.1.

20.2.2. Summary of life technical accounts – Italian portfolio – (attachment 28)

(in thousand euro)	Direct insurance		Reinsurance		Risks retained
	Direct risks	Ceded risks	Direct risks	Retroc. risks	
(+) Premiums written	124,709	42,479	145,637	1,563	226,304
(–) Charges relating to claims	154,146	76,324	750,666	0	828,488
(–) Change in mathematical and other provisions	1,723	8,938	–785,350	148	–792,713
(+) Balance of other technical items	–9,098	0	–21	0	–9,119
(–) Operating expenses	9,336	6,120	15,426	526	18,116
(+) Investment profit net of the quota allocated to the non-technical account	41,945		284,373		326,318
Technical result	–7,649	–48,903	449,247	889	489,612

20.3 NON - LIFE AND LIFE INSURANCE

20.3.1. Summary of non-life and life technical accounts – foreign portfolio – (attachment 29)

(in thousand euro)	Non-life	Life
Gross direct business		
(+) Premiums written	194,367	54,616
(–) Change in non-life unearned premium provision	–12,191	
(–) Charges relating to claims	146,742	64,676
(–) Change in mathematical and other provisions in life branches		15,427
(–) Change in other technical provisions in non-life branches	0	
(+) Balance of other technical items	480	4,504
(–) Operating expenses	39,442	8,929
(+) Investment profit of the life branch net of the quota allocated to the non-technical account		64,152
Technical balance of direct business	20,854	34,240
Result of ceded reinsurance	–17,685	–2,417
Net result of reinsurance	183,244	–131,014
(–) Change in equalisation provisions for non-life branches	0	
(+) Quota of profits transferred from the non-technical account of the non-life branches	182,070	
Technical result	368,483	–99,191

Section 21 – Information on the non – technical account (III)

21.1 – DETAILS OF INVESTMENT INCOME – ITEM III.3 (ATTACHMENT 21 – NON-LIFE)

(in thousand euro)	2020
from equities:	
Dividends and other income from equities of Group companies	2,091,446
Dividends and other income from equities of other companies	472
Total	2,091,918
Income from land and buildings	3,685
Income from other investments:	
Income from bonds of Group companies and companies in which a significant share is held	0
Interest on loans to Group companies and companies in which a significant share is held	47,395
Income from units of common investment funds	872
Income from bonds and other fixed-interest securities	10,262
Interest on loans	6
Income from participation in investment pools	0
Interest on deposits with credit institutions	1,897
Income from various financial investments	0
Interest on deposits with ceding companies	208
Total	60,640
Reversal value adjustments on investments relating to:	
Land and buildings	1,326
Equities of Group companies and companies in which a significant share is held	7
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	27
Other bonds	145
Other financial investments	23,992
Total	25,497
Gains on the realisation of investments:	
Gains from sale of land and buildings	0
Gains from equities of Group companies and companies in which a significant share is held	0
Gains from bonds issued by Group companies and companies in which a significant share is held	0
Gains from other equities	1,135
Gains from other bonds	2,052
Gains from other financial investments	12,127
Total	15,314
Grand total	2,197,054

21.2 – DETAILS OF INVESTMENT CHARGES – ITEM III.5 (ATTACHMENT 23 – NON-LIFE)

(in thousand euro)	2020
Investments operating charges and other charges:	
Charges relating to equities	77
Charges relating to investments in land and buildings	1,811
Charges relating to bonds	2,861
Charges relating to units of common investment funds	0
Charges relating to shares in investment pools	0
Charges relating to other financial investments	528
Interest on deposits with reinsurers	22
Total	5,299
Value adjustments on investments relating to:	
Land and buildings	4,167
Equities in Group companies and companies in which a significant share is held	49,892
Bonds issued by Group companies and companies in which a significant share is held	0
Other equities	109
Other bonds	814
Other financial investments	65,536
Total	120,518
Losses on the realisation of investments:	
Losses from sale of land and buildings	0
Losses from equities	1,208
Losses from bonds	417
Losses from other financial investments	5,009
Total	6,634
Grand total	132,451

21.3 – DETAILS OF OTHER INCOME – ITEM III.7

(in thousand euro)	2020
Profit on exchange rates	104,699
Royalties for Generali's brand usage	63,214
Administration charges recovered from third parties	37,797
Withdrawal from provisions for future charges	14,469
Withdrawal from other provisions	12,499
Commissions on guarantees provided to Group companies	6,116
Active interests on reinsurance operations	4,351
Interests on credits	3,039
Other	12,843
Total of other income	259,026

21.4 – DETAILS OF OTHER CHARGES – ITEM III.8

(in thousand euro)	2020
Steering and coordination expenses	459,779
Interests paid on subordinated liabilities	410,313
Losses on exchange rates	193,604
Interests paid on bonds issued	109,993
Repurchase of subordinated securities and related fees	95,873
Interests paid on other loans	71,850
Sums allocated to provisions	51,804
Administrative charges on behalf of third parties	37,454
Initiatives Conid 19	29,976
Other charges	25,663
Depreciation quota of intangible assets	14,262
Sums due t nondeductible vat	13,207
Interests and financial expenses	11,893
Interests paid on other loans	9,110
Sums due to quarrels	5,898
Total of other charges	1,540,679

21.5 – DETAILS OF EXTRAORDINARY INCOME – ITEM III.10

(in thousand euro)	2020
Adjustements on pre-paid and deferred taxation	36,546
Gains contingent	9,198
Others	886
Total of extraordinary income	46,629

21.6 – DETAILS OF EXTRAORDINARY CHARGES – ITEM III.11

(in thousand euro)	2020
Previous years taxes	21,805
Contingent liabilities	12,172
Early retirement incentives	5,551
Other	268
Total of extraordinary charges	39,796

21.7 – DETAILS OF INCOME TAXES – ITEM III.14

(in thousand euro)	2019
Current taxes	-246,630
Change in pre-paid taxation	8,958
Change in deferred taxation	-194
Income tax for the year	-237,866

The company complies, as a Parent Company, with the Corporate tax treatment, regulated by Title II, Chapter II, Section II of the TUIR (Art. 117-129). The number of subsidiaries that exercised the option with the Parent Company equal to 22, unchanged compared to the previous year.

With reference to the significant terms and conditions of the agreements that regulate the relationship between the consolidating company and the consolidated companies, it should be noted that each consolidated company, in cases where it contributes to the formation of the total global income with its taxable income, must provide to the consolidating company an amount equal to the relative tax due; on the other hand, in case the consolidated company contributes to the formation of the consolidated total global income with a tax loss, an amount equal to the financial benefit due to the Parent Company on payment of the Group tax will be granted.

By accepting the Corporate tax treatment, the company benefited from the immediate offsetting of the tax loss of the tax period, thus recording an income in current taxes. The company also took over, as consolidating

company, the positions of the consolidated companies for the taxable income for the period, net of the offset of all the current and previous fiscal losses, recognizing a debt towards the Tax Authorities of 208,402 thousand and a concomitant credit for the same amount towards the companies themselves.

Income taxes for the year show a positive balance of 237,866 thousand (267,785 in the previous year), due to the following components:

- income for accrual IRES for 257,787 thousand (312,840 thousand in the previous year). The decrease in income is attributable to the significant increase in pre-tax profit and the reduction in capital gains on equity investments, partially offset by the positive trend of exempt dividends;
- expense for accrual IRAP for 2,014 thousand (6,544 thousand in the previous year) ;
- foreign tax charges of 6,698 thousand (20,452 thousand in the previous year);
- taxes due in Italy on the income of some foreign subsidiaries for 11,209 thousand (18,059 thousand in the previous year);

Hereinafter the reconciliation between the theoretical tax rate and effective tax rate:

IRES ordinary rate	24.00%
Effect of permanent differences (increases and decreases) compared to the ordinary rate	
Permanent differences in increase:	
capital losses on non-deductible participations	0.55%
interests due	0.24%
other differences	0.56%
Permanent differences in decrease:	
excluded dividends	-29.98%
capital gains on exempt participations or subject to substitute tax	-4.06%
other differences	-0.60%
Total permanent differences	-33.29%
Other changes compared to the ordinary rate (rate changed from 27.5% to 24%)	0.00%
Actual tax rate IRES	-9.29%
	0
Income tax of foreign subsidiaries and associates and other taxes paid abroad	0.51%
Accrual IRAP of the period	0.07%
	0
Total tax rate	-8.71%

Pre-paid and deferred taxation

Pre-paid and deferred taxation relate to items that combine to constitute the taxable profit in a fiscal period other than that in which they are recognized in the income statement.

The movements of pre-paid and deferred taxes have been determined

using the IRES rate of 24%; these refer to the items that contribute to forming the taxable profit in a fiscal period different from that in which they are recognized in the income statement.

The breakdown of the main items and changes during the year is provided in the tables below; all amounts are recognized in the income statement.

Pre-paid taxation

(in thousand euro)	Initial balance		Changes over the year		Final balance	
	Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes
Assets for pre-paid taxes - IRES	0	0	0	0	0	0
Evaluation of securities	29,742	7,138	200	48	29,942	7,186
Depreciation (mainly goodwill)	30,638	7,353	30,991	7,438	61,629	14,791
Devaluations of credits due by policyholders	518,722	124,493	-71,548	-17,171	447,174	107,322
Other sums set aside and not deductible in the year	32,634	7,832	-11,774	-2,826	20,860	5,006
Change of provisions	81,453	19,549	7,370	1,769	88,823	21,318
Multi-annual commissions	0	0	0	0	0	0
Multi-annual commissions	73,680	18,351	15,813	3,933	89,493	22,284
Fiscal losses	0	0	0	0	0	0
Sundry	0	0	0	0	0	0
Sundry	13,454	2,996	-905	-158	12,549	2,838
Total	780,323	187,712	-29,853	-6,967	750,470	180,745
Assets for pre-paid taxes - IRAP	0	0	0	0	0	0
Depreciation (mainly goodwill)	27,703	980	-27,703	-980	0	0
Devaluations of credits due by policyholders	8,208	291	-8,208	-291	0	0
Sundry	20,344	720	-20,344	-720	0	0
Total	56,255	1,991	-56,255	-1,991	0	0
Total early taxation	836,578	189,703	-86,108	-8,958	750,470	180,745

Deferred taxation

(in thousand euro)	Initial balance		Changes over the year		Final balance	
	Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes
Liabilities for deferred taxes - IRES	0	0	0	0		
Real estate	2,840	568	-34	-7	2,806	561
Securities valuation	6,178	1,483	-752	-181	5,426	1,302
Loans payable from the merger of Generali Finance	144,312	34,635	0	0	144,312	34,635
Sundry	345	82	-27	-6	318	76
Total	153,675	36,768	-813	-194	152,862	36,574
Liabilities for deferred taxes - IRAP	0	0	0	0	0	0
Total	0	0	0	0	0	0
Total deferred taxation	153,675	36,768	-813	-194	152,862	36,574

Section 22 – Other information on the profit and loss account

22.1 OUTLINE OF RELATIONS WITH GROUP COMPANIES AND OTHER COMPANIES IN WHICH A SHAREHOLDING IS HELD – (ATTACHMENT 30)

(in thousand euro)	Parent company	Subsidiaries	Affiliates	Associated	Other	Total
INCOME						
Investment income:						
Income from land and buildings	0	483	0	0	0	483
Dividends and other income from equities	0	3,978,625	0	5,680	296	3,984,601
Income from bonds	0	0	0	0	0	0
Interest on loans	0	75,821	0	0	0	75,821
Income from other financial investments	0	10	0	0	0	10
Interest on deposits with ceding companies	0	83,164	0	0	0	83,164
Total	0	4,138,103	0	5,680	296	4,144,079
Unrealised income and gains on investments for the benefit of policyholders	0	1,312	0	0	0	1,312
Other income:						
Interest on amounts due	0	5,841	0	0	0	5,841
Recoveries of administration expenses and charges	0	36,380	0	0	0	36,380
Other income and recoveries	0	56,757	0	0	0	56,757
Total	0	98,978	0	0	0	98,978
Gains on the realisation of investments	0	0	0	0	0	0
Extraordinary income	0	5	0	0	957	962
Grand total	0	4,238,398	0	5,680	1,253	4,245,331
CHARGES						
Charges on investments administration and paid interest:						
Investments charges	0	647	0	0	0	647
Interest on subordinated liabilities	0	20,461	0	0	0	20,461
Interest on deposits from reinsurers	0	0	0	0	0	0
Interest on debts from direct insurance transactions	0	0	0	0	0	0
Interest on debts from reinsurance transactions	0	8,841	0	0	0	8,841
Interest on sums due to banks and financial institutions	0	0	0	0	0	0
Interest on guaranteed loans	0	0	0	0	0	0
Interest on other debts	0	71,819	0	0	0	71,819
Losses on credits	0	0	0	0	0	0
Administration charges and expenses for third parties	0	36,516	0	0	0	36,516
Other charges	0	56,409	0	0	0	56,409
Total	0	194,693	0	0	0	194,693
Unrealised charges and losses on investments for the benefit of policyholders	0	0	0	0	0	0
Losses on the realisation of investments	0	0	0	0	0	0
Extraordinary charges	0	15	0	0	0	15
Grand total	0	194,708	0	0	0	194,708

22.2 SUMMARY OF DIRECT BUSINESS PREMIUMS WRITTEN – (ATTACHMENT 31)

(in thousand euro)	Non-life		Life		Total	
	Branch	F.O.S.	Branch	F.O.S.	Branch	F.O.S.
Premiums written						
in Italy	37,575	585	7,358	0	44,933	585
in other EU Countries	208,486	41,048	117,351	0	325,837	41,048
in third Countries	194,367	0	54,616	0	248,983	0
Total	440,428	41,633	179,325	0	619,753	41,633

22.3 PRPERSONNEL EXPENSES AND DIRECTOR AND AUDITOR FEES – (ATTACHMENT 32)

(in thousand euro)		Non-life	Life	Total
I. Staff expenses				
Expenses related to employees:				
Italian portfolio:	Wages	183,173	8,120	191,293
	Social contributions	49,978	2,395	52,373
	Sums allocated to the provision for retirement	9,670	292	9,962
	Other employee costs	10,661	73	10,734
	Total	253,482	10,880	264,362
Foreign portfolio:	Wages	18,720	19,426	38,146
	Social contributions	3,213	3,077	6,290
	Other employee costs	1,272	1,837	3,109
	Total	23,205	24,340	47,545
Total		276,687	35,220	311,907
Costs of non-subordinate workforce:				
Italian portfolio		6,953	165	7,118
Foreign portfolio		875	12	887
Total		7,828	177	8,005
Total cost of workforce		284,515	35,397	319,912
II. Details of items entered				
Charges deriving from investments management		63	11	74
Charges relating to claims		3,917	715	4,632
Other acquisition costs		14,958	1,651	16,609
Other administration costs		35,237	28,031	63,268
Administrative charges and expenses on behalf of third parties		230,341	4,989	235,330
Holding costs		0	0	0
Total		284,516	35,397	319,913

	Number	Payment received (in thousand euro)
III. Average staff during the year		
Managers	294	
Employees	1,462	
Salaried employees	0	
Others	0	
Total	1,756	
IV. Directors and auditors		
Directors	13	4,238
Auditors	3	418

The amounts relating to the remuneration of directors and statutory auditors differ from those reported in the Remuneration Report, which concern remuneration pursuant to art. 78 of CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments, as they do not take into account, among other things, profit sharing.

22.4 TRANSFER OF SECURITIES FROM THE DURABLE TO THE NON-DURABLE CLASSIFICATION AND VICE VERSA OR SALE OF DURABLE SECURITIES

During the year, the Company has transferred securities from the non-durable to the durable portfolio for 1,827 thousand with positive economic impact of 3 thousand. No transfers from the durable to the non-durable portfolio have been made.

The early disposals of securities classified in the durable portfolio generated a net profits of 399 thousand, mainly generated by the sale of fixed income securities for 366 thousand, of mutual investment funds quotas for 71 thousand net of realized losses on shares sale for 8 thousand.

These operations have been carried out in accordance with the guidelines and limits contained in the framework resolution on investments adopted by the board of directors, as required by IVASS regulation No. 24.

22.5 RESULTS FROM DERIVATIVE OPERATIONS

Hedging operations regarding assets and liabilities, and the other operations provided by the investment Policy adopted by the Board of Directors pursuant IVASS Regulation No. 24 dated 6 June 2016, as already specified in the Notes to the Accounts, have determined a total net loss of 1,410 thousand relating to the realized economic components. For the life business, the net result is negative for 9,814 thousand (losses of 17,186 thousand in financial management and gain of 7,327 in other income). For the non-life business, the net result is positive by 8,404 thousand (losses of 1,366 thousand in financial management and gain of 9,770 thousand in other income). A breakdown of the results of the various categories of derivative instruments by transaction concluded during the year and outstanding transactions at year end is provided below:

	Open positions	Closed position	Total
Swap	-4,801	-72	-4,873
Options	0	3,463	3,463
Future	0	0	0
Equity Forward/Bond Forward	0	0	0
Rights/Warrant	0	0	0
Total	-4,801	3,391	-1,410

The negative results, related to the open positions in swaps mainly for hedging purposes, have been determined by the exchange of periodic flows; those related to the closed positions have been determined by the closing of interest rate and foreign exchange swaps.

The positive results on options have been determined by abandonment operations.

Emoluments in compliance with Article 78 of CONSOB Ruling No. 11971 dated 14 May 1999, as modified by CONSOB resolution No. 18049 dated 23 December 2011.

The information provided by the regulation in force, regarding Stock Options granted and the emoluments due to the Board of Directors and the Board of Auditors, to General Managers and Managers with strategic responsibilities of any type also including those of subsidiary companies, are indicated in the remuneration Report.

Furthermore, according to the above-mentioned CONSOB Ruling par. 1 bis Art. 78, as modified by CONSOB resolution No. 18049 dated 23 December 2011, no transactions have been carried out by the Company in order to favour the purchase and the subscription of shares pursuant to Art. 2358, Par. 3 of the Civil Code.

PART C – OTHER INFORMATION

1. SHAREHOLDERS' FUNDS UPDATED BASED ON THE PROFIT DISTRIBUTION PROPOSAL

(in thousand euro)	Non-life	Life	Total
Subscribed share capital	474,321	1,106,748	1,581,069
Share premiums reserve	1,070,475	2,497,775	3,568,250
Revaluation reserves	1,084,006	926,828	2,010,835
Legal reserve	94,864	221,350	316,214
Negative reserves for own shares	76,178	0	76,178
Other reserves	4,680,479	2,795,349	7,475,828
Total	7,327,967	7,548,050	14,876,017

Pursuant to art. 2427, c. 22-septies of Civil Code the proposed allocation of the profit of the year, for 2,969,918 thousands is as follow:

- for 1,003 thousands to Legal Reserve;
- for 1,590,712 thousands to dividend;
- for 1,378,203 to extraordinary reserve.

Furthermore, in addition to the dividend distribution related to the profit for the year, an additional amount of 724,482 euro is distributed as a dividend, in relation to the undistributed profits for the year ended 31 December 2019, corresponding to 0.46 euro per share, through withdrawal from the extraordinary reserve.

The increase of Legal reserve is necessary in accordance with Art. 2430 of the Italian Civil Code against the expected share capital increase of 5,017 thousand for the assignment of an equal number of shares to Group management, in accordance with the Long Term Incentive Plan 2018“(LTI Plan 2018).

2. CAPITAL ASSIGNED

The Company has not allocated assets exclusively to a specific transaction, pursuant to Art. 2447 bis of the Civil Code.

3. DIRECTION AND COORDINATION

No natural or legal person, directly and / or indirectly, individually or jointly, holds a number of shares such as to allow the same to have a controlling

interest in the Company. The latter is not subject to the management and coordination of any Italian or foreign entity or company.

INFORMATION ON PUBLIC DISBURSMENTS

The information provided by the regulation in force, regarding Stock Options granted and the emoluments due to the Board of Directors and the Board of Auditors, to General Managers and Managers with strategic responsibilities of any type also including those of subsidiary companies, are indicated in the remuneration Report. Furthermore, according to the above-mentioned CONSOB. Ruling par. 1 bis Art. 78, as modified by CONSOB resolution No. 18049 dated 23 December 2011, no transactions have been carried out by the Company in order to favour the purchase and the subscription of shares pursuant to Art. 2358, Par. 3 of the Civil Code.

DISCLOSURE ABOUT CORONAVIRUS

With reference to the evolution of the pandemic situation, the Company will continue to monitor the overall situation of Covid-19 in order to assess the potential impacts in the business segments and in the different geographical areas in which it operates, continuing to implement all possible measures to risk mitigation. In the *Challenges and opportunities of the market context* section, *Pandemics and extreme events* part at page 23, we described the related risks and opportunities and how they are managed by the Group. With reference to the possible further impacts of Covid-19, please refer to what is indicated in the chapter relating to the foreseeable evolution of management.

6. INFORMATION ACCORDING TO THE CONSOB CIRCULAR NO. 6064293 DATED 28 JULY 2006

A) TRANSACTIONS WITH RELATED PARTIES

With respects to transactions with related parties, it should be noted that the main transactions, carried out at market prices or at cost, have regarded insurance, reinsurance and co-insurance transactions, asset management (securities portfolios and real estate), leasing, loans and guarantees, administrative services, IT services, secondment of employees and claims settlement.

The above-mentioned services aim at ensuring the rationalization of operational functions, an economically efficient management, an adequate level of the services obtained and the use of synergies within the Group.

The remuneration due and the shares held by members of the Board of Directors, Board of Auditors, General Managers and Managers with strategic responsibility, are shown, according to Consob regulation, in the "Remuneration Report".

The results of transactions with related parties, classified in accordance with IAS 24, pursuant to the Consob circular dated 28 July 2006, are detailed in the following table.

(in thousand euro)	Classification of related parties is based on IAS 24					Impact on financial statements
	Parent company	Subsidiaries	Joint ventures	Other	Total	
Assets						
Investments	35,850,368	511,126	0	15,965	36,377,459	82.70
Receivables and other assets	426,777	1,070	2,555	488	430,890	17.77
Total assets	36,277,145	512,196	2,555	16,453	36,808,349	79.31
Liabilities						
Financial liabilities	6,262,991	0	0	0	6,262,991	37.71
Technical provisions	3,973,979	4,183	1,664	0	3,979,826	62.12
Other debts and liabilities	4,296,793	655	1,076	-759	4,297,765	21.04
Total liabilities	14,533,763	4,838	2,740	-759	14,540,582	33.47
Incomes and charges						
From transactions with ceding companies	257,319	14,455	2,337	0	274,111	1.024.60
Net incomes from investments(1)	4,003,128	-13,963	2	264	3,989,431	99.74
Other incomes and charges	-95,060	0	0	0	-95,060	7.42
Straordinary incomes and charges	-10	0	71	957	1,018	14.90

(1) The interests on deposits with ceding companies are included in the item "Incomes and charges from transactions with ceding companies", not in the "Net income from investments"

Transactions with the Group companies are part of the usual activities of management of investments and management and coordination, management of the capital structure and Group reinsurance and are subject to the specific control discipline by the Supervisory Authority (IVASS). No atypical transactions have been carried out with respect to the normal business of the company.

As part of the shareholdings management activities, the principal balances can be found on the balance sheet among the investments and on the side of the income statement under net income from investments, mainly with regard to dividends received. Dividends received from Group companies totaled 3,984,601 thousand.

With regard to the management of the capital structure and liquidity, the main balances can be found between:

- receivables and payables and other income and charges with regard to the centralized liquidity management: the direct pooling agreements allowed the deposit, as of 31 December 2020, in

Assicurazioni Generali SpA of 2,683,145 thousand. The main counterparties are: Generali Beteiligungs GmbH for 850,000 thousand, Generali Italia S.p.A. for 600,697 thousand, Lion River I NV for 225,578 thousand, Generali Participations Netherlands NV for 208,157 thousand, Generali France SA for 200,097 thousand, Generali España, S.A. de Seguros y Reaseguros for 161,157 thousand, Alleanza Assicurazioni for 100,015 thousand, Generali Investments Partners S.p.A. Asset Management Company for 69,001 thousand, Generali Insurance Asset Management S.p.A. Asset Management Company for 62,999 thousand, Generali Investments Holding S.p.A. for 57,001 thousand, Genertellife S.p.A. for 50,014 thousand, Generali Global Private Equity for 42,275 thousand, Generali CEE Holding B.V. for 25,101 thousand and Generali Real Estate S.p.A. for 21,504 thousand. On the other hand, the Company has a credit position of 14,895 thousand, mainly towards Europ Assistance Holding S.A. for 9,945 thousand. The related interest expense amount to 1,767 thousand, whereas the interest income amount to 28 thousand;

- financial investments and liabilities, net investment income and other charges in relation to the management of loans received and granted: at 31 December 2020, the Company has outstanding loans to the following Group companies: Generali Italia S.p.A. for 1,187,500, Generali Personenversicherungen AG for 455,460 thousand, Redoze Holding N.V. for 39,000 thousand, Europ Assistance Holding S.A. for 24,519 thousand, Calm Eagle Portugal, Sociedad Unipersonal, Lda. for 15,000 thousand, Europ Assistance North America, Inc. for 10,625 thousand and Generali Vitality GmbH for 7,000 thousand. On the liabilities side, there are loans from group companies to the following counterparties: Generali Participations Netherlands NV for 4,017,778 thousand, Generali Versicherung AG for 543,281 thousand, Generali Vie S.A. for 200,000 thousand, Generali Deutschland AG for 119,170 thousand, Cosmos Lebensversicherungs Aktiengesellschaft for 185,000 thousand, AachenMünchener Lebensversicherung AG for 59,000 thousand, UMS Immobiliare Genova S.p.A. for 27,000 thousand, Transocean Holding Corporation for 5,000 thousand, and Verorgungskasse AM GD for 1 thousand. Interest income was recorded for 75,821 thousand, mainly relating to Generali Italia S.p.A. (62,440 thousand) and Generali Personenversicherungen AG (11,735 thousand) and interest expense of 71,850 thousand, mainly relating to Generali Participations Netherlands NV (57,476 thousand);
- bond loans and related expenses. At 31 December 2020, the Company has bonds outstanding with Group companies for 948,000 thousand and mainly with Generali Italia S.p.A. for 556,000 thousand, Alleanza Assicurazioni for 232,000 thousand and Genertellife S.p.A. for 158,000 thousand. The related charges amounted to 13,164 thousand;
- the commitments, in relation to the subscription of ancillary own funds of the subsidiary Generali Vie S.A.. In particular, these commitments are divided into:
 - i) an "Equity commitment letter" with which the Company has committed to subscribe for at market value, directly or indirectly, capital of the subsidiary for up to 250 million euros;
 - ii) a "Commitment Letter to pay and subscribe for a full T2 item" with

which the Company is instead committed to subscribe, directly or indirectly, bonds Tier 2 of the subsidiary at market value for up to 250 million euros;

- the commitments of the company to provide the subsidiary Generali Personenversicherungen AG with the necessary financial means if it is unable to fulfill its technical commitments, up to a maximum of 3,850,000 thousand Swiss francs;
- investments, relating to the capital increases carried out, described in section 2.2.1. of this note.

With regard to the Group's reinsurance business, the main items affected are those relating to technical provisions, receivables and payables linked to reinsurance transactions and technical items in the income statement which determine the income and charges relating to reinsurance transactions.

The expenses deriving from the payments to pension funds of the Company's employees and managers amount to 9,939 thousand.

During the year the income deriving from the remuneration of the use of the trademark by companies belonging to the Group, recorded under other income, amounted to 63,214 thousand.

With reference to the other related parties, the most significant relationship is in place with the Fin. Priv. Srl for 14,352 thousand.

With regard to Art. 18 of the Procedures on transactions with related parties approved by the Board of Directors in 2020, it should be noted that, beyond the aforementioned operations (i), no transactions of major significance have been completed in the period of reference (ii) no Transactions with related parties that have had a significant impact on the financial position or results of the Group have been completed (iii) there are no changes or developments of the Transactions described in the previous annual report that have had a significant effect on the situation balance sheet or results of the Company.

B) EVENTS AND SIGNIFICANT OPERATIONS NOT RECURRING

Non-recurring events or significant operations have not been made during 2020, compared to what already previously described.

C) POSITIONS OR TRANSACTIONS DERIVING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

No atypical and/or unusual operations have been made.

7. INFORMATION ACCORDING TO THE CONSOB RESOLUTION NO. 15915 DATED 3 MAY 2007

Pursuant to the above-mentioned resolution, sums due for services rendered during the year by Ernst & Young S.p.A., are indicated in the following table.

(in thousand euro)	2020	
	E&Y Italy	E&Y network
Parent Company		
Audit	1,460	334
Other certificate Services	5,040	18
Other Services	6,855	0
Total	13,355	352
Parent Company subsidiaries		
Audit	3,479	17,385
Other certificate Services	3,300	5,177
Other Services	345	1,714
Total	7,124	24,276
Gran total	20,479	24,629

CASH FLOW STATEMENT

Company Assicurazioni Generali S.p.A.

Subscribed capital euro 1,576,052,047 Paid up euro 1,576,052,047

Registered Trieste

CASH FLOW STATEMENT

Year 2020

(Amount in thousand euro)

	2020	2019
A. Cash flows from operating activities		
Result for the year	2,969,918	1,514,628
Interest paid for the year	592,155	704,066
Income taxes	-237,866	-267,785
Dividends	-3,985,291	-2,547,655
Adjustments arising from financing and investing activities	86,919	-115,714
	-----	-----
1. Profit (loss) of the year before taxation, interests, dividends and capital gains/losses deriving from cession	-574,165	-712,460
<i>Increases (+) / Decreases (-) of non cash-items</i>		
Change in technical reserves	-531,263	232,173
Changes in provisions	24,729	-56,832
Change in depreciation and amortization	21,341	14,284
Adjustments/Reversal to equity investments	128,773	98,085
Other adjustments for non monetary items	-35,312	41,367
	-----	-----
2. Cash flow before changes of the net current assets	-965,898	-383,382
<i>Changes in working capital</i>		
Decreases (+) / (increases (-) in receivables	661,979	137,558
Decreases (+) / increases (-) in payables	229,537	69,964
Decreases (+) / (increases (-) in prepaids and accrued income	6,714	30,611
Decreases (+) / increases (-) in accrual and deferred income	-60,753	-98,733
Decreases (+) / (increases (-) in other assets	-30,095	-34,373
Decreases (+) / increases (-) in other liabilities	35,488	-95,571
	-----	-----
3. Cash flow after changes of the net current assets	-123,028	-373,966
<i>Other adjustments</i>		
Interest paid	-566,937	-655,300
Income taxes	510,770	110,579
Dividends collected	3,985,291	2,547,655
	-----	-----
Net cash flow from operating activities	A. 3,806,097	1,628,968
B. Cash flows from investing activities		
<i>Liquidity used for (-) / generated by (+) investing activities</i>		
Real estate	-3,159	3,794
Equity investments	-1,104,420	-29,161
Stocks	3,375	463
Bonds	-373,181	-135,894
Loans	-103,554	1,493,897
Deposits with banks	-52,129	-881
Investments and pension funds	23,168	11,542
Other investments	-1,222,297	-2,208,196
Transfer of business	-3,159	0
	-----	-----
1. Cash flows from investing activities	-2,832,197	-864,436

	2020	2019
<i>Liquidity used for (-) / generated by (+) other items</i>		
Intangible assets	-19,550	-14,631
Acquisition of furniture and transport vehicles	-2,282	8,368
2. Cash flows from other items	-21,832	-6,263
Cash flows from other items (1. + 2.)	B. -2,854,028	-870,699
C. Cash flows from financing activities		
<i>Loan capitals</i>		
Increases (+) / (decreases) (-) in subordinated liabilities	-96,753	-512,088
Increases (+) / (decreases) (-) in bonds	-441,885	6,155
Increases (+) / (decreases) (-) in payables to banks and financial institutions	-52,376	14,998
Increases (+) / (decreases) (-) in net payables for central treasury activity	188,806	751,104
Increases (+) / (decreases) (-) in collateralised loans	0	0
Increases (+) / (decreases) (-) in other loans and financial payables	81,890	95,180
1. Cash flows from loan capitals	-320,138	355,309
<i>Equity</i>		
Increase in capital and paid capital reserves	0	0
Use of capital reserves to pay dividends	0	0
Dividends paid to shareholders based on profits of the previous years	-783,069	-1,411,332
2. Cash flows from equity	783,069	-1,411,332
Net Cash flows from financing activities (1. + 2.)	C. -1,103,386	-1,056,023
Total Cash flows for the year	A. + B. + C. -151,318	-297,756

Change in liquidity		
Liquidity at the end of previous year	467,385	757,532
Adjustment to current year exchange rates	-14,679	7,789
1. Liquidity at year-start	452,706	765,141
2. Liquidity at year-end	301,388	467,385
Change in the liquidity for the year	-1. + 2. -151,318	-297,756

APPENDICES TO THE NOTES

Company **Assicurazioni Generali S.p.A.**

Subscribed capital euro **1,576,052,047** Paid up **1,576,052,047**

Registered **Trieste**

Attachments to the Notes to the Accounts

Year **2020**

(Amounts in thousand euro)

N.		Non Life *	Life *	Total *
1	Balance sheet - Non life business	1		
2	Balance sheet - Life business		1	
3	Breakdown of non-life and life result			1
4	Assets - changes in intangibles assets (item B) land and changes in land and buildings (Item C.I)			1
5	Assets - changes during the year of investments in Group companies and other companies where a significant interest is held: equities (item C.II.1), Bonds (item C.II.2) and loans (item C.II.3)			1
6	Assets -Breakdown of information on companies in which a significant interest is held			1
7	Assets - Details of investments in Group companies and other companies where a significant interest is held: equities			1
8	Assets - Breakdown on the basis of the utilisation of other financial investments: equities and common investment funds, debt securities and other fixed-income securities, participation in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)			1
9	Assets - changes for the year of other durable financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-income securities, participation in investment pools e other financial investments (items C.III.1, 2, 3, 5, 7)			1
10	Assets - changes for the year regarding loans and deposits with credit institutions (items C.III.4, 6)			1
11	Assets - detail of operations relating to contracts linked to investment funds and market index (item D.I)		6	
12	Assets arising out of the management of pension funds (item D.II)		0	
13	Liabilities - changes for the year of the components of the provision for unearned premiums (item C.I.1) and those of the provision for claims outstanding (item C.I.2) of non-life lines of business	1		
14	Liabilities - changes in the components of the mathematical provision for the year (item C.II.1) and in the components of the provision for profit sharing and premium refunds (item C.II.4)		1	
15	Liabilities -Change for the year in the provisions in the funds for risks and charges (item E) and change in the severance pay provisions (item G.VII)			1
16	Details of assets and liabilities referring to Group comp. and other companies in which a significant interest is held			1
17	Details of "guarantees, commitments and other memorandum accounts"			1
18	Breakdown of commitments regarding derivative transactions			1
19	Details of the non life business technical account	1		
20	Summary of life business: premiums and reinsurers' share.		1	
21	Income from investments (items II.2 e III.3)			1
22	Income and unrealised gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds (item II.3)		1	
23	Details of investment charges (items II.9 e III.5)			1
24	Expenses and unrealised losses relating to investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds (item II.10)		1	
25	Non-life business - summarised layout of technical account by branch - -Italian portfolio	1		
26	Summarised layout of technical accounts of non-life business - Italian portfolio	1		
27	Life business - summarised layout of technical account by branch - -Italian portfolio		1	
28	Summarised layout of technical accounts of life business - Italian portfolio		1	
29	Summarised layout of technical accounts of non-life and life business - Foreign portfolio			1
30	Relationships with Group companies and companies where a significant interest is held			1
31	Summary of direct business premiums written			1
32	Personnel expenses, directors and auditors fees			1

* Indicate the number of attachments actually filled in. Indicate 0 if the attachment, even if due, has not been filled in because all items are null. Indicate n.d. when the company is not obliged to fill in the attachment.

Notes on the accounts - Attachment 1

Company Assicurazioni Generali S.p.A.

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

Current year

A.	SUBSCRIBED CAPITAL UNPAID					1	0
	of which called-up capital	2	0				
B.	INTANGIBLE ASSETS						
	1. Acquisition commissions to be amortised	4	0				
	2. Other acquisition costs	6	0				
	3. Formation and development expenses	7	0				
	4. Goodwill	8	0				
	5. Other intangible assets	9	30,298			10	30,298
C.	INVESTMENTS						
I	- Land and Buildings						
	1. Property used for own activities	11	513				
	2. Property used by third parties	12	87,975				
	3. Other properties	13	0				
	4. Other realty rights	14	0				
	5. Assets in progress and payments on account	15	2,622	16	91,110		
II	- Investments in affiliated companies and other shareholdings						
	1. Interests in:						
	a) parent companies	17	0				
	b) affiliated companies	18	17,574,924				
	c) affiliates of parent companies	19	0				
	d) associated companies	20	511,126				
	e) other	21	15,974	22	18,102,024		
	2. Debt securities issued by:						
	a) parent companies	23	0				
	b) affiliated companies	24	0				
	c) affiliates of parent companies	25	0				
	d) associated companies	26	0				
	e) other	27	0	28	0		
	3. Loans to:						
	a) parent companies	29	0				
	b) affiliated companies	30	1,058,604				
	c) affiliates of parent companies	31	0				
	d) associated companies	32	0				
	e) other	33	0	34	1,058,604	35	19,160,628
					carried forward		30,298

Year 2020

Previous year

			181	0	
	182	0			
	184	0			
	186	0			
	187	0			
	188	0			
	189	29,357	190	29,357	
	191	548			
	192	91,678			
	193	0			
	194	0			
	195	2,388	196	94,614	
197	0				
198	16,832,724				
199	0				
200	214,046				
201	16,374	202	17,063,144		
203	0				
204	0				
205	0				
206	0				
207	0	208	0		
209	0				
210	958,258				
211	0				
212	0				
213	0	214	958,258	215	18,021,402
	carried forward				29,357

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

		brought forward		Current year			
				30,298			
C.	INVESTMENTS (follows)						
III	- Other financial investments						
	1. Equities						
	a) quoted shares	36	7,242				
	b) unquoted shares	37	9,210				
	c) other interests	38	823				
			39	17,275			
	2. Shares in common investment funds		40	1,742,909			
	3. Debt securities and other fixed-income securities						
	a) quoted	41	698,221				
	b) unquoted	42	630				
	c) convertible bonds	43	0	44	698,851		
	4. Loans						
	a) mortgage loans	45	0				
	b) loans on policies	46	0				
	c) other loans	47	217	48	217		
	5. Participation in investment pools		49	0			
	6. Deposits with credit institutions		50	174,194			
	7. Other		51	0	52	2,633,446	
IV	- Deposits with ceding companies			53	167,698	54	22,052,882
D bis.	REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS						
	I - NON-LIFE INSURANCE BUSINESS						
	1. Provision for unearned premiums		58	140,624			
	2. Provision for claims outstanding		59	655,368			
	3. Provision for profit sharing and premium refunds		60	0			
	4. Other technical provisions		61	0	62	795,992	
				carried forward	22,879,172		

				Previous year	
		brought forward		29,357	
216	10,712				
217	8,693				
218	823	219	20,228		
		220	990,453		
221	517,858				
222	774				
223	0	224	518,632		
225	0				
226	0				
227	320	228	320		
		229	0		
		230	111,022		
		231	441	232	1,641,096
				233	224,589
				234	19,981,701
		238	107,739		
		239	501,371		
		240	0		
		241	0	242	609,110
		carried forward		20,620,168	

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

Current year

		brought forward		Current year	
				22,879,172	
E.	DEBTORS				
I	- Debtors arising out of direct insurance operations				
	1. Policyholders				
	a) for premiums - current year	71	103,607		
	b) for premiums - previous years	72	83,657		
		73	187,264		
	2. Insurance intermediaries	74	16,717		
	3. Current accounts with insurance companies	75	432		
	4. Policyholders and third parties for recoveries	76	8,534	77	212,947
II	- Debtors arising out of reinsurance operations				
	1. Reinsurance companies	78	291,749		
	2. Reinsurance intermediaries	79	15,956	80	307,705
III	- Other debtors			81	672,716
				82	1,193,368
F.	OTHER ASSETS				
I	- Tangible assets and stocks				
	1. Furniture, office equipment, internal transport vehicles	83	1,363		
	2. Vehicles listed in public registers	84	918		
	3. Equipment and appliances	85	0		
	4. Stocks and other goods	86	447	87	2,728
II	- Tangible assets and stocks				
	1. Bank and postal deposits	88	231,599		
	2. Cheques and cash in hand	89	64	90	231,663
IV	- Other				
	1. Deferred reinsurance items	92	1,397		
	2. Miscellaneous assets	93	127,741	94	129,138
	of which Account linking to life business	901	0	95	363,529
G.	PREPAYMENTS AND ACCRUED INCOME				
	1. Interests			96	30,353
	2. Rents			97	514
	3. Other prepayments and accrued income			98	47,659
				99	78,526
TOTAL ASSETS				100	24,514,595

				Previous year	
	brought forward				20,620,168
251	124,704				
252	70,839	253	195,543		
		254	17,685		
		255	1,283		
		256	4,364	257	218,875
		258	275,778		
		259	7,120	260	282,898
				261	924,935
				262	1,426,708
		263	1,195		
		264	1,067		
		265	0		
		266	447	267	2,709
		268	280,827		
		269	62	270	280,889
		272	3,297		
		273	92,807	274	96,104
		903	0	275	379,702
				276	30,795
				277	487
				278	43,934
				279	75,216
				280	22,501,794

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

Current year

A. SHAREHOLDERS' FUNDS			
I	- Subscribed capital or equivalent funds	101	472,816
II	- Share premium account	102	1,070,475
III	- Revaluation reserve	103	1,084,006
IV	- Legal reserve	104	94,563
V	- Statutory reserve	105	0
VI	- Reserve for parent company shares	400	0
VII	- Other reserve	107	4,028,263
VIII	- Profit or loss brought forward	108	0
IX	- Profit or loss for the financial year	109	1,432,989
X	- Negative reserve for own shares held	401	76,178
		110	8,106,934
B. SUBORDINATED LIABILITIES			111
			3,708,618
C. TECHNICAL PROVISIONS			
I	- NON-LIFE INSURANCE BUSINESS		
	1. Provision for unearned premiums	112	391,223
	2. Provision for claims outstanding	113	2,205,381
	3. Provision for profit sharing and premium refunds	114	0
	4. Other provisions	115	0
	5. Equalisation provision	116	652
	carried forward		117
			2,597,256
			14,412,808

		Previous year	
		281	470,932
		282	1,070,475
		283	1,084,006
		284	94,176
		285	0
		500	0
		287	3,649,471
		288	0
		289	656,174
		501	3,040
		290	7,022,194
		291	3,647,352
292	417,832		
293	2,131,710		
294	0		
295	0		
296	564	297	2,550,106
	carried forward		13,219,652

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

				Current year	
		brought forward		14,412,808	
E.	PROVISIONS FOR OTHER RISKS AND CHARGES				
1.	Provision for pensions and similar obligations	128	0		
2.	Provisions for taxation	129	7,239		
3.	Other provisions	130	150,019	131	157,258
F.	DEPOSITS RECEIVED FROM REINSURERS			132	17,221
G.	CREDITORS				
I	- Creditors arising out of direct insurance operations				
1.	Insurance intermediaries	133	14,861		
2.	Current accounts with insurance companies	134	4,701		
3.	Premium deposits and premiums due to policyholders	135	18,999		
4.	Guarantee funds in favour of policyholders	136	0	137	38,561
II	- Creditors arising out of reinsurance operations				
1.	Reinsurance companies	138	181,198		
2.	Reinsurance intermediaries	139	34,735	140	215,933
III	- Debenture loans			141	456,000
IV	- Amounts owed to credit institutions			142	963,770
V	- Loans guaranteed by mortgages			143	0
VI	- Other financial liabilities			144	3,254,281
VII	- Provisions for severance pay			145	793
VIII	- Other creditors				
1.	Premium taxes	146	6,636		
2.	Other tax liabilities	147	13,259		
3.	Social security	148	268		
4.	Sundry creditors	149	4,446,176	150	4,466,339
IX	- Other liabilities				
1.	Deferred reinsurance items	151	2,102		
2.	Commissions for premiums in course of collection	152	11,909		
3.	Miscellaneous liabilities	153	407,169	154	421,180
	of which Account linking to life business	902	180,626	155	9,816,857
			carried forward		24,404,144

		Previous year	
b			13,219,652
-			
		308	0
		309	12,239
		310	55,133
			311 67,372
			312 20,318
	313	14,408	
	314	4,100	
	315	16,019	
	316	0	317 34,527
	318	138,709	
	319	52,826	320 191,535
			321 1,320,000
			322 999,367
			323 0
			324 3,226,581
			325 903
	326	3,895	
	327	21,204	
	328	332	
	329	2,902,113	330 2,927,544
	331	1,722	
	332	17,089	
	333	328,840	334 347,651
	904	163,822	335 9,048,108
	carried forward		22,355,450

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

				Current year
brought forward				24,404,144
H.	ACCRUALS AND DEFERRED INCOME			
	1. Interests	156	84,521	
	2. Rents	157	1,705	
	3. Other accruals and deferred income	158	24,225	159 110,451
	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS			160 24,514,595

		Previous year
brought forward		22,355,450
	336 110,392	
	337 1,728	
	338 34,224	339 146,344
		340 22,501,794

Notes on the accounts - Attachment 2

Company Assicurazioni Generali S.p.A.

BALANCE SHEET - LIFE BUSINESS

ASSETS

Current year

A. SUBSCRIBED CAPITAL UNPAID			1	0
of which called-up capital	2	0		
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	3	0		
2. Other acquisition costs	6	0		
3. Formation and development expenses	7	0		
4. Goodwill	8	0		
5. Other intangible assets	9	5,995	10	5,995
C. INVESTMENTS				
I - Land and Buildings				
	11	0		
1. Property used for own activities	12	0		
2. Property used by third parties	13	0		
3. Other properties	14	0		
4. Other realty rights	15	0	16	0
II - Investments in affiliated companies and other shareholdings				
1. Interests in:				
a) parent companies	17	0		
b) affiliated companies	18	13,767,658		
c) affiliates of parent companies	19	0		
d) associated companies	20	0		
e) other	21	20,355	22	13,788,013
2. Debt securities issued by:				
a) parent companies	23	0		
b) affiliated companies	24	0		
c) affiliates of parent companies	25	0		
d) associated companies	26	0		
e) other	27	0	28	0
3. Loans to:				
a) parent companies	29	0		
b) affiliated companies	30	680,500		
c) affiliates of parent companies	31	0		
d) associated companies	32	0		
e) other	33	0	34	680,500
			35	14,468,513
		carried forward		5,995

		Previous year	
	brought forward		3,606
216	7,963		
217	2,104		
218	7,085	219	17,152
		220	2,142,934
221	842,629		
222	45,164		
223	0	224	887,793
225	0		
226	362		
227	0	228	362
		229	0
		230	34,975
		231	0
		232	3,083,216
		233	4,228,789
		234	20,493,128
		235	228,576
		236	0
		237	228,576
		243	790,777
		244	26,853
		245	346,336
		246	1,471
		247	3,680
		248	41,476
	carried forward	249	1,210,593
			21,935,903

BALANCE SHEET - LIFE BUSINESS

ASSETS

		brought forward		Current year	
				22,526,324	
E. DEBTORS					
I - Debtors arising out of direct insurance operations					
1. Policyholders					
a) for premiums - current year	71	24,483			
b) for premiums - previous years	72	1,079	73	25,562	
2. Insurance intermediaries					
			74	4	
3. Current accounts with insurance companies					
			75	824	
4. Policyholders and third parties for recoveries					
			76	0	77 26,390
II - Debtors arising out of reinsurance operations					
1. Reinsurance companies					
			78	290,223	
2. Reinsurance intermediaries					
			79	274	80 290,497
III - Other debtors					
				81 126,491	82 443,378
F. OTHER ASSETS					
I - Tangible assets and stocks					
1. Furniture, office equipment, internal transport vehicles					
			83	6	
2. Vehicles listed in public registers					
			84	55	
3. Equipment and appliances					
			85	0	
4. Stocks and other goods					
			86	0	87 61
II - Tangible assets and stocks					
1. Bank and postal deposits					
			88	69,693	
2. Cheques and cash in hand					
			89	33	90 69,726
IV - Other					
1. Deferred reinsurance items					
			92	1,569	
2. Miscellaneous assets					
			93	181,060	94 182,629
of which Account linking to non-life business			901	180,626	95 252,416
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interests					
				96 20,042	
2. Rents					
				97 15	
3. Other prepayments and accrued income					
				98 37,825	99 57,882
TOTAL ASSETS					100 23,280,000

				Previous year	
	brought forward				21,935,903
251	19,796				
252	1,085	253	20,881		
		254	1		
		255	824		
		256	0	257	21,706
		258	321,639		
		259	299	260	321,938
				261	215,423
				262	559,067
		263	10		
		264	56		
		265	0		
		266	0	267	66
		268	186,481		
		269	16	270	186,497
		272	1,864		
		273	167,518	274	169,382
		903	163,822	275	355,945
				276	19,459
				277	16
				278	49,562
				279	69,037
				280	22,919,952

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

Current year

A. SHAREHOLDERS' FUNDS			
I	- Subscribed capital or equivalent funds	101	1,103,236
II	- Share premium account	102	2,497,775
III	- Revaluation reserve	103	926,828
IV	- Legal reserve	104	220,647
V	- Statutory reserve	105	0
VI	- Reserve for parent company shares	400	0
VII	- Other reserve	107	2,798,861
VIII	- Profit or loss brought forward	108	0
IX	- Profit or loss for the financial year	109	1,536,929
VI	- Negative reserve for own shares held	401	0
		110	9,084,276
B. SUBORDINATED LIABILITIES			111 4,087,689
C. TECHNICAL PROVISIONS			
II - LIFE INSURANCE BUSINESS			
1.	Mathematical provision	118	3,156,839
2.	Unearned premium provision for supplementary coverage	119	57,313
3.	Provision for claims outstanding	120	1,447,187
4.	Provision for profit sharing and premium refunds	121	92,672
5.	Other provisions	122	215,719
		123	4,969,730
D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS			
I	- Provisions relating to contracts linked to investments funds and market index	125	230,320
II	- Provisions relating to the administration of pension funds	126	0
		127	230,320
	carried forward		18,372,015

		Previous year	
		281	1,098,841
		282	2,497,775
		283	926,828
		284	219,744
		285	0
		500	0
		287	2,455,067
		288	0
		289	858,453
		501	0
		290	8,056,708
		291	4,187,136
298	4,380,807		
299	55,769		
300	1,329,319		
301	94,434		
302	231,278	303	6,091,607
		305	266,411
		306	0
		307	266,411
	carried forward		18,601,862

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

				Current year	
		brought forward			
				18,372,015	
E. PROVISIONS FOR OTHER RISKS AND CHARGES					
1.	Provision for pensions and similar obligations			128	0
2.	Provisions for taxation			129	0
3.	Other provisions			130	6,821
				131	6,821
F. DEPOSITS RECEIVED FROM REINSURERS					
				132	489,168
G. CREDITORS					
I - Creditors arising out of direct insurance operations					
1.	Insurance intermediaries	133	9		
2.	Current accounts with insurance companies	134	2,772		
3.	Premium deposits and premiums due to policyholders	135	3,001		
4.	Guarantee funds in favour of policyholders	136	0	137	5,782
II - Creditors arising out of reinsurance operations					
1.	Reinsurance companies	138	64,865		
2.	Reinsurance intermediaries	139	0	140	64,865
III - Debenture loans					
				141	2,236,000
IV - Amounts owed to credit institutions					
				142	14
V - Loans guaranteed by mortgages					
				143	0
VI - Other financial liabilities					
				144	1,902,948
VII - Provisions for severance pay					
				145	662
VIII - Other creditors					
1.	Premium taxes	146	548		
2.	Other tax liabilities	147	13,220		
3.	Social security	148	1,194		
4.	Sundry creditors	149	45,326	150	60,288
IX - Other liabilities					
1.	Deferred reinsurance items	151	3,503		
2.	Commissions for premiums in course of collection	152	932		
3.	Miscellaneous liabilities	153	15,601	154	20,036
	of which Account linking to non-life business	902	0	155	4,290,595
				carried forward	
				23,158,599	

		Previous year	
	brought forward		18,601,862
		308	0
		309	0
		310	11,252
		311	11,252
		312	478,213
	313	9	
	314	2,815	
	315	5,802	
	316	0	317
		8,626	
	318	97,897	
	319	0	320
		97,897	
		321	1,813,885
		322	17,695
		323	0
		324	1,648,758
		325	663
	326	577	
	327	37,564	
	328	1,111	
	329	36,273	330
		75,525	
	331	3,611	
	332	1,127	
	333	39,127	334
		43,865	335
	904	0	3,706,914
	carried forward		22,798,241

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' FUNDS

		Current year	
	brought forward		23,158,599
H. ACCRUALS AND DEFERRED INCOME			
1. Interests		156 120,823	
2. Rents		157 119	
3. Other accruals and deferred income		158 459	159 121,401
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS			160 23,280,000

		Previous year
brought forward		22,798,241
	336	119,578
	337	119
	338	2,014
	339	121,711
	340	22,919,952

Notes to the accounts - Attachment 3

Company Assicurazioni Generali S.p.A. Year 2020

Breakdown of non-life and life result

		Non-life business	Life business	Total
Technical result	1	369,806	21 390,423	41 760,229
Investment income	+	2 2,197,053		42 2,197,053
Investment charges	-	3 132,451		43 132,451
Allocated investment return transferred from the life technical account	+		24 1,478,413	44 1,478,413
Allocated investment return transferred to the non-life technical account	-	5 296,374		45 296,374
Interim result	6	2,138,034	26 1,868,836	46 4,006,870
Other income	+	7 227,602	27 31,424	47 259,026
Other charges	-	8 1,102,544	28 438,135	48 1,540,679
Extraordinary income	+	9 41,047	29 5,583	49 46,630
Extraordinary charges	-	10 33,558	30 6,238	50 39,796
Result before taxation	11	1,270,581	31 1,461,470	51 2,732,051
Income taxes for the year	-	12 -162,408	32 -75,459	52 -237,867
Profit (loss) for the year	13	1,432,989	33 1,536,929	53 2,969,918

Notes on the accounts - Attachment 4

Company Assicurazioni Generali S.p.A. Year 2020

Assets - Changes in intangible assets (item B) and
changes in land and buildings (Item C1)

		Intangible assets B	Land and buildings C.I
	+		
Gross original cost	+	1 273,761	31 101,025
Increases for the year		2 17,714	32 1,706
due to:		3 17,714	33 380
readjustments		4 0	34 1,326
revaluations		5 0	35 0
other variations	-	6 0	36 0
Decreases for the year		7 1,143	37 4,354
due to:		8 1,143	38 353
permanent devaluations		9 0	39 3,192
other changes		10 0	40 809
Gross final goodwill (a)		11 290,332	41 98,377
Amortisation:			
Initial goodwill	+	12 240,798	42 6,411
Increases for the year	+	13 14,262	43 975
for:		14 14,262	44 975
other changes		15 0	45 0
Decreases for the year	-	16 1,021	46 120
for:		17 0	47 48
other changes		18 1,021	48 72
Amortised final goodwill (b)		19 254,039	49 7,266
Book value (a - b)		20 36,293	50 91,111
Current value			51 107,980
Total revaluations		22 0	52 75,408
Total devaluations		23 0	53 18,144

Notes to the accounts - Attachment 5

Company Assicurazioni Generali S.p.A. Year 2020

Assets - Variations in the year of investments in affiliated companies and other shareholdings:
equities (item C.II.1), debt securities (item C.II.2) and loans (item C.II.3)

		Equities C.II.1	Debt securities C.II.2	Loans C.II.3
Gross initial goodwill	+ 1	29,563,767	21 0	41 1,638,758
Increases for the year	+ 2	4,054,703	22 0	42 152,460
for: acquisitions, subscriptions, payments	3	2,344,800	23 0	43 152,460
readjustment of value	4	7	24 0	44 0
revaluations	5	0		
other variations	6	1,709,896	26 0	46 0
Decreases for the year:	- 7	1,728,433	27 0	47 52,114
for: sales and redemptions	8	0	28 0	48 48,793
devaluations	9	76,330	29 0	49 0
other variations	10	1,652,103	30 0	50 3,321
Book value	11	31,890,037	31 0	51 1,739,104
Current value	12	38,431,992	32 0	52 0
Total revaluations	13	698		
Total devaluations	14	1,161,550	34 0	54 0

The item C.II.2 includes:

Quoted debt securities	61	0
Unquoted debt securities	62	0
Book value	63	0
of which convertible debt securities	64	0

Company

Assicurazioni Generali S.p.A.

Assets - Information regarding associated companies (*)

N. ord. (**)	Type (1)	Quoted or unquoted (2)	Activity (3)	Company name and registration place	Currency
1	b	NQ	9	AG SE&A Ltda. SAN PAOLO Av. Presidente Juscelino Kubitschek, n° 1455 - 8° - BRASILE	BRL
2	b	NQ	2	Caja de Ahorro y Seguro S.A. BUENOS AIRES Fitz Roy 957 - ARGENTINA	ARS
3	b	NQ	9	CMN Global Inc. THORNHILL - ONTARIO 150 Commerce Valley Drive West, 9th Floor - CANADA	CAD
4	b	NQ	2	Europ Assistance Holding SAS PARIGI 2 rue Pillet-Will - FRANCIA	EUR
5	b	NQ	9	GBS S.c.p.A. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
6	b	NQ	9	Genamerica Management Corp. NEW YORK 7 WTC, 250 Greenwich Street, 33rd Fl - STATI UNITI	USD
7	b	NQ	2	Generali (Schweiz) Holding AG ADLISWIL Soodmattenstrasse, 10 - SVIZZERA	CHF
8	b	NQ	2	Generali Beteiligungs-GmbH AQUISGRANA Maria Theresia Allee 38 - GERMANIA	EUR
9	b	NQ	2	Generali Beteiligungsverwalt. VIENNA Landskronngasse 1-3 - AUSTRIA	EUR
10	b	NQ	1	Generali Brasil Seguros S.A. RIO DE JANEIRO Avenida Barão de Tefê, 34, 16th floor - BRASILE	BRL
11	b	NQ	2	Generali CEE Holding B.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
12	b	NQ	1	Generali China Life Insurance PECHINO B-12 Jianguomenwai Avenue, Chaoyang District - CINA REP.	CNY
13	b	NQ	1	Generali Companhia de Seguros LISBONA Rua Duque de Palmela no. 11 - PORTOGALLO	EUR
14	b	NQ	9	Generali Consulting Solutions WILMINGTON 1209 Orange Street - STATI UNITI D'AMERICA	USD
15	b	NQ	9	Generali CST S.r.l. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
16	b	NQ	2	Generali Deutschland AG MONACO Adenauerring 7 - GERMANIA	EUR
17	b	NQ	1	Generali Ecuador S.A. GUAYAQUIL WTC Torre B Piso 15, Avenida Francisco de Arellana - ECUADOR	USD
18	b	NQ	9	Generali Employee Benefits Net LUSSEMBURGO 52, Boulevard Marcel Cahen - LUSSEMBURGO	EUR
19	b	NQ	2	Generali España Holding S.A. MADRID Calle Orense 2 - SPAGNA	EUR
20	b	NQ	2	Generali Financial Asia Ltd HONG KONG 5/F, 14-18/F Generali Tower, 8 Queen's Road East - HONG KONG	HKD
21	b	NQ	2	Generali France S.A. PARIGI 2 rue Pillet-Will - FRANCIA	EUR
22	b	NQ	1	Generali Hellas A.A.E. ATENE 35-37 Ilia Iliou Street & Pytheou - GRECIA	EUR
23	b	NQ	1	Generali Italia S.p.A. MOGLIANO VENETO Via Marocchesa n. 14 - ITALIA	EUR
24	b	NQ	2	Generali Participations NL NV AMSTERDAM Diemerhof 42 - OLANDA	EUR
25	b	NQ	9	Generali Real Estate S.p.A. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
26	b	NQ	4	Generali Realities Ltd TEL AVIV 2, Hagdud Haivri Str. - ISRAELE	ILS
27	b	NQ	1	Generali Seguros, S.A. LISBONA Avenida da Liberdade, 242 - PORTOGALLO	EUR
28	b	NQ	1	Generali Vida de Seguros S.A. LISBONA Rua Duque de Palmela no. 11 - PORTOGALLO	EUR
29	b	NQ	1	Generali Vietnam Life Ins. HO CHI MINH CITY AB Tower, 76 Le Lai, District 1 - VIETNAM	VND
30	b	NQ	9	Generali Vitality GmbH MONACO Adenauerring 9 - GERMANIA	EUR
31	b	NQ	2	GI Holding S.p.A. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
32	b	NQ	9	GOSP S.r.l. TRIESTE Piazza Duca degli Abruzzi n. 2 - ITALIA	EUR
33	b	NQ	9	GSS - Generali Shared Services TRIESTE Piazza Duca degli Abruzzi, 2 - ITALIA	EUR
34	b	NQ	2	Lion River I N.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
35	b	NQ	2	Redoze Holding N.V. AMSTERDAM Diemerhof 42 - OLANDA	EUR
36	b	NQ	2	Transocean Holding Corporation NEW YORK 7 World Trade Center 250 Greenwich Street 33rd Fl. - STATI	USD
37	b	NQ	9	Transocean Holding LLC WILMINGTON - DELAWARE 251 Little Falls Drive - STATI UNITI D'AMERICA	USD
38	b	NQ	9	Welion S.c.a.r.l. TRIESTE Via Machiavelli, 4 - ITALIA	EUR
39	d	NQ	1	BMG Seguros S.A. SAO PAULO Avenida Presidente Juscelino Kubitschek, 1 - BRASILE	BRL
40	d	Q	1	Cattolica Assicurazioni S.C. VERONA Lungadige Cangrande 16 - ITALIA	EUR
41	d	NQ	1	Generali China Insurance PECHINO B-12 Jianguomenwai Avenue, Chaoyang District - CINA REP. POPOLARE	CNY
42	d	NQ	2	Guotai Asset Management Co. SHANGAI 39F, World Financial Center, 100 Century Avenue - CINA REP.	CNY
43	d	NQ	2	NEIP II S.p.A. CONEGLIANO Via Vittorio Alfieri n. 01 - ITALIA	EUR
44	d	NQ	9	Servizi Tecnologici Avanzati BOLOGNA Via Paolo Nanni Costa, 30 - ITALIA	EUR
45	e	NQ	2	Fin. Priv. S.r.l. MILANO Via Filodrammatici, 8 - ITALIA	EUR
46	e	NQ	4	GLL GmbH & Co. Retail KG i.L. MONACO Lindwurmstr. 76 - GERMANIA	EUR

Notes on the accounts - Attachment 6

Year 2020

Paid up capital		Equity (***) (4)	Last year Gain or Loss (***) (4)	Share owned (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
150,000	10,000	18,046,794	4,123,940	1.00	0.00	1.00
269,000,000	2,690,000	9,829,608,908	15,302,542	0.63	0.28	0.90
6,738,011	60,000,100	5,139,509	311,903	1.00	0	1.00
23,937,936	1,496,121	246,691,450	-11,198,278	0.96	0.04	1.00
7,853,626	7,853,626	39,595,465	-2,276,195	0.01	0.99	1.00
50,000	50	32,402	-978	1.00	0	1.00
4,332,000	8,664	1,524,231,773	58,129,916	0.51	0.49	1.00
1,005,000	1,005,000	4,427,220,582	397,305,180	1.00	0	1.00
3,370,297	3,370,297	1,163,662,941	181,294,671	0.68	0.32	1.00
1,513,400,726	4,661,664	427,886,086	-125,093,218	0.99	0.01	1.00
100,000	100,000	154,081,280,056	9,025,690,702	1.00	0	1.00
3,700,000,000	3,700,000,000	8,486,148,784	1,037,520,761	0.50	0	0.50
0	0	0	0	0	0	0
156,420	2	1,141,062	-147,292	2.00	0	2.00
10,000	10,000	1,195,165	-131,531	1.00	0	1.00
137,560,202	53,734,454	1,897,116,059	569,724,134	0.04	0.96	1.00
8,000,000	8,000,000	11,781,067	-1,852,701	0.52	0	0.52
50,000	50,000	50,000	0	1.00	0	1.00
563,490,658	93,758,845	954,894,613	295,210,765	1.00	0	1.00
306,930,000	306,930,000	264,874,882	-155,838	1.00	0	1.00
114,623,013	498,360,924	3,963,222,118	613,247,077	0.67	0.32	0.99
22,776,198	3,796,033	107,126,737	5,763,126	1.00	0.00	1.00
1,618,628,450	3,237,256,900	11,847,086,307	1,140,029,153	1.00	0	1.00
1,784,509,360	115,450,936	6,562,817,737	171,708,719	0.52	0.48	1.00
780,000	1,500,000	74,102,828	40,672,072	1.00	0	1.00
2	20,000	5,694,000	0	1.00	0	1.00
182,000,000	182,000,000	353,440,770	17,277,455	1.00	0	1.00
0	0	0	0	0	0	0
6,852,600,000,000	6,852,600,000,000	5,115,137,887,999	584,517,285,475	1.00	0	1.00
250,000	1	15,704,040	-3,966,864	1.00	0	1.00
41,360,000	41,360,000	426,612,256	153,845,638	0.38	0.62	1.00
489,000	489,000	489,000	0	1.00	0	1.00
0	0	93,918,974	-1,862,528	0	0	0
643,255	644,395	6,159,833,790	229,863,843	0.27	0.73	1.00
22,689,011	500,000	369,352,614	598,276	0.06	0.94	1.00
0	0	0	0	0	0	0
100	100	1,698,981,160	1,407,685,237	1.00	0	1.00
0	0	-195,893	104,202	0	0	0
28,859,317	28,859,317	58,747,321	10,028,350	0.30	0	0.30
685,043,940	228,347,980	1,807,003,379	120,241,333	0.24	0	0.24
1,300,000,000	1,300,000,000	861,024,666	-7,664,126	0.49	0	0.49
110,000,000	110,000,000	2,520,018,249	625,890,840	0.30	0	0.30
55,000	55,000	55,000	0	0.48	0	0.48
102,000	200,000	102,000	0	0.25	0	0.25
20,000	20,000	0	0	0.14	0	0.14
381,010,000	381,010,000	0	0	0.31	0.13	0.45

N. ord. (**)	Type (1)	Quoted or unquoted (2)	Activity (3)	Company name and registration place	Currency
47	d	NQ	2	H2i S.p.A. ROMA Via F. Paulucci de Calboli - ITALIA	EUR
48	d	NQ	9	Lungo Raggio S.r.l. TRIESTE Piazza San Giovanni, 2 - ITALIA	EUR
49	e	NQ	9	Perils AG ZURIGO Marktgasse 3 - SVIZZERA	CHF
50	e	NQ	9	Protos S.p.A. ROMA Via Livenza, 3 - ITALIA	EUR
51	e	NQ	9	SOA Group S.p.A. ROMA Via Lovanio, 6 - ITALIA	EUR
52	e	NQ	8	Trieste Adriatic Maritime Srl TRIESTE Via Cassa di Risparmio 10 - ITALIA	EUR
53	e	NQ	2	Venice S.p.A. VICENZA Strada Statale Padana verso Verona, 6 - ITALIA	EUR

(*) The companies of the group and the other companies in which a stake is held directly must be listed, also through trust companies or third parties.

(**) The order number must be greater than "0"

(1)

a = parent Companies
b = affiliated Companies
c = affiliates of parent Companies
d = associated Companies
e = Other

(2) Indicate Q for securities traded on the market
And NQ for other markets

(3) Activity

1 = Insurance Company
2 = Financial Company
3 = Credit Institution
4 = Real estate Company
5 = Trust Company
6 = Management or distribution company for mutual investment funds
7 = Consortium
8 = Industrial enterprise
9 = Other company or entity

(4) Amounts in original currency

(5) Indicate the total share owned

Paid up capital		Equity (***)	Last year Gain or Loss (***)	Share owned (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
1,589,953	1,589,953					
12,000	12,000					
4,000,000	250					
1,100,000	1,100,000					
1,000,000	1,000,000					
6,232,500	6,232,500					
998,075	998,076					
				0.11	0	0.11
				0.18	0	0.18
				0.10	0	0.10
				0.18	0	0.18
				0.10	0	0.10
				0.11	0	0.11
				0.16	0	0.16

(***) To be filled only for subsidiaries and associates

Company Assicurazioni Generali S.p.A.

Assets - Details of investments in Group companies and other companies where a significant interest is held:

Equities

N. ord. (1)	Type (2)	(3)	Name of the company	Increases in the year		
				For purchases		Others increases
				Quantity	Value	
1	b	D	Generali Latam Ltda	0	0	0
2	b	V	Caja de Ahorro y Seguro S.A. - Classe A	0	0	0
2	b	V	Caja de Ahorro y Seguro S.A. - Classe B	0	0	0
3	b	D	CMN Global Inc.	0	0	0
4	b	D	Europ Assistance Holding	229,213	90,000	0
5	b	D	GBS S.c.p.A.	0	0	0
6	b	D	Genamerica Management Corporation	0	0	0
7	b	D	Generali (Schweiz) Holding AG	0	0	73,865
7	b	V	Generali (Schweiz) Holding AG	0	0	117,976
8	b	D	Generali Beteiligungs-GmbH	0	0	0
8	b	V	Generali Beteiligungs-GmbH	0	0	0
9	b	D	Generali Beteiligungsverwaltung-GmbH	1,274,337	1,312,000	0
9	b	V	Generali Beteiligungsverwaltung-GmbH	0	0	0
10	b	D	Generali Brasil Seguros S.A.	432,075	7,867	0
11	b	D	Generali CEE Holding B.V.	0	0	0
12	b	V	Generali China Life Insurance	0	0	0
13	b	D	Generali Companhia de Seguros S.A.	0	0	0
13	b	V	Generali Companhia de Seguros S.A.	4	1	0
14	b	D	Generali Consulting Solutions	0	0	0
15	b	D	Generali CST S.r.l.	0	0	0
16	b	D	Generali Deutschland Holding AG	0	0	62,280
16	b	V	Generali Deutschland Holding AG	0	0	0
17	b	D	Generali Ecuador S.A.	0	0	0
18	b	D	Generali Employee Benefits Net	50,000	50	950
19	b	D	Generali España Holding S.A.	0	0	0
19	b	V	Generali España Holding S.A.	0	0	0
20	b	D	Generali Financial Asia Ltd	80,690,000	9,134	0
21	b	D	Generali France S.A.	0	0	0
21	b	V	Generali France S.A.	0	0	0
22	b	D	Generali Hellas A.E.A.Z.	0	0	0
22	b	V	Generali Hellas A.E.A.Z.	0	0	0
23	b	D	Generali Italia S.p.A.	0	0	0
23	b	V	Generali Italia S.p.A.	0	0	1,162,623
24	b	D	Generali Participations Netherlands N.V...	0	0	0
24	b	V	Generali Participations Netherlands N.V...	0	0	0
25	b	D	Generali Real Estate S.p.A.	0	0	0
26	b	D	Generali Realities Ltd	0	0	0
27	b	D	Generali Seguros S.A.	98,000,000	250,600	38,683
27	b	D	Generali Seguros S.A.	84,000,000	250,600	38,683
28	b	V	Generali Vida de Seguros S.A.	7,504	2,839	0
29	b	V	Generali Vietnam Life Insurance LLC	1,600,000,000,000	67,591	0
30	b	V	Generali Vitality-GmbH	0	0	2,079
31	b	D	Generali Investments Holding S.p.A.	0	0	0
32	b	D	GOSP S.r.l.	489,000	47,630	696
33	b	D	GSS - Generali Shared Services S.c.a.r.l.	0	0	0
34	b	D	Lion River I N.V. - Classe A	0	0	0
34	b	D	Lion River I N.V. - Classe B	0	0	0

Notes to the accounts - Attachment 7
Year 2020

Decreases in the year			Accounting value (4)		Purchase cost	Current value
For sales		Others decreases	Quantity	Value		
Quantity	Value					
0	0	9	9,999	21	21	2,149
0	0	1,412	874,250	2,661	2,661	26,476
0	0	653	807,000	1,231	1,231	24,439
0	0	3,244	60,000,100	3,297	6,108	3,297
0	0	0	1,441,469	565,990	565,990	565,990
0	0	0	95,525	484	551	549
0	0	1	50	8	19	27
0	0	0	1,703	306,030	306,030	339,084
0	0	0	2,720	488,770	488,771	541,579
0	0	0	658,304	2,014,088	2,094,443	2,985,446
0	0	0	346,696	1,060,720	1,095,346	1,572,286
0	0	0	1,274,337	1,312,000	1,312,000	1,312,000
0	0	0	1,001,703	123,676	123,676	1,031,308
0	0	54,214	4,632,445	66,905	224,624	66,905
0	0	0	100,000	5,159,441	5,159,441	6,153,015
0	0	5,370	1,850,000,000	229,701	229,701	431,986
0	0	61,322	0	0	0	0
0	0	1	0	0	0	0
0	0	85	2	945	945	1,053
0	0	0	10,000	1,410	1,410	1,195
0	0	0	2,170,870	296,523	296,523	296,523
0	0	0	1,000	99	99	99
0	0	2	4,196,058	21	21	5,774
0	0	0	50,000	1,000	1,000	1,000
0	0	0	50,483,372	348,796	348,796	503,183
0	0	0	43,275,473	298,996	298,996	431,340
0	0	22,618	306,930,000	12,027	32,653	12,027
0	0	0	166,164,105	263,701	263,701	1,238,279
0	0	0	167,101,655	265,793	265,793	1,245,266
0	0	0	3,026,018	19,461	43,454	74,940
0	0	0	770,013	5,341	35,145	19,070
0	0	1,162,623	761,487,804	3,797,551	3,797,551	3,797,551
0	0	0	2,475,769,096	8,545,404	8,545,404	8,545,404
0	0	0	45,085,614	2,307,196	2,308,758	2,526,154
0	0	0	48,475,773	2,477,765	2,502,365	2,716,106
0	0	0	1,500,000	105,160	105,160	105,160
0	0	0	20,000	0	0	0
0	0	0	84,000,000	289,283	289,283	250,600
0	0	0	98,000,000	289,283	289,283	250,600
0	0	16,043	0	0	0	0
0	0	15,803	6,852,600,000,000	251,796	251,796	251,796
0	0	6,954	1	15,704	22,658	15,704
0	0	0	15,600,000	78,000	78,000	144,362
0	0	0	489,000	48,326	48,326	48,326
0	0	47,628	0	0	0	0
0	0	0	150,000	150	150	150
0	0	0	1,666	34	14,841	34

N. ord. (1)	Type (2)	(3)	Name of the company	Increases in the year		
				For purchases		Others increases
				Quantity	Value	
34	b	D	Lion River I N.V. - Classe C	0	0	0
34	b	D	Lion River I N.V. - Classe D	0	0	0
34	b	D	Lion River I N.V. - Classe E	0	0	0
34	b	D	Lion River I N.V. - Classe F	0	0	0
34	b	D	Lion River I N.V. - Classe G	0	0	12,000
34	b	D	Lion River I N.V. - Classe H	0	0	0
34	b	D	Lion River I N.V. - Classe I	0	0	0
34	b	D	Lion River I N.V. - Classe J	0	0	0
34	b	D	Lion River I N.V. - Classe K	0	0	9,400
34	b	D	Lion River I N.V. - Classe L	0	0	0
34	b	D	Lion River I N.V. - Classe N	0	0	0
34	b	D	Lion River I N.V. - Classe O	0	0	0
34	b	D	Lion River I N.V. - Classe P	0	0	0
35	b	D	Redoze Holding N.V.	0	0	0
36	b	D	Transocean Holding Corporation	0	0	0
37	b	D	Transocean Holding LLC	0	0	190,658
38	b	D	Welion S.c.a.r.l.	0	0	0
39	d	D	BMG Seguros S.A	8,657,796	5,822	0
40	d	D	Cattolica Assicurazioni S.C.	54,054,054	300,655	0
41	d	D	Generali China Insurance	0	0	0
42	d	D	Guotai Asset Management Co.	0	0	0
43	d	D	NEIP II S.p.A.	0	0	0
44	d	D	Servizi Tecnologici Avanzati S.p.A.	0	0	0
45	e	D	Fin. Priv. S.r.l.	0	0	0
46	e	V	GLL GmbH & Co. Retail KG	0	0	0
47	e	D	H2i S.p.A.	0	0	0
48	e	D	Lungo Raggio S.r.l.	2,160	10	0
49	e	D	Perils AG	0	0	2
50	e	D	Protos S.p.A.	0	0	0
51	e	D	SOA Group S.p.A.	0	0	0
52	e	D	Trieste Adriatic Maritime S.r.l.	0	0	7
53	e	D	Venice S.p.A. - Classe A	0	0	0
53	e	D	Venice S.p.A. - Classe B	0	0	0
			Total C.II.1		2,344,800	1,709,903
	a		Parent companies		0	0
	b		Affiliated companies		2,038,313	1,709,894
	c		Affiliated of parent companies		0	0
	d		Associated companies		306,477	0
	e		Other		10	9
			Total D.I.		0	0
			Total D.II.		0	0

Decreases in the year			Accounting value (4)		Purchase cost	Current value
For sales		Others decreases	Quantity	Value		
Quantity	Value					
0	0	0	1,666	5,365	5,365	5,365
0	0	0	5,000	7	14,459	7
0	0	0	2,000	2	14	2
0	0	0	1,666	0	2	0
0	0	50,554	1,666	48,251	48,251	97,439
0	0	0	1,666	0	10	0
0	0	0	1,666	2	3,062	2
0	0	0	1,666	2	115	2
0	0	17,320	1,000	21,543	21,543	22,118
0	0	0	1,000	10,303	10,303	16,452
0	0	598	1,000	984	5,667	984
0	0	585	430	4,808	8,300	4,808
0	0	25,690	1,000	3,459	3,459	3,532
0	0	0	30,113	18,155	19,145	22,209
0	0	190,658	0	0	0	0
0	0	15,746	100	174,912	174,912	225,139
0	0	0	0	0	0	0
0	0	3,049	8,657,796	2,773	5,822	2,773
0	0	0	54,054,054	300,655	300,655	247,892
0	0	1,861	637,000,000	79,584	79,584	79,584
0	0	2,988	33,000,000	127,807	127,807	127,807
0	0	1,500	26,486	306	2,910	306
0	0	0	50,000	0	0	0
0	0	0	2,857	14,352	14,352	14,424
0	0	19,485	120,000,000	20,354	79,256	20,354
0	0	40	167,070	20	1,500	20
0	0	0	2,160	10	10	10
0	0	0	25	370	370	1,000
0	0	0	195,790	60	60	1,206
0	0	0	100,608	93	93	264
0	0	0	701,757	654	713	654
0	0	189	78,589	208	5,572	202
0	0	189	78,589	208	5,572	202
	0	1,728,433		31,890,037	32,391,609	38,432,992
	0	0		0	0	0
	0	1,699,133		31,342,582	31,767,333	37,936,293
	0	0		0	0	0
	0	9,397		511,126	516,778	458,363
	0	19,903		36,329	107,498	38,337
	0	0		0	0	0
	0	0		0	0	0

Notes on the accounts - Attachment 8

Year 2020

Assicurazioni Generali S.p.A.

Company

Assets - Breakdown on the basis of the utilisation of other financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-securities, participation in investment pools e other financial investments (items C.III.1, 2, 3, 5, 7)

I - Non-life business

	Durable portfolio		Non durable portfolio		Total	
	Book Value	Current value	Book Value	Current value	Book Value	Current value
1. Equity and shares	13,010	24,665	41	6,469	81	31,134
a) listed shares	4,037	3,755	42	5,300	82	9,055
b) unlisted shares	8,150	8,537	43	1,169	83	9,706
c) units	823	12,373	44	0	84	12,373
2. Shares in common investment funds	0	0	45	1,746,612	85	1,746,612
3. Debt securities and other fixed-income	121,580	125,895	46	587,374	86	713,269
a1) listed governments bonds	63,005	64,403	47	442,237	87	506,640
a2) other listed securities	58,575	61,492	48	144,408	88	205,900
b1) unlisted government bonds	0	0	49	729	89	729
b2) other unlisted securities	0	0	50	0	90	0
c) convertible bonds	0	0	51	0	91	0
5. Participation in investment	0	0	52	0	92	0
7. Other	0	0	53	0	93	0

II - Life business

	Durable portfolio		Non durable portfolio		Total	
	Book Value	Current value	Book Value	Current value	Book Value	Current value
1. Equity and shares	7,168	7,914	161	8,040	201	15,954
a) listed shares	0	0	162	6,928	202	6,928
b) unlisted shares	83	122	163	1,112	203	1,234
c) units	7,085	7,792	164	0	204	7,792
2. Shares in common investment funds	0	0	165	2,571,782	205	2,571,782
3. Debt securities and other fixed-income	487,342	572,455	166	572,901	206	1,025,346
a1) listed governments bonds	235,377	266,335	167	245,182	207	468,669
a2) other listed securities	227,448	277,080	168	324,941	208	529,382
b1) unlisted government bonds	14,117	18,582	169	2,778	209	16,895
b2) other unlisted securities	10,400	10,458	170	0	210	10,400
c) convertible bonds	0	0	171	0	211	0
5. Participation in investment	0	0	172	0	212	0
7. Other	0	0	173	0	213	0

Notes on the accounts - Attachment 9

Company **Assicurazioni Generali S.p.A.** Year 2020

Assets - Variation for the year of other durable financial investments: equities and shares, shares in common investment funds, debt securities and other fixed-income securities, participation in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)

	Equities and shares C.III.1	Shares in common investment funds C.III.2	Debt securities and other fixed income C.III.3	Participation in investment pools C.III.5	Other financial investments C.III.7
Initial goodwill	1 19,669	21	41 558,724	81	101
Revaluations	2 599	22	42 96,683	82	102
for: acquisitions	3 548	23	43 93,751	83	103
reversal value	4 24	24	44 0	84	104
transfers from the non-durable portfolio ..	5 0	25	45 1,827	85	105
other changes	6 27	26	46 1,105	86	106
Devaluations	7 90	27	47 46,485	87	107
for: sales	8 0	28	48 19,470	88	108
devaluations	9 0	29	49 0	89	109
transfers from the non-durable portfolio ..	10 0	30	50 0	90	110
other changes	11 90	31	51 27,015	91	111
Book value	12 20,178	32	52 608,922	92	112
Current value	13 32,579	33	53 698,350	93	113

Notes on the accounts - Attachment 10

Company Assicurazioni Generali S.p.A. Year 2020

Assets - Variations for the year regarding loans and deposits with credit institutions (items C.III.4, 6)

		Loans C.III.4		Deposits with credit institutions C.III.6
Initial goodwill	+	1 683	21	145,997
Revaluations for the year	+	2 24	22	799,868
for: payments		3 24		
reversal value		4 0		
other changes		5 0		
Devaluations for the year	-	6 191	26	758,378
for: redemptions		7 81		
devaluations		8 56		
other changes		9 54		
Book value		10 516	30	187,487

Notes on the accounts - Attachment 11

Company **Assicurazioni Generali** Year 2020

Assets relating to contracts linked to investment funds and market index (item D.I)

TOTAL OF INVESTMENT FUNDS

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings	0	21	0	41
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests	0	22	0	42
2. Debt securities and other fixed-income securities	0	23	0	43
3. Loans	0	24	0	44
III. Shares in common investment funds	184,591	25	185,926	45
IV. Other financial investments:				
1. Equities	255	26	255	46
2. Debt securities and other fixed-income securities	428	27	444	47
3. Deposits with credit institutions	0	28	0	48
4. Other financial investments	0	29	0	49
V. Other assets	1,006	30	1,747	50
VI. Cash at bank and in hand	1,820	31	3,608	51
Other liabilities	-1,744	32	-1,542	52
Deposits with ceding companies	5,036	33	38,138	53
Total	191,392	34	228,576	54
			146,318	74
				202,099

Notes on the accounts - Attachment 11

Company **Assicurazioni Generali** Year 2020

Assets relating to contracts linked to investment funds and market index (item D.I)

Lifetime income bond

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings	0	21	0	41
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests	0	22	0	42
2. Debt securities and other fixed-income securities	0	23	0	43
3. Loans	0	24	0	44
III. Shares in common investment funds	0	25	0	45
IV. Other financial investments:				
1. Equities	0	26	0	46
2. Debt securities and other fixed-income securities	0	27	0	47
3. Deposits with credit institutions	0	28	0	48
4. Other financial investments	0	29	0	49
V. Other assets	0	30	0	50
VI. Cash at bank and in hand	74	31	1,282	51
Other liabilities	0	32	0	52
Deposits with ceding companies	0	33	0	53
Total	74	34	1,282	74
				1,282

Notes on the accounts - Attachment 11

Company **Assicurazioni Generali** Year 2020
 Assets relating to contracts linked to investment funds and market index (item D.1)

Managed Funds

	Current value		Acquisition cost				
	Current year	Previous year	Current year	Previous year			
I. Lands and buildings	0	21	0	41	0	61	0
II. Invest. in affiliated undertakings and other shareholdings:							
1. Shares and interests	0	22	0	42	0	62	0
2. Debt securities and other fixed-income securities	0	23	0	43	0	63	0
3. Loans	0	24	0	44	0	64	0
III. Shares in common investment funds	4,885	25	5,200	45	2,866	65	2,872
IV. Other financial investments:							
1. Equities	0	26	0	46	0	66	0
2. Debt securities and other fixed-income securities	385	27	417	47	428	67	452
3. Deposits with credit institutions	0	28	0	48	0	68	0
4. Other financial investments	0	29	0	49	0	69	0
V. Other assets	53	30	56	50	53	70	56
VI. Cash at bank and in hand	442	31	444	51	442	71	443
Other liabilities	-1,744	32	-1,541	52	-1,744	72	-1,541
Deposits with ceding companies	0	33	0	53	0	73	0
Total	4,021	34	4,576	54	2,045	74	2,282

Notes on the accounts - Attachment 11

Year 2020

Assicurazioni Generali

Company

Assets relating to contracts linked to investment funds and market index (item D.I)

Lavoro Indiretto

	Current value		Acquisition cost				
	Current year	Previous year	Current year	Previous year			
	1	2	3	4			
I. Lands and buildings	0	21	0	41	0	61	0
II. Invest. in affiliated undertakings and other shareholdings:							
1. Shares and interests	0	22	0	42	0	62	0
2. Debt securities and other fixed-income securities	0	23	0	43	0	63	0
3. Loans	0	24	0	44	0	64	0
III. Shares in common investment funds	0	25	0	45	0	65	0
IV. Other financial investments:							
1. Equities	0	26	0	46	0	66	0
2. Debt securities and other fixed-income securities	0	27	0	47	0	67	0
3. Deposits with credit institutions	0	28	0	48	0	68	0
4. Other financial investments	0	29	0	49	0	69	0
V. Other assets	0	30	0	50	0	70	0
VI. Cash at bank and in hand	0	31	0	51	0	71	0
Other liabilities	0	32	0	52	0	72	0
Deposits with ceding companies	5,036	33	38,138	53	5,036	73	38,138
Total	5,036	34	38,138	54	5,036	74	38,138

Notes on the accounts - Attachment 11

Company **Assicurazioni Generali** Year 2020

Assets relating to contracts linked to investment funds and market index (item D.I)

Unit vision choice

	Current value		Acquisition cost	
	Current year	Previous year	Current year	Previous year
I. Lands and buildings	0	21	0	41
II. Invest. in affiliated undertakings and other shareholdings:				
1. Shares and interests	0	22	0	42
2. Debt securities and other fixed-income securities	0	23	0	43
3. Loans	0	24	0	44
III. Shares in common investment funds	179,706	25	180,722	45
IV. Other financial investments:				
1. Equities	0	26	0	46
2. Debt securities and other fixed-income securities	0	27	0	47
3. Deposits with credit institutions	0	28	0	48
4. Other financial investments	0	29	0	49
V. Other assets	951	30	1,687	50
VI. Cash at bank and in hand	1,296	31	1,848	51
Other liabilities	0	32	0	52
Deposits with ceding companies	0	33	0	53
Total	181,953	34	184,257	54
			138,875	74
				160,105

Notes on the accounts - Attachment 11

Company Assicurazioni Generali Year 2020

Assets relating to contracts linked to investment funds and market index (item D.I)

AG European Equity Fund

	Current value		Acquisition cost				
	Current year	Previous year	Current year	Previous year			
I. Lands and buildings	0	21	0	41	0	61	0
II. Invest. in affiliated undertakings and other shareholdings:							
1. Shares and interests	0	22	0	42	0	62	0
2. Debt securities and other fixed-income securities	0	23	0	43	0	63	0
3. Loans	0	24	0	44	0	64	0
III. Shares in common investment funds	0	25	4	45	0	65	4
IV. Other financial investments:							
1. Equities	255	26	255	46	234	66	223
2. Debt securities and other fixed-income securities	43	27	27	47	44	67	28
3. Deposits with credit institutions	0	28	0	48	0	68	0
4. Other financial investments	0	29	0	49	0	69	0
V. Other assets	2	30	4	50	2	70	4
VI. Cash at bank and in hand	8	31	34	51	8	71	34
Other liabilities	0	32	-1	52	0	72	-1
Deposits with ceding companies	0	33	0	53	0	73	0
Total	308	34	323	54	288	74	292

Notes on the accounts - Attachment 13

Company Assicurazioni Generali S.p.A. Year 2020

Liabilities - Variation for the year of the components of the provision for unearned premiums (item C.I.1) and those of the provision for claims outstanding (item C.I.2) of non-life lines of business

Typology	Current year	Previous year	Change
Premium reserve:			
Unearned premium reserve.....	1 391,223	11 417,828	21 -26,605
Unexpired risk reserve	2 0	12 4	22 -4
Book value	3 391,223	13 417,832	23 -26,609
Provision for claims outstanding:			
Provision for refunds and direct expenses ...	4 1,519,606	14 1,549,914	24 -30,308
Provision for claim settlement costs	5 19,961	15 20,147	25 -186
IBNR provision	6 665,814	16 561,649	26 104,165
Book value	7 2,205,381	17 2,131,710	27 73,671

Notes on the accounts - Attachment 14

Company Assicurazioni Generali S.p.A. Year 2020

Liabilities - Changes in the components of the mathematical provision for the year (item C.II.1) and in the components of the provision for profit sharing and premium refunds (item C.II.4)

Typology	Current year	Previous year	Change
Mathematical reserve for pure premiums	1 2,862,959	11 4,109,475	21 -1,246,516
Premiums brought forward	2 214,806	12 222,909	22 -8,103
Demographical risk reserve	3 0	13 0	23 0
Integration provisions	4 79,074	14 48,423	24 30,651
Book value	5 3,156,839	15 4,380,807	25 -1,223,968
Provision for profit sharing and premium refunds	6 92,672	16 94,434	26 -1,762

Notes on the accounts - Attachment 15

Company **Assicurazioni Generali S.p.A.**
 Year 2020

Liabilities - Change for the year in the provisions in the funds for risks and charges (item E) and change in the severance pay provisions (item G.VII)

		Provisions for retirement and similar obligations	Provisions for taxes	Other provision	Change in the severance pay provisions
Initial amounts	+	0	12,239	66,385	1,566
Sums set aside for the year	+	0	0	51,804	842
Other increases	+	0	0	62,280	0
Other utilisations for the year	-	0	5,000	23,629	261
Other decreases	-	0	0	0	691
Book value		0	7,239	156,840	1,456

Notes on the accounts - Attachment 16
Year 2020

Company Assicurazioni Generali S.p.A.

Details of assets and liabilities referring to group companies and other companies in which a significant interest is held

I: Assets

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
Shares and interests	0	31,342,582	3	511,126	36,329	31,890,037
Debt securities	0	0	9	0	0	0
Loans	0	1,739,104	15	0	0	1,739,104
Participation in investment pools	0	0	21	0	0	0
Deposits with credit institutions	0	20,000	27	0	0	20,000
Other financial investments	0	0	33	0	0	0
Deposits with ceding companies	0	2,747,411	39	0	0	2,747,411
Investments relating to contracts linked to investment funds and market index	0	0	45	0	0	0
Investments relating to the administration of pension funds	0	0	51	0	0	0
Debtors arising out of direct insurance operations	0	5,421	57	0	0	5,421
Debtors arising out of reinsurance operations	0	97,819	63	1,070	0	98,889
Other debtors	0	202,241	69	0	0	202,241
Bank and postal deposits	0	25,359	75	0	0	25,359
Other	0	52,506	81	0	0	52,506
Total	0	36,232,443	87	512,196	36,329	36,780,968
of which subordinated activities	0	0	93	0	0	0

Details of assets and liabilities referring to group companies and other companies in which a significant interest is held

II: Liabilities

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
Subordinated liabilities	97	0	158,762	99	0	158,762
Deposits received from reinsurers	103	0	9,683	105	0	9,683
Creditors arising out of direct insurance operations	109	0	4,150	111	0	4,150
Creditors arising out of reinsurance operations	115	0	163,189	117	0	163,189
Amounts owed to credit institutions	121	0	0	123	0	0
Loans guaranteed by mortgages	127	0	0	129	0	0
Other financial liabilities	133	0	6,104,229	135	0	6,104,229
Other liabilities	139	0	4,053,550	141	0	4,054,205
Miscellaneous liabilities	145	0	51	147	0	51
Total	151	0	10,493,614	153	0	10,494,269

Notes on the accounts - Attachment 17

Company Assicurazioni Generali S.p.A. Year 2020

Details of classes I, II, III, IV of "guarantees, commitments and other evidence accounts"

	Current year	Previous year
I. Guarantees issued:		
a) fidejussions and endorsements issued in the interest of parent companies, affiliated companies and affiliates of parent companies	1 0	31 0
b) fidejussions and endorsements issued in the interest of associated companies and other companies in which a significant interest is held	2 0	32 0
c) fidejussions and endorsements issued in the interest of third parties	3 0	33 0
d) other personal guarantees issued in the interest of parent companies, affiliated companies and affiliates of parent companies	4 1,104,717	34 1,186,348
e) other personal guarantees issued in the interest of associated companies and other companies	5 0	35 0
f) other personal guarantees issued in the interest of third parties	6 0	36 0
g) guarantees secured by mortgages for obligations of parent companies, affiliated companies and affiliates of parent companies	7 0	37 0
h) guarantees secured by mortgages for obligations of associated companies and companies in which a significant interest is held	8 0	38 0
i) guarantees secured by mortgages for third parties obligations	9 0	39 0
l) guarantees issued for obligations of the Company	10 0	40 0
m) assets deposited for accepted reinsurance operations	11 149,382	41 152,105
Total	12 1,254,099	42 1,338,453
II. Guarantees received:		
a) from group companies, associated companies and other	13 0	43 0
b) from third parties	14 446,120	44 1,102,276
Total	15 446,120	45 1,102,276
III. Guarantees issued by third parties in the interest of the Company:.....		
a) from group companies, associated companies and other	16 0	46 0
b) from third parties	17 91,022	47 22,701
Total	18 91,022	48 22,701
IV. Commitments:		
a) commitments for acquisitions with obligation to resale	19 0	49 0
b) commitments for sales with obligation to buy back	20 0	50 0
c) other commitments	21 6,466,222	51 3,065,130
Total	22 6,466,222	52 3,065,130
V. Assets relating to pension funds managed in the name..... and on behalf of third parties	23 0	53 0
VI. Securities deposited with third parties.....	24 13,817,880	54 13,693,152
Total	25 13,817,880	55 13,693,152

Notes on the accounts - Attachment 18
2020

Company Assicurazioni Generali S.p.A.

Breakdown of derivatives according to type of contracts

Derivatives contracts	Current year				Previous year					
	Purchases		Sales		Purchases		Sales			
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)		
Futures:										
on shares	0	101	0	121	0	41	0	141	0	
on debt securities	0	102	0	122	0	42	0	142	0	
on currencies	0	103	0	123	0	43	0	143	0	
on rates	0	104	0	124	0	44	0	144	0	
others	0	105	0	125	0	45	0	145	0	
Options:										
on shares	0	106	0	126	0	46	0	146	0	
on debt securities	0	107	0	127	0	47	0	147	0	
on currencies	0	108	0	128	0	48	0	148	0	
on rates	0	109	0	129	0	49	0	149	0	
others	0	110	0	130	0	50	0	150	0	
Swaps:										
on currencies	11	911,740	111	-165,959	31	569,987	131	-4,909	51	1,048,749
on rates	12	0	112	0	32	550,000	132	-59,172	52	0
others	13	0	113	0	33	255,000	133	0	53	0
Other operations:	14	0	114	0	34	0	134	0	54	0
Total	15	911,740	115	-165,959	35	1,374,987	135	-64,081	55	1,048,749
									55	1,470,636
									75	-44,062

Only transactions on derivatives extant at the balance sheet date and that represent commitments for the Company must be included. In the event of a contract not belonging precisely to the above-mentioned types or a contract which has characteristics of different types of contracts, the contract must be included in the nearest type. Items compensations are not allowed, unless they refer to purchase/sale transactions referring to the same type of contract (same content, deadline, underlying asset...)

Contracts providing for currency swaps must be shown only once, with conventional reference to the currency to be purchased. Contracts that allow both currency swaps and interest rate swaps must be reported exclusively among currency contracts. Derivative contracts providing for interest rate swaps are conventionally classified as "purchases" or "sales" depending on whether they commit the insurance company to purchase or sell the fixed rate.

(1) For derivatives that imply or could imply futures contracts, the settlement price of the contracts has to be indicated; in all other cases, the nominal value of the reference capital has to be indicated.

(2) Indicate the fair value of derivatives

Notes on the accounts - Attachment 19

Company Assicurazioni Generali S.p.A. Year 2020

Details of the non-life business technical account

	Gross written premiums	Earned written premiums	Gross cost of claims	Operating expenses	Reinsurance balance
Direct insurance:					
Accident and Health (class of insurance 1 and 2)	1 59,193 2	61,815 3	42,232 4	12,135 5	-3,787
Motor TPL (class of insurance 10)	6 345 7	306 8	-1,030 9	27 10	-1
Motor, other classes (class of insurance 3)	11 1,665 12	3,645 13	3,175 14	20 15	-68
Marine, aviation and transport (classes of insurance 4, 5, 6, 7, 11 and 12)	16 15,373 17	14,490 18	14,810 19	3,627 20	-1,694
Fire and other damage to property (classes of insurance 8 and 9)	21 70,036 22	60,221 23	28,975 24	8,516 25	-6,735
General liability (class of insurance 13)	26 113,010 27	114,165 28	79,992 29	18,769 30	-31,965
Credit and suretyship (classes of insurance 14 and 15)	31 1,118 32	1,532 33	23 34	226 35	-428
Miscellaneous financial loss (class of insurance 16)	36 26,914 37	23,099 38	12,377 39	3,857 40	-7,746
Legal expenses (class of insurance 17)	41 7 42	11 43	89 44	0 45	101
Assistance (class of insurance 18)	46 32 47	98 48	9 49	4 50	-66
Total direct insurance	51 287,693 52	279,382 53	180,652 54	47,181 55	-52,389
Inward reinsurance	56 249,531 57	236,525 58	276,123 59	42,564 60	-28,843
Total Italian portfolio	61 537,224 62	515,907 63	456,775 64	89,745 65	-81,232
Foreign portfolio	66 1,147,024 67	1,171,258 68	757,853 69	218,669 70	-8,339
Total	71 1,684,248 72	1,687,165 73	1,214,628 74	308,414 75	-89,571

Notes on the accounts - Attachment 20

Company Assicurazioni Generali S.p.A. Year 2020

Summary of life business: premiums and reinsurers' share.

	Direct business	Reinsurance	Total
Gross premiums:	1 179,324	11 1,339,419	21 1,518,743
a) 1. individual policies	2 33,214	12 218,907	22 252,121
2. group policies	3 146,110	13 1,120,512	23 1,266,622
b) 1. regular premiums	4 179,263	14 1,339,358	24 1,518,621
2. single premiums	5 61	15 61	25 122
c) 1. policies without profit sharing	6 146,776	16 1,329,416	26 1,476,192
2. policies with profit sharing	7 0	17 0	27 0
3. policies where the investment risk is borne by the policyholders and relating to the administration of pension funds	8 32,548	18 10,003	28 42,551
Reinsurance balance	9 45,138	19 -37,989	29 7,149

Notes on the accounts - Attachment 21

Company Assicurazioni Generali S.p.A.Year 2020

Income from investments (items II.2 e III.3)

	Non-life		Life business		Total	
Income from equities:						
Dividends and other income from shares and participations in group companies and other companies in which a significant interest is held	1	2,091,446	41	1,893,155	81	3,984,601
Dividends and other income from equities	2	471	42	219	82	690
Total	3	2,091,917	43	1,893,374	83	3,985,291
Income from land and buildings	4	3,685	44	0	84	3,685
Income from other investments:						
Income from debt securities of group companies and other companies in which a significant interest is held	5	0	45	0	85	0
Income from loans to group companies and other companies in which a significant interest is held	6	47,395	46	28,427	86	75,822
Income from shares in common investment funds	7	872	47	0	87	872
Income from debt securities and other fixed-income securities	8	10,262	48	32,376	88	42,638
Interests on loans	9	6	49	129	89	135
Income from participation in investment pools	10	0	50	0	90	0
Interests on deposits with credit institutions	11	1,897	51	221	91	2,118
Income from other financial investments	12	0	52	0	92	0
Interests on deposits with ceding companies	13	208	53	107,807	93	108,015
Total	14	60,640	54	168,960	94	229,600
Value re-adjustments on other investments:						
Land and buildings	15	1,326	55	0	95	1,326
Shares and participations in group companies and other companies	16	7	56	0	96	7
Debt securities issued by affiliated companies and other companies in which a significant interest is held	17	0	57	0	97	0
Other equities	18	27	58	99	98	126
Other debt securities	19	145	59	885	99	1,030
Other financial investments	20	23,992	60	0	100	23,992
Total	21	25,497	61	984	101	26,481
Gains on the realisation of investments:						
Surplus on the sale of land and buildings	22	0	62	0	102	0
Gains on shares and participations in group companies and other companies in which a significant interest is held	23	0	63	0	103	0
Gains on debt securities issued by group companies and other companies in which a significant interest is held	24	0	64	0	104	0
Gains on other equities	25	1,135	65	0	105	1,135
Gains on other debt securities	26	2,052	66	1,500	106	3,552
Gains on other financial investments	27	12,127	67	0	107	12,127
Total	28	15,314	68	1,500	108	16,814
GRAND TOTAL	29	2,197,053	69	2,064,818	109	4,261,871

Notes on the accounts - Attachment 22

Company Assicurazioni Generali S.p.A.Year 2020

Income and unrelises gains on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds (item II.3)

I. Investments relating to investment funds and market index

	Amounts	
Income arising from:		
Land and buildings	1	0
Investments in group companies and other companies in which a significant interest is held	2	1,312
Shares in common investment funds	3	0
Other financial investments	4	870
- of which income from debt securities	5	15
Other	6	4
Total	7	2,186
Gains on the realisation of investments:		
Surplus on the sale of land and buildings	8	0
Gains on investments in group companies and other companies in which a significant interest is held	9	0
Gains on common investment funds	10	2,333
Gains on other financial investments	11	26
- of which debt securities	12	0
Other income	13	0
Total	14	2,359
Unrealised gains	15	39,875
GRAND TOTAL	16	44,420

II. Investments relating to the management of pension funds

	Amounts	
Income arising from:		
Investments in group companies and other companies in which a significant interest is held	21	0
Other financial investments	22	0
- of which income from debt securities	23	0
Other assets	24	0
Total	25	0
Profits on the realisation of investments:		
Investments in group companies and companies where a significant interest is held	26	0
Profits on other financial investments	27	0
- of which debt securities	28	0
Other income	29	0
Total	30	0
Unrealised gains	31	0
GRAND TOTAL	32	0

Notes on the accounts - Attachment 23

Company Assicurazioni Generali S.p.A. Year 2020

Details of investment charges (items II.9 e III.5)

	Non-life business		Life business		Total	
Investment management charges and other charges:						
Charges referring to equities	1	77	31	0	61	77
Charges referring to investment in land and buildings	2	1,811	32	0	62	1,811
Charges referring to debt securities	3	2,861	33	4,023	63	6,884
Charges referring to shares in common investment funds	4	0	34	0	64	0
Charges referring to shares in common investments	5	0	35	0	65	0
Charges referring to other financial investments	6	528	36	1,408	66	1,936
Interests on deposits received from reinsurers	7	22	37	8,710	67	8,732
Total	8	5,299	38	14,141	68	19,440
Value re-adjustments on investments referring to:						
Land and buildings	9	4,167	39	0	69	4,167
Shares and participations in group comp. and other companies	10	49,892	40	26,438	70	76,330
Debt securities issued by group companies and other companies	11	0	41	0	71	0
Other equities	12	109	42	1,740	72	1,849
Other debt securities	13	814	43	908	73	1,722
Other financial investments	14	65,536	44	5,651	74	71,187
Total	15	120,518	45	34,737	75	155,255
Losses on the realisation of investments:						
Losses on the sale of land and buildings	16	0	46	0	76	0
Losses on equities	17	1,208	47	14	77	1,222
Losses on debt securities	18	417	48	194	78	611
Losses on other financial investments	19	5,009	49	1,764	79	6,773
Total	20	6,634	50	1,972	80	8,606
GRAND TOTAL	21	132,451	51	50,850	81	183,301

Notes on the accounts - Attachment 24

Company Assicurazioni Generali S.p.A.Year 2020

Investment charges and unrealised losses relating to investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds (item II.10)

I. Investments relating to investment funds and market index

	Amounts	
Charges arising from:		
Land and buildings	1	0
Investments in group companies and other companies in which a significant interest is held	2	0
Shares in common investment funds	3	0
Other financial investments	4	13
Other activities	5	3
Total	6	16
Losses on the realisation of investments:		
Losses on the sale of land and buildings	7	0
Losses on investments in group companies and other companies in which a significant interest is held	8	0
Losses on common investment funds	9	1,687
Losses on other financial investments	10	58
Other losses	11	0
Total	12	1,745
Unrealised losses	13	13,469
GRAND TOTAL	14	15,230

II. Investments relating to the pension funds management

	Amounts	
Charges arising from:		
Investments in group comp. and other companies in which a significant interest is held	21	0
Other financial investments	22	0
Other activities	23	0
Total	24	0
Losses on the realisation of investments:		
Losses on investments in group companies and other companies in which a significant interest is held	25	0
Losses on other financial investments	26	0
Other losses	27	0
Total	28	0
Unrealised losses	29	1
GRAND TOTAL	30	1

Company Assicurazioni Generali S.p.A.

Summary layout of technical account

	Lob 01		Lob 02	
	Accident		Health	
	(description)		(description)	
Direct business gross of reinsurance				
Written premiums	+	1 3,942	1 55,251	
Change in the provision for unearned premiums (+ o -)	-	2 -226	2 -2,396	
Claims incurred	-	3 1,774	3 40,458	
Change in other technical provisions (+ o -)	-	4 0	4 0	
Balance of other technical income and charges (+ o -)	+	5 -8	5 -315	
Operating expenses	-	6 229	6 11,906	
Balance on the technical account for direct business (+ o -)		7 2,157	7 4,968	
Balance of reinsurance ceded (+ o -)		8 -15	8 -3,772	
Net balance of accepted business (+ o -)		9 10,783	9 -24,444	
Change in the equalisation provision (+ o -)		10 0	10 0	
Allocated investment return transf. from the non-technical account		11 9,292	11 9,462	
Net balance of accepted business (+ o -)		12 22,217	12 -13,786	
Direct business gross of reinsurance				
Written premiums	+	1 11,724	1 36,157	
Change in the provision for unearned premiums (+ o -)	-	2 650	2 4,882	
Claims incurred	-	3 8,676	3 9,973	
Change in other technical provisions (+ o -)	-	4 0	4 0	
Balance of other technical income and charges (+ o -)	+	5 -1	5 -289	
Operating expenses	-	6 2,684	6 4,214	
Balance on the technical account for direct business (+ o -)		7 -287	7 16,799	
Balance of reinsurance ceded (+ o -)		8 -3,173	8 -6,250	
Net balance of accepted business (+ o -)		9 4,883	9 -5,427	
Change in the equalisation provision (+ o -)		10 0	10 88	
Allocated investment return transf. from the non-technical account		11 3,204	11 14,619	
Net balance of accepted business (+ o -)		12 4,627	12 19,653	
Direct business gross of reinsurance				
Written premiums	+	1 113,010	1 0	
Change in the provision for unearned premiums (+ o -)	-	2 -1,155	2 0	
Claims incurred	-	3 79,992	3 17	
Change in other technical provisions (+ o -)	-	4 0	4 0	
Balance of other technical income and charges (+ o -)	+	5 -221	5 0	
Operating expenses	-	6 18,769	6 0	
Balance on the technical account for direct business (+ o -)		7 15,183	7 -17	
Balance of reinsurance ceded (+ o -)		8 -31,965	8 0	
Net balance of accepted business (+ o -)		9 -85,156	9 -169	
Change in the equalisation provision (+ o -)		10 0	10 0	
Allocated investment return transf. from the non-technical account		11 55,874	11 57	
Net balance of accepted business (+ o -)		12 -46,064	12 -129	

Notes on the accounts - Attachment 25

Year 2020

by branch - Non-life business -Italian portfolio

Lob Motor, other classes (description)	Lob Trains (description)	Lob Aircrafts (description)	Lob Watercrafts (description)
1 1,665	1 1,121	1 185	1 1,419
2 -1,980	2 279	2 -8	2 119
3 3,175	3 -98	3 324	3 512
4 0	4 0	4 0	4 0
5 0	5 0	5 -23	5 -24
6 20	6 104	6 189	6 382
7 450	7 836	7 -343	7 382
8 -68	8 88	8 -34	8 -13
9 3,101	9 2	9 -2,586	9 8,168
10 0	10 0	10 0	10 0
11 1,113	11 168	11 294	11 1,347
12 4,596	12 1,094	12 -2,669	12 9,884

Lob Other damage (description)	Lob Motor TPL (description)	Lob Aviation TPL (description)	Lob Watercrafts TPL (description)
1 33,879	1 345	1 545	1 379
2 4,933	2 39	2 -111	2 -46
3 19,002	3 -1,030	3 5,069	3 327
4 0	4 0	4 0	4 0
5 -35	5 -4	5 -6	5 0
6 4,302	6 27	6 192	6 76
7 5,607	7 1,305	7 -4,611	7 22
8 -485	8 -1	8 1,517	8 -79
9 -3,468	9 -3,670	9 -6,429	9 -1,917
10 0	10 0	10 0	10 0
11 9,565	11 1,252	11 1,140	11 99
12 11,219	12 -1,114	12 -8,383	12 -1,875

Lob Suretyship (description)	Lob Miscell. financial loss (description)	Lob Legal expenses (description)	Lob Assistance (description)
1 1,118	1 26,914	1 7	1 32
2 -414	2 3,815	2 -4	2 -66
3 6	3 12,377	3 89	3 9
4 0	4 0	4 0	4 0
5 0	5 -44	5 0	5 -76
6 226	6 3,857	6 0	6 4
7 1,300	7 6,821	7 -78	7 9
8 -428	8 -7,746	8 101	8 -66
9 -5,600	9 1,030	9 -106	9 0
10 0	10 0	10 0	10 0
11 2,003	11 4,681	11 130	11 3
12 -2,725	12 4,786	12 47	12 -54

Notes on the accounts - Attachment 28

Company Assicurazioni Generali S.p.A. Year 2020

Summary layout of technical accounts of life business

Italian portfolio

	Direct insurance		Reinsurance		Risks retained Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Risks accepted 3	Retrocessions 4	
Written premiums	+ 124,709	11 42,479	21 145,637	31 1,563	41 226,304
Cost of claims	- 154,146	12 76,324	22 750,666	32 0	42 828,488
Change in mathematical provision and in other technical provisions (+ o -)	- 1,723	13 8,938	23 -785,350	33 148	43 -792,713
Balance of other technical income and charges (+ o -)	+ -9,098	14 0	24 -21	34 0	44 -9,119
Operating expenses	- 9,336	15 6,120	25 15,426	35 526	45 18,116
Allocated investment return transferred to the non-technical account (*)	+ 41,945		26 284,373		46 326,318
Balance on the technical account (+ o -)	-7,649	17 -48,903	27 449,247	37 889	47 489,612

(*) Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Account

Notes on the accounts - Attachment 29

Company Assicurazioni Generali S.p.A. Year 2020

Summary layout of technical accounts of non-life and life business - Foreign portfolio

Section I: Non-Life Business

		Total lines of business	
Direct business gross of reinsurance			
Written premiums	+	1	194,367
Change in the provision for unearned premiums (+ o -)	-	2	-12,191
Claims incurred	-	3	146,742
Change in other technical provisions (+ o -)	-	4	0
Balance of other technical income and charges (+ o -)	+	5	480
Operating expenses	-	6	39,442
Balance on the technical account for direct business (+ o -)	A	7	20,854
Balance of reinsurance ceded (+ o -)	B	8	-17,685
Net balance of accepted business (+ o -)	C	9	183,244
Change in the equalisation provision (+ o -)	D	10	0
Allocated investment return transferred from the non-technical account	E	11	182,070
Balance on the technical account for direct business (+ o -)	(A+B+C-D+E)	12	368,483

Section II: Life Business

		Total lines of business	
Direct business gross of reinsurance			
Written premiums	+	1	54,615
Claims incurred	-	2	64,676
Change in mathematical provision and in other technical provisions (+ o -)	-	3	15,427
Balance of other technical income and charges (+ o -)	+	4	4,504
Operating expenses	-	5	8,929
Allocated investment return transferred to the non-technical account (1)	+	6	64,152
Balance of direct business gross of reinsurance (+ o -)	A	7	34,239
Balance of reinsurance ceded (+ o -)	B	8	-2,417
Net balance of accepted business (+ o -)	C	9	-131,014
Balance on the technical account (+ o -)	(A+B+C)	10	-99,192

(1) 'Sum of the items relating to the Italian line of business and portfolio included in items II.2, II.3, II.9, II.10, II.12 of the Profit and Loss Account

Notes on the accounts - Attachment 30

Year 2020

Company Assicurazioni Generali S.p.A.

Layout of the links with Group companies and companies where a significant interest is held

I: Income

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
Investment income						
Income from land and buildings	1 0	2 483	3 0	4 0	5 0	6 483
Income from equities	7 0	8 3,978,625	9 0	10 5,680	11 296	12 3,984,601
Income from debt securities	13 0	14 0	15 0	16 0	17 0	18 0
Interests on loans	19 0	20 75,821	21 0	22 0	23 0	24 75,821
Income from other financial investments	25 0	26 10	27 0	28 0	29 0	30 10
Interests on deposits with ceding companies	31 0	32 83,164	33 0	34 0	35 0	36 83,164
Total	37 0	38 4,138,103	39 0	40 5,680	41 296	42 4,144,079
Unrealised income and gains on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds						
	43 0	44 1,312	45 0	46 0	47 0	48 1,312
Other income						
Interests on credits	49 0	50 5,841	51 0	52 0	53 0	54 5,841
Recoveries of administration expenses and charges	55 0	56 36,380	57 0	58 0	59 0	60 36,380
Other income and recoveries	61 0	62 56,757	63 0	64 0	65 0	66 56,757
Total	67 0	68 98,978	69 0	70 0	71 0	72 98,978
Profits on realisation of investments (*)						
	73 0	74 0	75 0	76 0	77 0	78 0
Extraordinary income						
	79 0	80 5	81 0	82 0	83 957	84 962
GRAND TOTAL	85 0	86 4,238,398	87 0	88 5,680	89 1,253	90 4,245,331

Layout of the links with Group companies and companies where a significant interest is held

II: Charges

	Parent companies	Affiliated companies	Affiliated of parent companies	Associated companies	Other	Total
Charges on investments and passive interests:						
Investment charges	91 0	92 647	93 0	94 0	95 0	96 647
Interests on subordinated liabilities	97 0	98 20,461	99 0	100 0	101 0	102 20,461
Interests on deposits from reinsurers	103 0	104 0	105 0	106 0	107 0	108 0
Interests on debits from direct insurance operations	109 0	110 0	111 0	112 0	113 0	114 0
Interests on debits from reinsurance operations	115 0	116 8,841	117 0	118 0	119 0	120 8,841
Interests on debits towards banks and financial institutions	121 0	122 0	123 0	124 0	125 0	126 0
Interests on mortgages	127 0	128 0	129 0	130 0	131 0	132 0
Interests on other debits	133 0	134 71,819	135 0	136 0	137 0	138 71,819
Administration charges and charges for third parties	139 0	140 0	141 0	142 0	143 0	144 0
Other charges	145 0	146 36,516	147 0	148 0	149 0	150 36,516
	151 0	152 56,409	153 0	154 0	155 0	156 56,409
Total	157 0	158 194,693	159 0	160 0	161 0	162 194,693
Unrealised income and gains on investments for the benefit of policyholders who bear the investment risk and relating to the administration of pension funds	163 0	164 0	165 0	166 0	167 0	168 0
Losses on realisation of investments (*)	169 0	170 0	171 0	172 0	173 0	174 0
Extraordinary charges	175 0	176 15	177 0	178 0	179 0	180 15
GRAND TOTAL	181 0	182 194,708	183 0	184 0	185 0	186 194,708

(*) With reference to the counterpart in the operation

Notes on the accounts - Attachment 31

Company Assicurazioni Generali S.p.A. Year 2020

Summary layout of direct business premiums written

	Non-life		Life		Total	
	Affiliates	FoS	Affiliates	FoS	Affiliates	FoS
Written premiums:						
in Italy	1 37,575 ⁵	585	7,358 ¹⁵	0	44,933 ²⁵	585
in other EU countries	2 208,486 ⁶	41,048	117,351 ¹⁶	0	325,837 ²⁶	41,048
in third countries	3 194,367 ⁷	0	54,616 ¹⁷	0	248,983 ²⁷	0
Total	4 440,428⁸	41,633	179,325¹⁸	0	619,753²⁸	41,633

Notes on the accounts - Attachment 32

Compan Assicurazioni Generali S.p.A.Year 2020

Layout of costs with regard to staff, administrators and auditors

I: Staff costs

	Non-life business		Life business		Total	
Employees' costs:						
Italian portfolio:						
- Wages	1	183,173	31	8,120	61	191,293
- Social contributions	2	49,978	32	2,395	62	52,373
- Severance payments and other obligations	3	9,670	33	292	63	9,962
- Other employee costs	4	10,661	34	73	64	10,734
Total	5	253,482	35	10,880	65	264,362
Foreign portfolio:						
- Wages	6	18,720	36	19,426	66	38,146
- Social contributions	7	3,213	37	3,077	67	6,290
- Other employee costs	8	1,272	38	1,837	68	3,109
Total	9	23,205	39	24,340	69	47,545
Grand total	10	276,687	40	35,220	70	311,907
Costs of non - subordinate workforce:						
Italian portfolio	11	6,953	41	165	71	7,118
Foreign portfolio	12	875	42	12	72	887
Total	13	7,828	43	177	73	8,005
Total cost of workforce	14	284,515	44	35,397	74	319,912

II: Details of items entered

	Non-life business		Life business		Total	
Investments charges	15	63	45	11	75	74
Costs of claims	16	3,917	46	715	76	4,632
Other acquisition costs	17	14,958	47	1,651	77	16,609
Other administration costs	18	35,237	48	28,031	78	63,268
Administrative charges and charges for third parties	19	230,341	49	4,989	79	235,330
Holding costs	20	0	50	0	80	0
Total	21	284,516	51	35,397	81	319,913

III: Average number of staff

	Number	
Managers	91	294
Employees	92	1,462
Salaried	93	0
Others	94	0
Total	95	1,756

IV: Administrators and auditors

	Number	
Administrators	96	13
Auditors	97	3
	98	4,238
	99	410

**SECURITIES AND
URBAN REAL
ESTATE ON WHICH
REVALUATION HAVE
BEEN**

SECURITIES ON WHICH REVALUATIONS HAVE BEEN CARRIED OUT (ART. 10 OF LAW 19/3/1983 N. 72)

(values in euro)			
Name	Entered value 2020	Monetary revaluations	Other revaluations
GENERALI (SCHWEIZ) HOLDING AG	794,800,388	85,639	-
GENERALI FRANCE	529,494,119	110,443	502,204
Total	1,324,294,507	196,082	502,204

URBAN REAL ESTATE ON WHICH REVALUATIONS HAVE BEEN CARRIED OUT

Place ITALY	Total book values at 31/12/2020 ^(*)	(Art. 10 of Law 19/3/83 n. 72)	
		Monetary revaluations	Other revaluations
BUSTO ARSIZIO	277,061	23,756	464,515
CALTANISSETTA	95,059	6,881	122,469
CASALECCHIO DI RENO	180,217	13,189	174,214
CASORIA	123,195	9,086	235,396
CATANIA	233,832	-	58,172
CATANZARO	296,898	-	387,942
FABRIANO	1,320,000	-	1,529,568
FERMO	207,886	-	296,271
FOGGIA	237,008	114	273,458
FOLIGNO	912,965	16,828	591,561
FUCECCHIO	257,674	-	267,018
MELEGNANO	264,175	22,450	450,438
MUGGIA	696,506	-	-
PERUGIA	76,308	-	111,393
PESCARA	643,871	-	1,123,300
PISTOIA	790,000	-	1,145,810
REGGIO NELL'EMILIA	1,220,000	-	2,727,637
ROMA	52,992,642	-	39,588,421
SASSARI	123,188	18,722	155,838
SERIATE	85,759	-	141,501
SIGNA	208,506	14,689	327,729
TRAPANI	114,230	-	79,562
TREVIGLIO	168,196	9,936	326,621
TRIESTE	1,970,000	-	4,696,432
VENICE	1,153,627	50,109	1,031,994
VOLTERRA	142,639	-	144,443
TOTAL ITALY	64,791,440	185,760	56,451,703

* total book value includes as amount of Euro 2,622,494.45 for work in progress

URBAN REAL ESTATE ON WHICH REVALUATIONS HAVE BEEN CARRIED OUT

(values in euro) Place FOREIGN COUNTRY	Total book values at 31/12/2020	(Art. 10 Legge 19/3/83 n. 72)	
		Monetary revaluations	Voluntary Revaluations
GREAT BRITAIN - LONDON	513,022	0	670,973
FRANCE - PARIS	1,735,440	0	75,567
MAROCCO - CASABLANCA	932,363	232,929	676,022
EGYPT - CAIRO	2,588,988	64,328	11,757,511
LEBANON - BEIRUT	3,596,093	12,865	5,281,190
TOTAL ABROAD	9,365,907	310,123	18,461,262

SUMMARY (in euro)

BUILDINGS IN CITIES ITALY	64,791,440	185,760	56,451,703
BUILDINGS IN CITIES ABROAD	9,365,907	310,123	18,461,262
GRAND TOTAL	74,157,347	495,882	74,912,965



ATTESTATION AND REPORTS

ATTESTATION OF THE FINANCIAL STATEMENTS pursuant to art. 154- <i>bis</i> , paragraph 5, of legislative decree 58 of february 24, 1998 and art. 81-ter of Consob regulation no. 11971 of 14 may 1999 and following amendments and integrations.....	297
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ATTESTATION OF THE FINANCIAL STATEMENTS

pursuant to art. 154-*bis*, paragraph 5, of legislative decree 58 of February 24, 1998 and art. 81-ter of Consob regulation no. 11971 of 14 May 1999 and following amendments and integrations


Attestation of the Financial Statements pursuant to the provisions of art. 154-bis paragraph 5, of legislative decree 58 of February 24, 1998 and art. 81-ter of Consob regulation no. 11971 of 14 May 1999 and following amendments and integrations

1. The undersigned, Philippe Donnet, in his capacity as Managing Director and Group CEO, and 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 financial statements over the course of the period from 1 January to 31 December 2020.
2. The adequacy of the administrative and accounting procedures in place for preparing the financial statements as at 31 December 2020 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.
3. The undersigned further confirm that:
 - 3.1 the financial statements as at 31 December 2020:
 - a) are prepared in compliance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with the provisions of the Italian Civil Code, of Legislative Decree No. 173 of 26 May 1997, of Legislative Decree No. 209 of 7 September 2005 and with applicable provisions, regulations and circular letters issued by ISVAP (now IVASS);
 - b) correspond to the related books and accounting records;
 - c) provide a true and fair representation of the financial position of the issuer;
 - 3.2 the management report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertain situations to which it is exposed.

Milan, 10 March 2021

Dott. Philippe Donnet
Managing Director and Group CEO

ASSICURAZIONI GENERALI S.p.A.



Dott. Cristiano Borean
*Manager in charge of preparing
 the Company's financial reports and Group CFO*

ASSICURAZIONI GENERALI S.p.A.



BOARD OF STATUTORY AUDITORS' REPORT

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE ASSICURAZIONI GENERALI S.P.A. GENERAL MEETING CALLED TO APPROVE THE SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 PURSUANT TO S. 153 OF LGS. DECREE 58/1998

Shareholders,

in compliance with s. 153 of Lgs.Decree 24 February 1998, no. 58 ("CFBA", [consolidated law on financial intermediation]) and with Consob Communication no. 1025564 of 6 April 2001 and subsequent amendments and additions, and taking account of the recommendations of the Italian National Board of Accountants and Auditors ("CNDCEC"), the Board of Statutory Auditors of Assicurazioni Generali S.p.A. (alternatively, "Generali", the "Company" or the "Parent") sets out here in its Report on the supervisory activities carried out during financial year 2020.

1. Activities of the Board of Statutory Auditors during the financial year ended 31 December 2020 (point 10 of Consob Communication no. 1025564/01)

The main characteristic of 2020 was the outbreak and spread of the Covid-19 pandemic, which had and continues to have severe economic and social repercussions all over the world. Given the situation, in performing its activities, the Board of Statutory Auditors paid specific attention to the measures put in place by Generali, which enabled it to reduce the negative impact of the pandemic on its business and guarantee the continuity of its operating processes and constant, systematic support for its clients.

The Board of Statutory Auditors performed the activities falling within its remit during the 2020 financial year by holding 25 meetings with an average duration of approximately two hours and thirty minutes; in view of the health emergency, as from March 2020, the meetings were held via video/audio conferencing links.

The Board of Statutory Auditors also:

- attended the 16 meetings of the Board of Directors;
- attended the 19 meetings of the Risk and Control Committee ("RCC");
- attended the 3 meetings of the Related-Party Transactions Committee ("RPTC");
- attended the 6 meetings of the Corporate Governance and Social & Environmental Sustainability Committee ("GSC");
- attended, in the person of its Chairman and/or another statutory auditor, the 11 meetings of the Appointments & Remuneration Committee ("ARC"), with specific reference to remuneration matters (10 meetings);
- attended, in the person of its Chairman and/or another statutory auditor, the 8 meetings of the Investments Committee (IC);

In addition to the above, in the course of its activity plan, the Board of Statutory Auditors also:

- held meetings with and obtained information from the Group CEO, also in his capacity as Director in charge of the internal control and risk management system; the Group CFO, also in his capacity as manager in charge of preparation of the Company's financial reports; the head of the Group Financial Crime Function, the Group General Counsel; the head of the Corporate Affairs Function; the head of the Group Human Resources & Organisation Function; the head of the Group Operations & Processes Function; the General Manager. The Board of Statutory Auditors also met the heads of the corporate functions involved in its inspection activities from time to time;
- pursuant to s. 74.2 of IVASS Regulation no. 38 of 3 July 2018 ("IVASS Regulation no. 38/2018"), held meetings with and obtained information from the heads of the four key functions envisaged by the aforementioned Regulation – Group Audit, Group Compliance, Risk Management, Group Actuarial ("Key Functions") – and the heads of all the units that perform control activities inside the group headed by Assicurazioni Generali S.p.A. ("Group") and ensure appropriate functional and information links;
- received continuous updates on the measures adopted by the Company to respond to the Covid-19 health crisis;
- in light of s. 106, Lgs.Decree no. 18/2020 (the so-called "Cure Italy Decree") and Consob Communication no. 3/2020 ("Communication regarding the shareholders' meetings of companies with listed shares"), acquired information about the checks relating to the holding of the General Meeting on 30 April 2020, which was organised on a "closed-door" live streaming basis, in order to monitor the correctness of the procedure for identification of the parties entitled to attend and to vote and the correctness of the processes to safeguard shareholder rights; the Board of Statutory Auditors also acquired information on the security mechanisms adopted by the representative designated by the Company pursuant to ss. 135-novies and 135-undecies CFBA (Computershare S.p.A.) to ensure the confidentiality of the outcome of the vote until counting commenced at the General Meeting;
- met the members of the Surveillance Body set up pursuant to Lgs. Decree 231/2001 for useful exchanges of information;
- pursuant to paragraphs 1 and 2 of s. 151 of the CFBA, and to s. 74.3.g of IVASS Regulation no. 38/2018, held meetings and/or exchanged information with the audit bodies of the main subsidiaries (Alleanza Assicurazioni S.p.A., Banca Generali S.p.A., Generali Česká pojišťovna a.s., CityLife S.p.A., Europ Assistance Italia S.p.A., Generali Allgemeine Versicherungen AG, Generali Business Solutions S.C.P.A., Generali Deutschland AG, Generali España S.A. de Seguros y Reaseguros, Generali IARD S.A., Generali Insurance Asset Management S.p.A. Società di gestione del risparmio, Generali Investments Partners

S.p.A. Società di gestione del risparmio, Generali Investments Holding S.p.A., Generali Italia S.p.A., GOSP - Generali Operations Service Platform S.r.l., Generali Personenversicherungen AG, Generali Real Estate S.p.A., Generali Real Estate S.p.A. SGR, Generali Seguros, S.A., Generali Versicherung AG, Generali Vie S.A., Genertel S.p.A., Genertellife S.p.A.);

- as part of the relations between audit body and external auditor envisaged under s.150.3 of the CFBA and s. 74.3.e of IVASS Regulation no. 38/2018, and in light of the powers of the Board of Statutory Auditors in its capacity as internal control and account audit committee pursuant to s. 19 Lgs.Decree 39/2010, held regular meetings with the external auditors EY S.p.A. ("EY"), during which data and information of significance for the execution of the bodies' respective responsibilities were exchanged.

2. Transactions with the greatest impact on results of operations, financial position and equity. Other noteworthy events (point 1 of Consob Communication no. 1025564/01)

2.1 ACTIVITIES PERFORMED BY THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors monitored compliance by the Company with legislation and the Articles of Association and observance of the principles of correct administration, with special reference to transactions having a significant impact on results of operations, the financial position and equity, by regularly attending meetings of the Board of Directors and examining the documentation provided.

In this context, the Board of Statutory Auditors received information from the Managing Director/Group CEO and the Board of Directors about activities performed and transactions with the greatest impact on results of operations, the financial position and equity conducted by the Company, including transactions conducted through directly or indirectly controlled companies.

On the basis of the information provided, the Board of Statutory Auditors reasonably concluded that the said transactions may be deemed to comply with legislation, the Articles of Association and the principles of sound management and do not appear to be manifestly imprudent, rash or in conflict with the resolutions passed by the General Meeting, or such as to undermine the integrity of the Company's assets.

In particular, the Board of Statutory Auditors was informed about transactions in which Directors declared an interest, on their own account or on behalf of third parties, and has no comments to make about the compliance of the corresponding resolutions with legislation and regulations.

2.2 MOST SIGNIFICANT EVENTS

The most significant events involving the Company and the Group in 2020 and the early months of 2021 are also described in the 2020 Integrated Annual Report and Consolidated Financial Statements. They include the following events:

January

- The acquisition was completed in Portugal of 100% of the Seguradoras Unidas company and the AdvanceCare services company, whose majority shareholders were investment funds managed by a number of subsidiaries of Apollo Global Management, Inc., thus closing the transaction first announced on 18 July 2019;

February

- Generali developed its first "Green Insurance Linked Securities Framework" in line with the Group sustainability strategy;
- ThreeSixty Investments obtained authorisation from the Bank of Italy to operate as an SGR asset management company.

March

- An Extraordinary International Fund of up to 100 million euro was set up to deal with the Covid-19 emergency at international level: the main activities of the Fund are illustrated in the Directors Report on Operations and the Draft Separate Financial Statements as at and for the year ended 31 December 2020;
- Generali announced the commencement of share buybacks to service the Group's employee ownership plan, executing the shareholder resolution of 7 May 2019, which authorised the purchase and disposal of up to 6 million own shares, over a period ending on 7 November 2020;

April

- On 10 April 2020, at the General Meeting, the Generali Board of Directors confirmed the proposed distribution of a per-share dividend of 0.96 euro, subdivided into two tranches: one for 0.50 euro per share payable in May and one for 0.46 euro per share payable by the end of 2020, subject to a check by the Board of Directors that capital and regulatory requirements were met. The outcome of the check by the Board, conducted with the prudence recommended by the IVASS and supported by the Board of Statutory Auditors, is illustrated below in the section on activities in November;
- On 30 April 2020 the 2020 General Meeting approved the 2019 Annual Report, appointed the new Board of Statutory Auditors by confirming the composition of the permanent auditors with respect to the previous term of office and changing that of the substitute auditors, and approved a number of amendments to the Articles of Association.

June

- On 11 June 2020, Generali announced that it had reached an agreement with BTG Pactual, closing the arbitration over the sale of BSI. The arbitration began in 2016 on the completion of the sale of

BSI by Generali Participations Netherlands to Banco BTG Pactual in September 2015, and involved claims and requests for compensation under the terms of the sales contract, presented by both parties; the effects of the agreement are described in section 2.3.

- On 24 June 2020, the Board of Directors of Generali and the Board of Directors of Cattolica Assicurazioni Soc. Coop. ("Cattolica") approved a strategic partnership between the Generali Group and the Cattolica Group. The agreement included the undertaking by Generali to subscribe a Cattolica share capital increase for an amount of 300 million euro. The transaction took place in October, as described below.

July

- The operation for the placement of the second green bond and repurchase of approximately 600 million euro of subordinate notes callable in 2022 was successfully completed.

October

- On 1 October 2020 Generali completed the merger of all its wholly owned subsidiaries in Portugal. Generali Companhia de Seguros S.A. and Generali Vida Companhia de Seguros S.A. were merged with Seguradoras Unidas S.A., which was renamed Generali Seguros S.A., after obtaining the necessary approvals from the Portuguese Regulatory Authority;
- Executing the agreement of 24 June 2020, on 23 October 2020 Generali subscribed the Cattolica reserved capital increase for 300 million euro, to acquire 24.46% of the share capital.

November

- On 11 November 2020, the Generali Board of Directors followed the recommendation for prudence of the Supervisory Authority and decided not to proceed with the payout of the second part of the 2019 dividend by the end of the year.

December

- Generali and Accenture formed a joint venture (*GOSP – Group Operations Service Platform*) to accelerate the Group innovation and digitalisation strategy through the Cloud and shared platforms;
- Generali signed an agreement for the acquisition from AXA Group of 100% of AXA Insurance S.A. ("AXA Greece") for a consideration of 165 million euro, subject to possible adjustments on closing. Generali also re-negotiated the distribution agreement between AXA Greece and Alpha Bank due to expire in March 2027; the new terms are set out in detail in the Directors' Report on Operations and the Draft Separate Financial Statements as at and for the year ended 31 December 2020.

Throughout 2020, the Board of Statutory Auditors has received adequate information about the measures and initiatives taken by the Company in response to the Covid-19 crisis and healthcare emergency.

Among the many initiatives organised by Generali, the following measures

were brought to the notice of the Board of Statutory Auditors during meetings of the Board of Directors and its own meetings:

- the swift activation of special committees (Guidance/Specialist/Operational) to analyse the difficulties and draw up guidelines, instructions and procedures for management of the emergency;
- the prompt disclosure to personnel through the company intranet, the creation of a stronger structure in terms of IT effectiveness to support smart working, the sharing of indications for management of travel, meetings and events in general as well as a block on any international, intercontinental and domestic business trip except in exceptional, necessary and compelling circumstances;
- the introduction of restrictions and rules on access to offices for suppliers and third parties and for employees, giving priority to secure forms of smart working for employees where possible;
- the activation at Group and local level of special task forces to monitor developments in the situation and guarantee coordinated action on the measures under a risk categorisation system for the various countries;
- the activation of a freephone number, "Help Line Covid-19", managed by Europ Assistance, to provide Group employees and their families with support, information and, if necessary, medical and psychological assistance, also to offer employees in some countries access to anti-flu vaccination.

Notable events in early 2021 included:

- on 27 January 2021, the Generali Board of Directors approved the new Group organisational structure, details of which are provided in section 4;
- in February 2021, for the 190th anniversary of its incorporation, Generali launched the "Phoenix 190" project to support sustainable recovery in Europe.

2.3 LITIGATION

As stated in the Integrated Annual Reports and Consolidated Financial Statements from 2016 to 2019, the Brazilian company Banco BTG Pactual S.A. ("BTG") initiated arbitration in 2016 with respect to claims for compensation by virtue of an agreement under which the sale to BTG of Banca della Svizzera Italiana S.A. ("BSI") by a Generali subsidiary was concluded in September 2015.

As indicated in the 2020 Integrated Annual Report and Consolidated Financial Statements, in June 2020 Generali reached an agreement with BTG Pactual which brought the dispute over the sale of BSI to an end. The settlement provided for the Generali Group to pay an amount of CHF 245 million to BTG Pactual, for the termination of the arbitration and the waiver by both parties of their claims and requests for compensation, without recognition of any liability or breach by either party against the other. The settlement had a net effect on the Generali Group 2020 results of CHF 195 million, equivalent to approximately 183 million euro, taking pre-existing provisions for legal expenses into account.

3. Related-party and intercompany transactions. Atypical and/or unusual transactions (points 2 and 3 of Consob Communication no. 1025564/01)

The Company has introduced “*Related-Party Transaction Procedures*” (“RPT Procedures”), adopted in compliance with Consob Regulation 17221/2010, as amended, and s. 2391-*bis* of the Italian Civil Code, which are also applicable to transactions performed by subsidiaries. The RPT Procedures were most recently updated in March 2020, in compliance with the three-year review envisaged by Consob regulations and mentioned in the text of the Procedures. The amendments and additions did not refer to the scope of the related parties.

The Board of Statutory Auditors believes that the above procedures comply with the current version of Consob Regulation 17221/2010; during the year it monitored the Company's compliance with the procedures.

The Company began assessments for the update of the RPT Procedures in order to bring them into line with the amendments introduced to Consob Regulation no. 17221/2010 by Consob Resolution no. 21624 of 10 December 2020, which will come into force on 1 July 2021. Also taking account of s. 4.6 of Consob Regulation no. 17221/2010, the Board of Statutory Auditors is monitoring the process to align the Company's RPT Procedures with the new regulation by the 1 July 2021 deadline.

The 2020 Separate Financial Statements of Assicurazioni Generali S.p.A. and the 2020 Integrated Annual Report and Consolidated Financial Statements illustrate the effects of the related-party transactions on results of operations and equity, and describe the most significant relationships.

During 2020 a single transaction classified under the RPT Procedures as “non-exempt” of “minor materiality” was brought to the attention of the RPTC: the Board of Statutory Auditors attended the relevant meeting and followed the proceeding to analyse the transaction, ensuring the compliance of the Board of Directors and the RPTC with Consob Regulation 17221/2010 and with the RPT Procedures.

No urgent transactions with related parties took place.

The Board of Statutory Auditors' surveillance activities ascertained that intragroup transactions during the year were in accordance with IVASS Regulation no. 30/2016 on intragroup transactions and concentration of risk and with the Intragroup Transactions Group Policy adopted by the Board of Directors on 15 March 2017 and updated on 20 June 2019. The main intragroup activities, with payment at market prices or at cost, were conducted by means of insurance, reinsurance and coinsurance agreements, administration and management of securities and real estate, leasing, loans and guarantees, IT and administrative services, personnel loans and claims settlement.

The Board of Statutory Auditors concluded that the information provided by the Board of Directors on intragroup and related-party transactions in the 2020 Separate Financial Statements is adequate.

As far as we are aware, no atypical and/or unusual transactions took place during 2020.

4. Organisational structure of the Company and the Group (point 12 of Consob Communication no. 1025564/01)

The organisational structure of the Company and the Group and its developments are described in detail in the Corporate Governance and Share Ownership Report.

The Company's organisational structure covers the duties and responsibilities of the corporate functions, the hierarchical and functional relations among them and related coordination mechanisms. It is a two-tier structure based on Group Head Office (“GHO”) and the Business Units. GHO provides strategic guidance and coordinates the 6 Business Units, which enhance entrepreneurship and local autonomy through the geographical areas and the global lines. In line with the internal organisational system, a system of reporting lines operates at Group level. The lines are classified as “solid” or “dotted” according to the degree of guidance and coordination between the Group Head Office Functions and the corresponding functions in the Business Units. For the Key Functions or control functions, the Group coordination role is reinforced by a “solid managerial” reporting line with respect to the equivalent functions at local level.

With regard to the Group organisational structure, during 2020 the new organisational governance of the Group Actuarial Function as an autonomous function, separate from the Group CFO, was implemented. Specifically, the new organisational system of the Group Actuarial Function, implemented for all Group companies under the new Actuarial Policy, provides for (i) the Group and the Local Actuarial Functions of the Group to report hierarchically to the Board of Directors of, respectively, Generali and Local, and, organisationally, also to the Group CEO and the Local CEO, and (ii) the Group Actuarial Function to have a solid managerial reporting line with respect to the Local Actuarial Functions.

On 23 September 2020, the Generali Board of Directors approved the new organisational governance of the Group General Counsel Function and the Group Compliance Function, and established the Anti Money Laundering Function.

The rationale behind the new organisation of the Group Compliance Function and the Group Anti Money Laundering Function provides that: (i) the Compliance and Anti Money Laundering Functions be separate from the General Counsel, reporting directly to the Board of Directors, as a further guarantee of the independence, autonomy and objective judgement of all Group companies (cf. section 5); (ii) the Anti Money Laundering Function be created as a specific function, with a head of

function other than the Compliance Officer in Generali and in the other Group companies exposed to a risk of a not immaterial nature, breadth and complexity; (iii) the Anti Money Laundering Function remain within the Compliance Function for reasons of material connection and synergy with the Group control activities; (iv) the head of the Anti Money Laundering Function have the autonomy and independence already attributed to the other Group control functions.

At Group Head Office level, during 2020 a new Group Head of Mergers & Acquisitions was appointed and simultaneously Bancassurance operations were relocated to the Group Strategy & Business Accelerator Unit.

In early 2021, the Group organisational structure underwent an additional review for consistency with and support for the objectives of the 2021 Generali Plan, with the goal of integrating management of Group investments with the Insurance area, strengthening the focus on Asset Management with the creation of a specific Business Unit and speeding up digitalisation.

Specifically, in February and March 2021:

- the General Manager Function was eliminated and the functions that reported to it were re-organised, with the following existing functions reporting directly to the Group CEO: i) Group Chief Financial Officer, incorporating Investor & Rating Agency Relations; ii) Group Chief Marketing & Customer Officer, and iii) Group Mergers & Acquisitions;
- the position of Group Chief Transformation Officer, reporting directly to the Group CEO, was created, consolidating the areas covering Group strategy, transformation and digitalisation;
- the position of Group Chief Insurance & Investments Officer, reporting directly to the Group CEO, was created, bringing together the Group Head Office insurance and reinsurance competences with investment guidance competences;
- the organisational scope of the current Group Investment Business Unit was reviewed, leading to the creation of a Business Unit to focus on Asset & Wealth Management, reporting directly to the Group CEO, with responsibility for coordinating all the operations of the Group asset management companies;
- the new Group Chief Risk Officer was appointed, reporting directly to the Generali Board of Directors and with a dotted reporting line to the Group CEO.

At the date of this Report, the Functions with “solid managerial” Group reporting lines as described above, are: Group Chief Risk Officer, Group Compliance Function, Group Actuarial Function, Group Anti Money Laundering Function, Group Audit and Group Investment; the other Group Functions have dotted reporting lines.

The new organisational governance system, which continues to be based on mechanisms of integration and internal coordination among the Business Units and the Group Head Office functions, is currently composed of:

- the Group Management Committee (“GMC”), whose members are the Group Chief Risk Officer, Group Chief Financial Officer, Group

Chief HR & Organisation Officer, Group Marketing & Customer Officer, Group Chief Transformation Officer, Group Chief Insurance and Investment Officer and all the heads of Business Units; the GMC supports the Group CEO and top management in reaching key strategic decisions;

- the four main cross-functional committees that support the Group CEO as regards Group strategic decisions: the Balance Sheet Committee, the Finance Committee, the Group Product & Underwriting Committee and the Sustainability Committee;
- the corporate processes (Business Strategic Reviews, Clearance Meetings and Capital & Cash Deep Dives), which ensure alignment between GHO and the Business Units.

The Board of Statutory Auditors verified the adequacy of the overall Company and Group organisational structure, especially in view of its dynamic nature, and also monitored the process for the definition and assignment of powers, with particular attention to the separation of responsibilities in tasks and functions, pursuant to s. 74.3.b of IVASS Regulation no. 38/2018.

The Board of Statutory Auditors verified the adequacy of the Company's instructions to the subsidiaries pursuant to s. 114.2 of the CFBA, in order to obtain on a timely basis the information required to comply with the disclosure obligations under law and Regulation (EU) no. 596/2014.

Furthermore, pursuant to paragraphs 1 and 2 of s. 151 of the CFBA and s. 74.3.g of IVASS Regulation no. 38/2018, the Board of Statutory Auditors obtained the reports of the boards of statutory auditors of the main subsidiaries and/or the information sent by said boards in response to specific requests; analysis of the documents in question did not find any elements worthy of mention in this Report.

5. Internal control and risk management system, administrative/accounting system and financial reporting process (points 13 and 14 of Consob Communication no. 1025564/01)

5.1. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The main characteristics of the internal control and risk management system are described in the Corporate Governance and Share Ownership Report and the Group Risk Report (included in the 2020 Integrated Annual Report and Consolidated Financial Statements).

The internal control and risk management system (“ICRMS”) consists of the rules, procedures and corporate units that – also with regard to the Company's role as parent of an insurance group – operate to enable the Company and Group to function effectively and to identify, manage

and monitor the main risks to which they are exposed. The ICRMS is an integrated system involving the whole organisational structure: the governing bodies and the corporate units, including the Key Functions, are required to contribute in a coordinated and interdependent manner to its operation.

Since 2018, in compliance with industry regulations, the Company has adopted a “reinforced” corporate governance model that takes account of the quali-quantitative parameters indicated in the IVASS letter to the market of 5 July 2018. Elements implied by the model include: the non-executive role of the Chair of the Board of Directors, the existence of the Control & Risks Committee and a remuneration committee, the effective and efficient operation of the Key Functions by specific organisational units (separate from the operating functions and not outsourced), headed by individuals with adequate skills and qualifications.

The Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions are the Key Functions pursuant to IVASS Regulation no. 38/2018. To guarantee a consistent Group approach, the Company formulates Group directives on the governance system integrated with Group internal control and risk management policies, which apply to all the companies.

The ICRMS has been drawn up in accordance with Solvency II – including EIOPA delegated acts and guidelines – and with national laws and regulations that enact Solvency II. Following the issue by the Regulator of authorisation to use a “Partial Internal Model” (“PIM”) to calculate the Solvency Capital Requirement (“SCR”) as required by Solvency II, the Group is allowed to use the PIM to determine the SCR of the Group and the main Business Units for the Italian, German, French, Czech, Austrian, Swiss and Spanish companies. For further details, see the Group Risk Report.

During 2020, following the review of the corporate governance system, the Board of Statutory Auditors constantly monitored the activities to align the company and Group governance structure with IVASS Regulation no. 38/2018, which were further implemented and successfully completed.

As required by industry regulations, the Board of Statutory Auditors verified the adequacy of the Company and Group ICRMS, and checked its actual operation. Specifically, and in line with ss. 8 and 74 of IVASS Regulation no. 38/2018, the Board of Statutory Auditors:

- i) took note of the opinion issued half-yearly by the Board of Directors after consulting the RCC that the ICRMS is fit for purpose;
- ii) examined the RCC report issued half-yearly to support the Board of Directors;
- iii) examined the summary drawn up by the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions regarding assessment of the adequacy and efficacy of the Internal Control and Risk Management System;
- iv) attended all meetings of the RCC, obtaining information about the initiatives that the Committee decided to promote or request on specific subjects;
- v) obtained information about the development of the organisational

- units and the activities performed by the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions, in part through meetings with the managers concerned;
- vi) examined the activity reports of the Group Audit, Group Compliance, Group Risk Management and Group Actuarial Functions submitted to the RCC and the Board of Directors;
- vii) examined the Group Audit Manager’s half-yearly Complaint Reports;
- viii) verified the autonomy, independence and functionality of the Group Audit Function, and established and maintained appropriate and constant ties with it;
- ix) examined the Audit Plan drawn up by the Group Audit Function and approved by the Board of Directors, monitored compliance with it, and received information about audit results and implementation of mitigating and corrective action;
- x) took note of the activities of the Surveillance Body formed by the Company in compliance with Lgs. Decree 231/2001 through specific disclosures and meetings for updates on the body’s activities;
- xi) obtained information from the heads of functions involved in the ICRMS;
- xii) exchanged information with the audit bodies of the subsidiaries, as required by ss. 151.1 and 151.2 of the CFBA and by s. 74.3.g of IVASS Regulation no. 38/2018;
- xiii) met and exchanged information with the Group CEO in his capacity as Executive Director responsible for supervising the ICRMS;
- xiv) obtained information about the development of the Group’s regulatory system, in particular the Company’s structure of policies, regulations, guidelines and procedures designed to ensure compliance with the specific regulations of the insurance industry and listed companies applicable to or approved by the Company.

As part of its oversight of the ICRMS, the Board of Statutory Auditors paid particular attention to the IT area and to issues relating to cyber security management and data protection. Following the adoption by the Board of Directors of the “*ICT & Cyber Security Strategic Plan*” in compliance with s. 16 of IVASS Regulation no. 38/2018 (as described in the report on financial year 2019), the Group Audit Function conducted specific inspections on the Cyber Security area. In this regard, during 2020 management continued to implement the initiatives intended to gradually strengthen risk monitoring and mitigation. In this context, the fine-tuning of systems and procedures to prevent and reduce said risk remains an area subject to regular monitoring by the Board of Statutory Auditors.

The Board of Statutory Auditors also continued to monitor implementation of the initiatives to mitigate the risk of money-laundering and financing of terrorism, taking account of the annual self-assessment based on specific methodologies indicated by IVASS.

After the issuance of IVASS Regulation no. 44/2019 on organisation, procedures, internal controls and client verification in relation to the risk of money-laundering and financing of terrorism, during 2020 the Board of Statutory Auditors regularly monitored the activities introduced by the Company to implement the relevant regulatory dispositions, including the adoption, in July 2020, of a new Group Guideline “*AML/CTF Risk-Based Approach*”.

The new guidelines, whose drafting was monitored by the Board of Statutory Auditors during the regular meetings with the relevant functions, focus specifically on closer coordination and monitoring of Group companies, Group-wide sharing of client data through the “*Group Data Sharing*” project, uniformity of client profiling, creation of new information flows and tighter monitoring of suspicious transactions.

As noted by the Board of Statutory Auditors in last year's report, during 2019 IVASS conducted an inspection of the Parent and the Italian subsidiaries in the “Life” business. The Authority notified the findings of its inspection on 24 June 2020.

On 28 September 2020, the Company sent IVASS the improvement action plan approved by the Board of Directors, which had already been implemented in part, and its considerations on the findings of the inspection. The Board of Statutory Auditors provided Consob with appropriate information on the matter.

In the second half of 2020 and the early months of 2021, through meetings and discussions with the relevant functions and participation in meetings of the RCC and the Board of Directors, the Board of Statutory Auditors continually monitored the progress of the action plan drawn up by the Company. The most important part of the improvement initiatives organised by the Company was completed during 2020 (cf. section 4), while some other measures are currently underway, and should be completed by the end of 2021.

The program of measures to support the internal control system of the international branches continued in 2020, regarding which the Board of Statutory Auditors received continuous information from the four Key Functions.

The Board of Statutory Auditors also took cognisance of the approval by the Generali Board of Directors on 17 April 2020 of a new Group fiscal management policy designed to strengthen the control system, which sets out procedures to ensure correct and prudent management of fiscal matters for all Group companies. In January 2021, the Company was admitted to the cooperative compliance system, starting from the 2020 tax year, which enables continuous preventive dialogue with the Italian Inland Revenue.

Regarding the requirements introduced by the latest legislation of particular significance for the insurance sector – international sanctions, client privacy and protection – the Group continued the implementation in 2020 of the controls drawn up by the Company to take account of the highest intrinsic risk profile. Action was taken on these issues during the year by the Group Audit Function and the Group Compliance Function, as envisaged in the respective Plans; risk analysis was updated, also with regard to activity planning for 2021.

The above-mentioned areas addressed by programs for the continuous improvement of the efficiency and effectiveness of the Group system are specifically monitored by the Board of Statutory Auditors.

In the light of all the above information and taking into account the dynamic nature of the ICRMS and the corrective action activated and planned by the Key Functions, no factors emerged from the analyses conducted or

the information obtained that could lead this Board of Statutory Auditors to consider the Company's internal control and risk management system not fit for purpose as a whole.

5.2. ADMINISTRATIVE ACCOUNTING SYSTEM AND FINANCIAL REPORTING PROCESS

As regards the administrative accounting system and the financial reporting process, the Board of Statutory Auditors monitored the activities conducted by the Company for continuous assessment of their adequacy and operation.

This objective was pursued by the Company by adopting a “financial reporting model” consisting of a set of principles, rules and procedures designed to guarantee an adequate administrative and accounting system. Consistently with the Company ICRMS, the financial reporting model involves the corporate bodies and the operating and control units in an integrated management approach, consistently with the different levels of responsibility. The main characteristics of the model are described in the Corporate Governance and Share Ownership Report.

The data and information exchanges with the external auditors for the performance of our respective tasks pursuant to s. 150.3 CFBA and s.74.3.e of IVASS Regulation no. 38/2018 did not find matters to be highlighted in this report.

At a meeting on 31 March 2021, the Board of Statutory Auditors examined the additional report drawn up by the EY external auditors, ex s. 11 of EU Regulation 537/2014 and noted that it identified no significant shortcomings in the internal control system with regard to financial reporting. The draft report had already been discussed and analysed during the regular information exchanges between the Board of Statutory Auditors and the external auditors.

In overseeing the adequacy of the administrative and accounting system, the Board of Statutory Auditors also established, pursuant to s. 15 of Consob Regulation no. 20249 of 28 December 2017 (“Markets Regulation”), that the corporate organisation and procedures enable the Company to ascertain that the companies controlled and incorporated and governed by the legislation of non-EU countries, which are required to comply with Consob regulations, have an administrative/accounting system fit for the purpose of supplying the Company's management and external auditors regularly with the business and financial data required to draw up the consolidated financial statements. At 31 December 2020, the significant non-EU companies for the purposes of the Markets Regulation were: Generali Personenversicherungen AG, Generali (Schweiz) Holding AG and Generali China Life Insurance Co. Ltd.

5.3. CONSOLIDATED NON-FINANCIAL STATEMENT

The Board of Statutory Auditors reminds the reader that pursuant to Lgs. Decree no. 254/2016 and subsequent amendments, and to the implementing regulation issued by CONSOB with resolution no. 20267

of 18 January 2018, the Company is required to draft and publish a Consolidated Non-Financial Disclosure (“CNFD”). As required by s. 4 of Lgs.Decree no. 254/2016, the CNFD provides non-financial information on the Company and its subsidiaries “to the extent required to ensure understanding of the group’s business, performance and results, and the impact produced by it”.

As specified in s. 3.7 of Lgs.Decree no. 254/2016, the Board of Statutory Auditors, in the performance of its statutory functions, monitored compliance with the legislation governing the preparation and publication of the CNFD. Specifically, the Board of Statutory Auditors verified the adequacy of the organisation structure adopted by the Group in connection with its strategic socio-environmental objectives and the adequacy of the Group processes and structures that oversee the production, reporting, measurement and representation of non-financial results and information. For this purpose, during 2020, the Board of Statutory Auditors examined the documentation made available by the Company and held meetings with the management team responsible for the information in the CNFD – an interdisciplinary group including the Group CFO Function and the Group Risk Management Function – and the representatives of the external auditor, which is also responsible for issuing a specific report certifying conformity as required by s. 3.10 of Lgs.Decree no. 254/2016.

The Board of Directors approved the CNFD on 10 March 2021; the document was drafted in compliance with Lgs.Decree 254/2016, taking account of the criteria envisaged by the International <IR> Framework, issued by the International Integrated Reporting Council (“IIRC”). In 2020 the materiality analysis method used by the Company evolved to focus on assessment of mega trends: the main social, environmental and governance changes expected to have a significant impact on the corporate world, society and the natural environment over a ten-year timeline, bringing risks and opportunities for the Group, its value chain and its stakeholders. Among primary intervention areas, the 2020 CNFD also covered the “*pandemic and extreme events*” megatrend, in terms of the response to the risks associated with the Covid-19 health emergency. The standard adopted for reporting on the material issued identified by the Group is the Consolidated Set of GRI Sustainability Reporting Standards – published in 2016 by the GRI Global Reporting Initiative (GRI – Referenced claim) – with reference to selected GRI Standards and indicators of GRI G4 Financial Services Sector Disclosures. The analysis also considered the European Commission’s orientation on disclosure of non-financial information, which was subsequently taken up by the ESMA. When drawing up the CNFD, the Company did not exercise the option to omit information concerning imminent developments and transactions under negotiation allowed by s. 3.8 of Lgs.Decree 254/2016.

The Board of Statutory Auditors also noted that the external auditor EY issued its report as per s. 3.10 Lgs.Decree no. 254/2016 on 31 March 2021. In the report, EY certified that on the basis of the work performed, no elements had come to its attention suggesting that the CNFD had not been drawn up, in all significant respects, in compliance with the terms of ss. 3 and 4 Lgs.Decree no. 254/2016 and the reporting standard used by the Group.

The Board of Statutory Auditors observes that, during its inspections, no evidence of CNFD non-conformity with the laws governing its preparation and publication came to its attention.

On 11 February 2021, Consob sent the Board of Statutory Auditors a notice pursuant to s. 9.3 of Lgs.Decree 254/2016, and to s. 115.1 of Lgs.Decree 58/98. In the notice, Consob asked the Board of Statutory Auditors for information on the activity conducted in connection with the CNFD in 2018 and 2019, with specific reference to relations with the EY auditing firm, engaged to issue the compliance opinion pursuant to s. 3.10, Lgs.Decree 254/2016. In response to the requests from Consob, on 24 February 2021 the Board of Statutory Auditors replied that it had monitored compliance with the laws that regulate the preparation and publication of the CNFD, the adequacy of the organisation structure adopted by the Group in connection with its strategic socio-environmental objectives and the adequacy of the Group processes and structures that oversee the production, reporting, measurement and representation of non-financial results and information. The Board of Statutory Auditors also sent Consob the documentation on the activities conducted with regard to the CNFD drawn up by the Company for financial years 2018 and 2019 and on relations with the external auditors.

6. Other activities performed by the Board of Statutory Auditors

6.1. ADDITIONAL PERIODIC CHECKS

In addition to the matters described above, the Board of Statutory Auditors performed further specific periodic checks in accordance with the statutory and regulatory provisions applicable to the insurance industry. Specifically, in part through its attendance at meetings of the RCC, the Board of Statutory Auditors:

- verified compliance with the investment policy guidelines approved by the Board of Directors, pursuant to s. 8 IVASS Regulation no. 24 of 6 June 2016;
- checked that transactions in derivative financial instruments complied with the guidelines and limitations issued by the Board of Directors, and checked that the Company had duly issued the periodic communications to IVASS;
- analysed the administrative procedures adopted for the handling, safekeeping and accounting of financial instruments, and checked the instructions issued to depositaries regarding periodic despatch of statements of account with suitable indications of any encumbrances;
- checked that the assets covering the technical reserves were free of encumbrances and fully available;
- ascertained correspondence with the register of assets destined to cover the technical reserves.

In the Notes to the Financial Statements, the Company has provided a report on share-based payment agreements, in particular the incentive plans based on equity instruments allocated by the Parent and by other Group companies.

Taking into consideration the recommendations in the ESMA Public Statement of 20 May 2020 and the Consob call for attention no. 8/20 of 16 July 2020 and in line with the provisions of the joint Bank of Italy/Consob/ISVAP document of 3 March 2010, the Board of Directors approved, in an autonomous manner and prior to approval of the financial statements as at and for the year ended 31 December 2020 (as for the half-year financial report at 30 June 2020), the compliance of the impairment test procedure with International Accounting Standard 36.

The notes to the half-year financial report at 30 June 2020 and the financial statements as at and for the year ended 31 December 2020 set out information and findings on the evaluation process conducted by the Company: the Board of Statutory Auditors monitored the process and has no observations to report.

6.2. ACTIVITIES PERFORMED IN THE CONTEXT OF THE CURRENT COVID-19 PANDEMIC

The Board of Statutory Auditors points out that at the date of this report, the health emergency arising from the Covid-19 contagion ("Corona Virus") is still underway in all countries, including Italy.

In this connection, the Board of Statutory Auditors continuously monitored legislative developments and the provisions issued by the authorities in response to the health emergency as regards matters of interest for its surveillance activities relating to Assicurazioni Generali.

The Board of Statutory Auditors was kept constantly informed by the Company functions about management assessments of the situation and the measures introduced to monitor the possible social, economic and financial effects of the emergency for the Group. Information was exchanged constantly during 2020, and this will continue until the current state of emergency comes to an end.

For matters within its remit, during 2020 the Board of Statutory Auditors monitored the issuance of: *i)* recommendations by the European and national authorities that could have an impact on the operations of the Company and the Group, in particular on the financial reporting process, and *ii)* guidance by the trade associations regarding the interpretation and application of a number of international accounting standards.

Specifically, during its activities and for the purpose of the publication of this report, the Board took into account, among others:

- the ESMA recommendations in the public statement "Implications of the COVID-19 outbreak on the half-yearly financial reports" of 20 May 2020;
- the Consob call for attention no. 8/20 of 16 July 2020;
- the Consob call for attention no. 9/20 of 30 July 2020;
- the ESMA recommendations in the public statement "European common enforcement priorities for 2020 annual financial reports" of 28 October 2020;
- the Consob call for attention no. 1/21 of 16 February 2021, and
- the Consob call for attention no. 4/21 of 15 March 2021.

To this end, the Board of Statutory Auditors declares:

- that it received correct and complete information from the Board of Directors, the Manager in charge of preparation of the Company's

financial reports, the Group CEO and the relevant Company Functions on the drafting and financial reporting process for the 2020 draft financial statements and the 2020 Group consolidated financial statements;

- that it had on-going exchanges with the external auditors on the drafting and financial reporting process for the 2020 draft financial statements and the 2020 Group consolidated financial statements and on matters that emerged during the respective audit and control activities; no elements to be presented in this report emerged during the meetings;
- that it had constant exchanges of information, also pursuant to s. 151.2 of the CFBA, with the corresponding audit bodies of the main subsidiaries; no elements to be presented in this report emerged during the meetings.

The Board of Statutory Auditors also declares that:

- there are no particular elements that lead the Board of Statutory Auditors to not share the assessments made by the Board of Directors with regard to the going-concern requirement;
- the Company did not have recourse to the suspension of the regulations pursuant to ss. 2446 and 2447 of the Italian Civil Code;
- that the current national and international regulatory restrictions on movement in connection with the Covid-19 emergency did not lead to particular limitations on the exercise either of the surveillance activities of this Board and those of the audit bodies of the main subsidiaries, or of the activities of the external auditors.

With reference to the current Covid-19 health emergency, the Board of Statutory Auditors states that the 2020 Annual Report approved by the Company Board of Directors on 10 March 2021 and made available to the public as required by law, includes:

in the Directors' Report on Operations for the year ended 31 December 2020, in the Section "*We, Generali - Market challenges and context*", a paragraph headed "Pandemic and extreme events" and, in the Section "*Other information*", specific information about the impact of the Covid-19 pandemic on the Group and the action taken by the Company, at national and international level, in response to the health emergency; in the Notes, "*Part C – Other information*" and additional information in the section of the integrated annual report at 31 December 2020, and specifically in the Directors' Report on operations, in the chapter "Information on the quantitative impact of Covid-19 on the Group" in the section "Our performance – The Group's business performance", on the measurement methodology and quantitative impacts. The section "Market challenges and context" describes, in the paragraph Pandemic and extreme events, the risks and opportunities, and how these were managed by the Group.

7. Organisation and management model pursuant to Lgs. Decree no. 231/2001

Updating activities on the Company's organisation and management model ("OMM") continued in 2020 to enact the amendments to Lgs.

Decree 231/2001 ("Decree 231") over the period under review and organisational and/or operational changes at the Company.

The OMM was updated to take account of the epidemiological risk associated with the Covid-19 health emergency. Specifically, Special Part G on workplace offences introduced a specific biological or contagion-related risk and valorised all the preventive measures taken by the Company to manage the emergency. The updates were formalised with deliberation by the Board of Directors on 24 June 2020.

During the second half of 2020, an OMM update project began with specific reference to the necessary amendments for the inclusion of the new tax offences introduced into the Decree 231 offences catalogue. The update project is designed to guarantee the addition to the OMM of a new section in the Special Part on tax offences.

The Board of Statutory Auditors viewed and obtained information regarding the organisational and procedural activities conducted pursuant to Decree 231. The main aspects connected with the organisational and procedural activities conducted by the Company pursuant to Decree 231 are illustrated in the Corporate Governance and Share Ownership Report.

No noteworthy facts and/or circumstances emerged from the report submitted by the Surveillance Body on its activities.

8. Ratification of the Corporate Governance Code, Composition of the Board of Directors, and remuneration (point 17 of Consob Communication 1025564/01)

The Company follows the Corporate Governance Code issued by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. The checklist for compliance with the principles and criteria of the Corporate Governance Code is set out in the Information Compendium to the 2020 Corporate Governance and Share Ownership Report published on the Company website, to which reference should be made. The Board of Statutory Auditors has evaluated the procedures for concrete implementation of the principles and application criteria of the Corporate Governance Code, and has no comments to make on them.

In January 2020 the Corporate Governance Committee published the new Corporate Governance Code, whose application, for the companies that adopt it, will begin as from the first financial year after 31 December 2020. In October 2020, the Generali Board of Directors decided to adopt the new Corporate Governance Code as from 1 January 2021, enacting all its principles and recommendations.

The Board of Statutory Auditors therefore notes that the Board of Directors evaluated its own and the Board Committees' operation, size and composition, taking the principles of the new Code into account. The 2020 Board Review, which involved all the Directors and the Chair of the Board of Statutory Auditors, was conducted internally with the formulation

of a questionnaire reviewed by an external consultant. The assessment examined the operation and efficiency of the Board of Directors and the Board Committees, and their size and composition, as envisaged by the Corporate Governance Code. The responses were analysed by the Chair of the Board of Statutory Auditors and, for matters of relevance to the Board of Directors, by the Secretary to the Board; the information received was treated as confidential and reproduced in consolidated form in the final self-assessment report.

The process and the results of the 2020 Board Review were presented to and discussed by the Board of Directors at its meetings on 11 November 2020 and 18 February 2021, attended by the Board of Statutory Auditors. The main strengths and areas for attention identified by the 2020 Board Review are detailed in the 2020 Corporate Governance and Share Ownership Report.

In early 2021, in line with the recommendations of Rule Q.1.1 of the Rules of Conduct for the Board of Statutory Auditors of Listed Companies drawn up by the National Board of Accountants and Auditors (CNDCEC), the Board of Statutory Auditors conducted a self-assessment of its composition and operation, and discussed the findings at a meeting on 2 March 2021.

The Board of Statutory Auditors also checked on the correct application of the criteria and process initiated by the Board of Directors to assess the independence of directors classed as "independent".

In light of the Company policies and operating guidelines, the Board of Directors conducted its own assessment as to whether the independence requirement was met, on the basis of all the information available to the Company and specific supplementary declarations designed to obtain from self-declared independent Directors precise information about the existence of any commercial, financial or professional relationships, self-employment or employment relations or relationships of a financial or professional nature, that are of significance under the new Corporate Governance Code and the CFBA.

The Board of Statutory Auditors also took cognisance of the amendments made to s. 76 of Lgs. Decree 7 September 2005, no. 209 (Private Insurance Code) by s. 3 of Lgs. Decree 14 July 2020, no. 84, to enact Directive (EU) 2017/828 (SHRD II), with specific reference to the provision, in addition to the professionalism, respectability and independence requirements for company officers and parties responsible for Key Functions, of criteria of competence and correctness, whose determination is delegated to a regulation of the Ministry of Economic Development, after consultation with IVASS. The Board of Statutory Auditors will monitor the entry into force of the new secondary legislation in order to ensure compliance in the event of application at the time of the next appointments.

The Board of Statutory Auditors notes that the Board of Directors has adopted a specific top management succession policy and plan.

The Board of Statutory Auditors has no comments to make about the consistency of the remuneration policy with the recommendations of the new Corporate Governance Code and its compliance with IVASS Regulation no. 38/2018.

9. External audit (points 4, 7, 8 and 16 of Consob Communication no. 1025564/01)

9.1. ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS IN FINANCIAL YEAR 2020

The external auditors EY were engaged to audit the separate financial statements of the Company and the Group consolidated financial statements for the nine years 2012-2020; during the 2020 financial year EY verified that the accounts were properly kept and transactions properly recognised in the accounting records.

On 31 March 2021 the external auditors issued the reports pursuant to ss. 14 and 16 of Lgs.Decree 39/2010 for, respectively, the separate financial statements and the Group consolidated financial statements as at and for the year ended 31 December 2020. The reports indicate that the financial statements have been drawn up clearly and truthfully and correctly represent the assets/liabilities, financial position, results of operations and cash flows for the year ended 31 December 2019, in compliance with the applicable standards and regulations.

The Manager in charge of preparation of the Company's financial reports and the Managing Director/Group CEO issued the declarations and certifications required by s. 154-bis of the CFBA as regards the Company's separate financial statements and the consolidated financial statements as at and for the year ended 31 December 2020.

Within the terms of its remit, the Board of Statutory Auditors monitored the general layout of the separate financial statements and the consolidated financial statements in accordance with legislation and specific regulations governing drafting of insurance companies' financial statements.

The Board of Statutory Auditors declares that the Group consolidated financial statements were drawn up in compliance with the IAS/IFRS International Accounting and Financial Reporting Standards issued by the IASB and endorsed by the European Union, in compliance with EU Regulation no. 1606 of 19 July 2002 and the CFBA, and with Lgs. Decree 209/2005 as amended. The consolidated financial statements were also drawn up as required by ISVAP Regulation no. 7 of 13 July 2007 as amended, and contain the information required by Consob Communication no. 6064293 of 28 July 2006. The Notes to the Financial Statements illustrate the measurement criteria used, and provide the information required by current legislation.

The Directors' Report annexed to the separate financial statements of the Parent illustrates the business trend, indicating current and prospective developments, and the Group's development and reorganisation process. It also provides appropriate information with regard to Covid-19.

Through its attendance at the meetings of the RCC at which the Manager in charge of preparation of the Company's financial reports and the managers of the external auditors were also present, the Board of Statutory Auditors reported to the Board of Directors on 10 March 2021 that it had no observations regarding the correct application of the accounting principles and the consistency of their use in the drafting of the consolidated financial statements.

On 31 March 2021, EY provided the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, with its own additional report pursuant to s. 11 of EU Reg. 537/2014. In compliance with s. 19.1.a, Lgs.Decree 39/2010, the Board of Statutory Auditors promptly forwarded the report to the Board of Directors, without observations.

During the year, the Board of Statutory Auditors held meetings with the managers of the external auditors EY, also pursuant to s. 150.3 of the CFBA and s. 74.3.e of IVASS Regulation no. 38/2018. As part of its oversight activities as per s. 19 of Lgs.Decree 39/2010, the Board of Statutory Auditors acquired information from EY concerning the planning and execution of the audit. During the meetings, significant information and data were exchanged to assist the Board of Statutory Auditors and the external auditors in their respective activities, and no facts or situations worthy of remark emerged.

Pursuant to s. 19.1.e. Lgs.Decree 39/2010, the Board of Statutory Auditors, again in its capacity as Internal Control and Audit Committee, checked and monitored the independence of the external auditors. The checks found no situations that prejudiced the independence of the external auditors or constituted grounds for incompatibility under the applicable legislation. The above is confirmed by the statement issued by EY pursuant to s. 6.2.a of EU Reg. 537/2014.

9.2. ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS WITH REGARD TO NON-AUDIT SERVICES

With regard to non-audit services, at the recommendation and with the support of the Board of Statutory Auditors, at the beginning of 2017 the Company adopted a specific procedure to govern the assignment of non-audit services to the external auditors and entities of the network of the external auditors ("Guidelines for the assignment of non-audit services to auditors"). As noted in the report issued last year, during 2018 the Board of Statutory Auditors supervised the update of the above Guidelines to ensure alignment with the interpretative changes of current law.

In 2020 additional processes were implemented to educate the Group companies regarding correct application of the new Guidelines in accordance with the recommendations of the Board of Statutory Auditors. During 2020, as envisaged by s.19.1.e of Lgs.Decree 39/2010 and s. 5.4 of EU Reg. 537/2014, in its capacity as internal control and audit committee, the Board of Statutory Auditors conducted a preventive examination of the proposals for the assignment of non-audit services to the EY external auditors or to entities in its network. During its assessment, and with the support of the Group Audit Function, the Board of Statutory Auditors ascertained the compatibility of said services with the prohibitions of s. 5 EU Reg. 537/2014, and the absence of potential risks to the independence of the external auditors arising from performance of the services, in light of the provisions of Lgs.Decree 39/2010 (ss. 10 et seq.), of the Issuers' Regulation (s. 149-bis et seq.) and of Audit Principle no. 100. As the assessment found that the statutory pre-requisites were fulfilled, the Board of Statutory Auditors approved the assignment of the service to EY or other entities belonging to its network.

The fees for non-audit services provided by the external auditors or other entities belonging to its network to the Company and its subsidiaries in the 2020 financial year are disclosed in detail in the Notes to the Financial Statements.

During the year, in its capacity as internal control and audit committee, the Board of Statutory Auditors supervised the trend of said fees in light of s.4 EU Reg. 537/2014.

Furthermore, a procedure was introduced for the specific purpose of managing the eventuality that in 2020, the last year of the engagement of the external auditors EY (outgoing auditor), the Company might invite KPMG S.p.A. (incoming auditor) to perform non-audit services classified in the category indicated in s. 5.2.e of EU Reg. no. 537/2014 (“*planning and implementation of internal control and risk management procedures relating to the preparation and/or control of financial reporting, or planning and implementation of technological financial reporting systems*”). In this connection, as from financial year 2021 KPMG will take over the statutory audit of the Group accounts from EY and the provision of the services described above, pursuant to s. 5.1.b of EU Reg. no. 537/2014, is forbidden during the financial year immediately before the start of the audit engagement (“cooling-in period”).

In addition to the monitoring activities performed in 2020 through the above procedure, as from 1 January 2021 the Board of Statutory Auditors examined all the proposals relating to services to be assigned to KPMG or other entities in the network, and activated the pre-approval procedure in connection with the proposals as from the start of 2021, which coincides with the first year of the nine-year engagement assigned to KPMG.

9.3. ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS FOR THE ASSIGNMENT OF THE STATUTORY AUDIT ENGAGEMENT FOR THE NINE YEARS 2021-2029

The statutory audit engagement assigned to EY S.p.A. expires with the approval of the Company financial statements as at and for the year ended 31 December 2020.

The selection of the new external auditor has already taken place and was concluded with the shareholder resolution of 7 May 2019 approving the assignment of the audit engagement for the nine years 2021-2029 to KPMG S.p.A. The resolution was carried on the basis of the recommendation drawn up by the Board of Statutory Auditors pursuant to s. 16.2 of EU Regulation no. 537/2014 and approved at a Board of Statutory Auditors meeting on 4 March 2019.

In June 2020, the Board of Statutory Auditors met KPMG to be informed about the hand-over activities planned for its uptake of the role of Group external auditor.

10. Opinions issued by the Board of Statutory Auditors during the financial year (point 9 of Consob Communication no. 1025564/01)

During the year, the Board of Statutory Auditors also issued the opinions, comments and attestations required by the applicable legislation.

Specifically, at the meeting of the Board of Directors on 29 January 2020, the Board of Statutory Auditors expressed itself in favour of the 2020 objectives of the head of the Group Audit Function and with regard to the 2020 Audit Plan; at the following meeting of the Board of Directors on 19 February 2020, the Board of Statutory Auditors expressed itself in favour of the remuneration of the head of the Group Audit Function (assessment of achievement of 2019 objectives).

At the meeting of the Board of Directors on 12 March 2020, the Board of Statutory Auditors expressed a favourable opinion pursuant to s. 2389 of the Italian Civil Code on the proposed allocation of newly issued shares to the Managing Director/Group CEO in connection with the resolution to increase the share capital to service the 2017 LTI Plan, and a favourable opinion on the assessment of the 2019 incentive plans for the Managing Director/Group CEO.

During 2020 the Board of Statutory Auditors also regularly expressed observations with regard to the half-year reports on complaints prepared by the head of the Group Audit Function in compliance with ISVAP Regulation no. 24 of 19 May 2008 as amended. The reports did not highlight any particular problems or organisational deficiencies. The Board of Statutory Auditors also checked that the Company sent the reports and the Board of Statutory Auditors' comments promptly to IVASS.

11. Complaints pursuant to s. 2408 of the Italian Civil Code. Omissions, censurable facts or irregularities found (points 5, 6 and 18 of Consob Communication no. 1025564/01)

The Board of Statutory Auditors received no notification of complaints under s. 2408 Italian Civil Code during 2020 and the early months of 2021.

No censurable facts, omissions or irregularities to be reported to the Regulators emerged from the supervisory activities performed.

In light of all the considerations set out in this Report, the Board of Statutory Auditors finds no impediment to the approval of the Separate Financial Statements of Assicurazioni Generali S.p.A. as at and for year ended 31 December 2020, as submitted to you by the Board of Directors. With regard to the dividend proposal, the Board of Statutory Auditors observes that, on 29 December 2020, in light of the recommendations issued by, respectively, the European Systemic Risk Board (ESRB) on 15 December and EIOPA on 18 December 2020, IVASS requested that insurance companies that intended to distribute dividends, with reference to both financial year 2019 and financial year 2020, “*assess the impact with attention and a sense of responsibility and contact this Institute on a prior basis to verify compatibility with the objectives of the recommendation*”.

Consistently with the indications of the Authority, the Company Board of Directors conducted its own analyses, as it had previously done for financial year 2019, with close attention and prudence and presented its indications regarding the possible distribution of a 2020 dividend to IVASS on a prior basis.

In light of the process followed by the Company Board of Directors in its determinations, the Board of Statutory Auditors assessed positively the decision of the Generali Board of Directors of 10 March 2021 to present the following dividend proposal for financial year 2020 to the

General Meeting: (a) a cash disbursement of 1.01 euro to each share, taken from the partial distribution of the profit for financial year 2020, and (b) a cash disbursement of 0.46 euro to each share, with regard to the undistributed portion of the 2019 dividend (cf. *supra*, section 2.2, *sub* April and November), in accordance with the following terms, conditions and procedures:

- the dividend portion for an amount of 1.01 euro to each share will be payable from 26 May 2021;
- the dividend portion for an amount of 0.46 euro to each share will be payable from 20 October 2021, subject to a verification by the Board of Directors that no impeding regulatory provisions or recommendations exist at the time, with the consequent payment to the entitled parties or otherwise the re-attribution to reserves of the amounts in question.

Trieste, 31 March 2021

The Board of Statutory Auditors

Carolyn Dittmeier, Chair
Lorenzo Pozza
Antonia Di Bella

INDEPENDENT AUDITOR'S REPORT



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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, to article 10 of EU Regulation n. 537/2014 and to article 102 of Legislative Decree n. 209, dated 7 September 2005
(Translation from the original Italian text)

To the shareholders of
Assicurazioni Generali S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Assicurazioni Generali S.p.A. (the Company), which comprise the balance sheet as at December 31, 2020, the income statement for the year then ended, and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2020, and of its financial performance for the year then ended, in accordance with Italian regulations governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We identified the following key audit matters:

Key Audit Matters	Audit Responses
<p>Valuation of interests in affiliated companies Interests in affiliated companies are recorded in the financial statements at 31 December 2020, for an amount of Eur 31,890,037 thousand, representing around 67% of total assets. At least annually, Management evaluates the presence of any indicators of impairment losses for each interest in affiliated companies, and in case of occurrence, an impairment test is carried out. An eventual impairment loss is determined by comparing the carrying amount of the interest in affiliated companies with its recoverable amount, estimated based on future benefits which are expected to flow to the Company.</p> <p>The processes and valuation methods for determining the recoverable amount of each investment require the use of methodologies, sometimes complex, which imply, by their nature, to use of judgment by management when choosing the assumptions to be applied. For these reasons, we considered this aspect a key matter for our audit.</p> <p>The financial statement information relating to interests in affiliated companies is reported in the explanatory notes in “Part A – Evaluation criteria – Explanation of the evaluation criteria” and in “Part B – Information on the balance sheet and income statement” in Section 2.2.1.</p>	<p>The audit response included several procedures, the most relevant of which are outlined below:</p> <ul style="list-style-type: none"> • an understanding of management process regarding interests in affiliated companies designed by the Company and of the related key controls, as well as the testing of these controls, in particular with reference to the process used to identify impairment losses and the evaluation of these investments; • the performance of test of details on movements related to these investments which occurred during the financial year; • the evaluation of the appropriateness of the methodologies and the reasonableness of the assumptions used to determine the recoverable amounts and the verification of the related results; • the check of the accounting of impairment losses. <p>We also involved valuation specialists to assist us in performing our audit procedures. Finally, we assessed the adequacy of the disclosures provided in the explanatory notes.</p>
<p>Non-life technical provisions estimation The technical provisions of the non-life segment are recorded at 31 December 2020 for an amount equal to Eur 2,597,256 thousand, of which around 70% represented by indirect business.</p> <p>The valuation of the non-life technical provisions is a well-structured estimation process that requires the use of complex statistical and actuarial methodologies and calculation models, characterised by a high level of subjectivity when choosing the assumptions, such as the development of future claims. This is further highlighted in long-tail businesses such as the general liability segment, which is one of the</p>	<p>The audit response included several procedures, the most relevant of which are outlined below.</p> <ul style="list-style-type: none"> • an understanding of estimation process of technical provisions designed by the Company and of the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the insurance portfolio used to calculate the non-life technical provisions; • the evaluation of the appropriateness of the methodologies and the



main line of business of the Company.

For these reasons, we considered this aspect a key matter for our audit.

The financial statement information relating to non-life technical provisions is disclosed in the explanatory notes in “Part A –Evaluation criteria” and in “Part B –Information on the balance sheet and income statement” in Section 10.

reasonableness of the assumptions used to estimate the non-life technical provisions, including the additional technical provisions;

- comparative analyses through the calculation of appropriate indicators observed historically and their correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results determined in previous financial years;
- test of details on basic data, including the information communicated by the ceding companies;
- the check that the estimated amount of the technical provisions is included in a range of acceptable values, also through independently reperforming of the actuarial calculation, when applicable.

We also involved actuarial specialists to assist us in performing our audit procedures.

Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

Life technical provisions estimation

The technical provisions of the life segment are recorded at 31 December 2020 for an amount equal to Eur 4,969,730 thousand, of which around 87% represented by indirect business.

The valuation of the life technical provisions is a well-structured estimation process that requires the use of complex statistical and actuarial methodologies and calculation models, characterised by a high level of subjectivity when choosing the assumptions. Furthermore, determining the technical provisions of the life segment requires the use of consistent databases whose completeness and accuracy are essential to determine the result.

For these reasons, we considered this aspect a key matter for our audit.

The financial statement information relating to life insurance provisions is disclosed in the explanatory notes in “Part A –Evaluation criteria” and in “Part B –Information on the balance sheet and income statement” in Section 10.

The audit response included several procedures, the most relevant of which are outlined below:

- an understanding of estimation process of life technical provisions designed by the Company and of the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the insurance portfolio used to calculate the life technical provisions, taking into consideration also the control activities performed by the actuarial function of the Company and the related results;
- The evaluation of the appropriateness of the methodologies and the reasonableness of the assumptions used to estimate the life technical provisions, including the additional technical provisions;
- comparative analyses through the calculation of appropriate indicators observed historically and their



correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results determined in previous financial years;

- test of details on basic data, including the information communicated by the ceding companies;
- recalculation of the mathematical provision for pure premiums, for a representative sample of policies;
- the development, of an independent range of acceptable values, also through sensitivity analyses, representative of the level of uncertainty in setting the assumptions underlying the estimation of life technical provisions and verifying that these were included in that range.

We also involved an actuarial specialist to assist us in performing our audit procedures.

Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and presentation of the financial statements, that give a true and fair view in accordance with Italian regulations governing financial statements, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

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

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Assicurazioni Generali S.p.A., in the general meeting held on April 30, 2011, engaged us to perform the audits of the financial statements of each year ending December 31, 2012 to December 31, 2020.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared in accordance with article 11 of the EU Regulation n. 537/2014.



Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Assicurazioni Generali S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Assicurazioni Generali S.p.A. as at December 31, 2020, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2020 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the abovementioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2020 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Opinion pursuant to the article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005 of the non-life segment

In performing the engagement assigned by Assicurazioni Generali S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the non-life technical provisions recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2020. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts.

Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2020, are sufficient in conformity with the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.

Opinion pursuant to the article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005 of the life segment

In performing the engagement assigned by Assicurazioni Generali S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the life technical provisions recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December 31, 2020. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts.

Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Assicurazioni Generali S.p.A. as at December, 31 2020, are sufficient in conformity with



the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.

Other aspects

The determination of the technical provisions is a complex estimation process that involves many subjective variables for which any change thereof may have an effect on the results. For this reason, we developed a range of reasonably possible outcomes, distinctively for non-life and life segments, in order to take into consideration the uncertainty of these subjective variables. In assessing the sufficiency of the above-mentioned technical provisions, we tested that those provisions fall within such ranges.

Trieste, 31st March 2021

EY S.p.A.
Signed by: Mauro Agnolon, auditor

This report has been translated into the English language solely for the convenience of international readers.

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