



Annual General Meeting 2022

Speech CFO

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Introduction

Thank you Philippe, thank you Chairman.

Good morning everybody.

I'm presenting you the main performance of the Group and the Parent Company Assicurazioni Generali, whose Financial Statements we are submitting for your approval today.

As already anticipated by Philippe, the Group successfully concluded the 'Generali 2021' strategic plan in a context still characterized by the persistence of the pandemic.

Group's main KPIs: Volumes

The **Group's gross written premiums** reached 75.8 billion Euro, up by 6.4 percent, with a positive contribution from both segments.

In particular, **Life premiums** grew by 6 percent to 51.7 billion Euro. The increase would have been 9.5 percent, excluding one-off premiums from a Life collective pension fund for approximately 1.5 billion Euro written in Italy in 2020.

On the business line level, the positive trend observed during 2021 was confirmed, showing a boost in the unit-linked line (+19.8 percent). Excluding the cited pension fund from the same period of comparison, the Group's unit-linked policies would have increased by 36.1 percent. The protection line (+6 percent) grew across the countries where the Group operates. In line with the Group's portfolio repositioning strategy, the savings and pension line slightly decreased by 0.4 percent.

P&C premiums increased to 24.1 billion Euro, up by 7 percent, showing positive performance throughout almost all the Group's areas of operation. The motor line grew by 4.9 percent. The non-motor line also improved (+7.5 percent). Lastly, note that the premiums of Europ Assistance, which were impacted by the pandemic in 2020, significantly increased (+30.2 percent).

As for **premiums from social and environmental products**, the Group exceeded the target growth between 7 and 9 percent, standing at 19.9 billion Euro (+17.5 percent).

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

Life technical reserves were up to 424.5 billion Euro (+10.3 percent) mainly thanks to the unit-linked component that reflected the contribution from net inflows and positive performance of the financial markets. The development of reserves reflected also changes in the scope following the consolidation of the Cattolica group and the deconsolidation of a pension fund in the Czech Republic; neutralizing these effects, growth in reserves would have been 6.4 percent.

Total asset under management reached 709.6 billion Euro.

Note that, in 2020, the Group exceeded the target of 4.5 billion Euro **new green and sustainable investments** one year in advance, reaching 6 billion Euro.

Group's main KPIs: Profitability

The Group's **operating result** was, for the third consecutive year, its best ever performance, reaching 5 billion 852 million Euro, up by 12.4 percent, thanks to positive growth across all segments.

In particular, the Life and P&C segments confirmed excellent technical profitability.

New business margin on PVNBP stood at 4.52 percent, increasing by 0.57 percentage points compared to 2020 thanks to the rebalancing of the business mix towards the most profitable unit-linked component and the continuous improvement in the features of new products. The further increase in protection profitability was mainly attributable to the higher weight of more profitable Italian products.

The **Combined Ratio** was at 90.8 percent (+1.7 percentage points). The increase reflected the larger impact from natural catastrophe claims and the higher loss ratio in the motor line due to the progressive removal of lockdown restrictions compared to 2020. In particular, significant natural catastrophe claims occurred in 2021, among which storms that hit Spain in January and continental Europe in the summer, as well as floods that mainly affected Germany in July. Thanks to the Group reinsurance structure, the impact from natural catastrophe claims on the Combined Ratio was limited to 2.2 percent (1.5 percent in 2020). The impact from large man-made claims slightly decreased (-0.2 percentage points). The contribution from prior years was stable, standing at -3.7 percent. The expense ratio was essentially stable at 28.2 percent (28.1 percent in 2020).

The operating result of the **Asset Management** segment stood at 672 million Euro, up by 22.9 percent. Growth was mainly boosted by operating revenues, which rose in particular thanks to the overall increase of assets under management and the continued expansion of the real assets strategy. Note that the net result of the segment before minorities amounted to 504 million Euro (+30.4 percent).

The operating result of the **Holding and other activities** segment, which reached 561 million Euro, benefitted from the result of Banca Generali (+14.6 percent) and higher income from private equity. Operating holding expenses decreased to 516 million Euro, reflecting the reduction in expenses, especially in the Parent Company.

The **Group's non-operating result** was -1 billion 306 million Euro (-1 billion 848 million Euro in 2020), mainly thanks to lower net impairments and higher net realised gains focused in the real estate. It was also affected by the overall positive contribution deriving from the acquisition of control of the Cattolica group for 198 million Euro and the extraordinary costs of 212 million Euro related to its integration.

The **net result** stood at 2 billion 847 million Euro (+63.3 percent), in particular reflecting the positive trends in the operating and non-operating results just commented as well as the lower tax rate.

Group's main KPIs: Capital Position and Equity

The Group confirmed an extremely solid capital position, with the **Solvency Ratio** at 227 percent. The increase compared to 2020 (224 percent) was driven by the positive contribution from normalised capital generation and the positive development of financial markets which more than offset the negative impact deriving from regulatory changes, M&A transactions and dividend provision for the period.

Highlights of the Parent Company

Let me now illustrate the main economic and financial indicators of the **Parent Company**. Gross written premiums amounted to 3 billion 597 million Euro, up by 12.3 percent.

In the Life segment, the increase by 2.7 percent mostly regarded the Employee Benefits line of Luxembourg and United Kingdom Branches, while the increase in the P&C segment by 20.9 percent was mostly due to the United States Branch, as a result of the new insurance programmes, and to the Head Office Reinsurance, thanks to the reinstatement premiums related to the natcat coverage program.

The net result of the period, equal to 1 billion 847 million Euro, decreased by 1 billion 123 million compared to 2020 Euro primarily due to lower dividends coming from the subsidiaries, partially offset by the improve in "Other ordinary net costs" compared to last year that included costs deriving from the liability management related to buyback of subordinated liabilities and the extraordinary contribution to support the pandemic crisis. Lastly, the result was affected by the decrease in total income due to taxes, deriving from the change in the tax base for the period.

Parent Company's main KPIs

The shareholders' equity stood at almost 18 billion Euro, up by 4.2 percent which was affected, in particular, by the merger surplus reserve following the incorporation of Transocean Holding LLC.

Total assets rose by 4.3 percent to 49.8 billion Euro.

The increase was mainly due to higher investments in subsidiaries which were also affected by the public tender offer on Società Cattolica di Assicurazioni S.p.A., and the increase in deposits with ceding companies following the start of operations of the new unit of the Luxembourg Branch - P&C Mixer unit, dedicated to P&C reinsurance acceptance by several companies of the Group.

External debt grew slightly due to the issuance, last June, of a Tier 2 subordinated bond with a nominal value of 500 million Euro for partial refinancing of some issues with call dates 2022.

Finally, note the solid solvency position equal to 276 percent, still growing compared to the previous year.

As Philippe already mentioned, the **dividend** we propose to your approval is equal to 1 Euro and 7 Cents per share, up by 5.9 percent, resulting in a total maximum payout of 1 billion 691 million Euro.

Conclusion

Ultimately, in a context still characterized by the persistence of the pandemic, in 2021 Generali confirmed:

- an excellent technical profitability and operating performance;
- an extremely solid capital thanks to the positive contribution from normalised capital generation and the positive development of financial markets;
- growing dividend in line with the target.

These results allowed the Group to successfully conclude the 'Generali 2021' strategic plan. They represent a solid foundation for the strategy 'Lifetime Partner 24: Driving Growth', focused on sustainable growth, an enhanced earnings profile and the creation of value for all stakeholders.

Finally, I also want to thank all our colleagues, the sales network and the partners for the resilience, commitment, dedication and love shown in 2021. To them and their families who are the true strength of our Lion, I express all my closeness.

Thanks for your attention, I will now hand the floor back to the Chairman to perform the assembly procedures.