



IFRS 17/9 GROUP RESULTS 2022 COMPARATIVES

KEY MESSAGES

Group 2022 Operating Result broadly stable under the new accounting standards

Life Operating Result higher, unlocking the value of the in-force business

2022 P&C Operating Result reflects specific inflation-related reserve strengthening

New Combined Ratio formula with no impact on P&C Operating Result

Simplified disclosure with significantly smaller Consolidation Adjustments

Shareholders' Equity more stable and € 11 bn higher than under IFRS 4

IFRS17/9 GROUP KEY FIGURES

- **Operating Result** decreases to € 6,374 m mainly due to P&C segment, reflecting the inflation reserve strengthening and following the move to a 'best estimate' approach
- **Adjusted Net Result** at € 3,133 m, neutralizing the impact of € -795 m (net of taxes and minorities) for the profit & loss on assets at FVTPL and € -103 m for hyperinflation effect (IAS 29)
- **Adjusted EPS** increases to € 2.00
- **Net Result** at € 2,235 m, reflecting the negative the mark-to-market valuation of asset at FVTPL in the Non Operating Investment Result

€ million

2022	IFRS 4 / IAS 39 pro-forma	IFRS 17/9	Δ
Operating Result¹	6,454	6,374	(80)
Adjusted Net Result²	2,912	3,133	221
Adjusted EPS ² (€)	1.85	2.00	+0.14
Net Result	2,912	2,235	(677)
Group Shareholders' Equity	16,201	27,064	+10,863

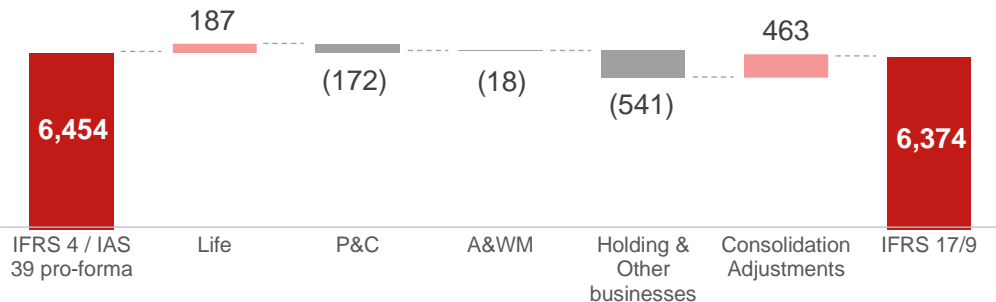
1. Starting from 1Q 2023 the bancassurance JVs of Cattolica (Vera and BCC companies) are considered a 'disposal group held for sale' under IFRS 5 and therefore their results are reclassified in the 'Result of discontinued operations'. Consequently, both in IFRS 4 / IAS 39 and IFRS 17/9 the JVs contribution is included in the 'Result of discontinued operations'. The reconciliation between reported IFRS 4 / IAS 39 and the pro-forma figures is provided in the Annex

2. Adjusted Net Result and EPS definitions include adjustments for 1) profit or loss on assets at fair value through profit or loss (FVTPL) on non-participating business and shareholders' funds, 2) hyperinflation effect under IAS 29, 3) amortisation of intangibles related to M&A, 4) impact of gains and losses from acquisitions and disposals

OPERATING RESULT

€ million

2022	IFRS 4 / IAS 39 pro-forma	IFRS 17/9	Δ
Life	3,485	3,672	187
P&C	2,678	2,507	(172)
Asset & Wealth Management	972	954	(18)
Holding & Other businesses	202	(339)	(541)
Consolidation Adjustments	(883)	(420)	463
Operating Result	6,454	6,374	(80)



Key remarks

- **Life:** higher operating result unlocking the value of in-force and new business
- **P&C:** lower, mainly reflecting the inflation-related 2022 reserve strengthening, not affecting IFRS 4 numbers
- **Asset & Wealth Management:** slightly lower, mainly due to lower net realized gains from AFS instruments of Banca Generali
- **Holding & Other businesses:** fully controlled investment funds (i.e. Lion River, real estate funds) are now reported in look-through directly in the segments in which the investments are held
- Less **Consolidation Adjustments**, due to the look-through reporting of controlled investment funds

LIFE OPERATING RESULT

€ million

2022	IFRS 4 / IAS 39 pro-forma
Technical margin	7,349
Operating investment result	1,934
Expenses	(5,797)
Life Operating Result	3,485

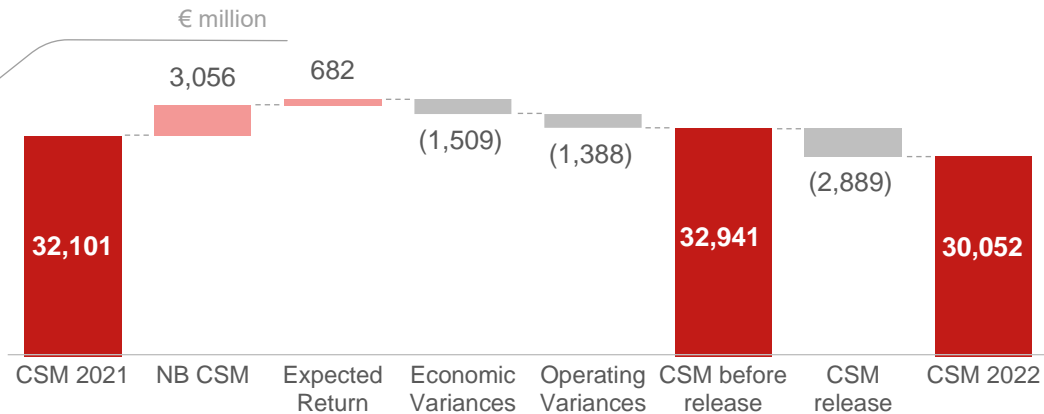
2022	IFRS 17/9
CSM Release	2,889
Risk Adjustment release	156
Loss component	(155)
Experience variance and other technical result	6
Other operating income and expenses	(55)
Operating Insurance Service Result	2,841
Operating Investment Result	832
Life Operating Result	3,672

Δ Operating Result IFRS 17/9 vs IFRS 4 / IAS 39	187
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Key remarks

- Different accounting metrics, profit emergence and presentation:
 - **Operating Insurance Service Result** mainly supported by the CSM release
 - **Operating Investment Result** mostly coming from current income of portfolios under General Measurement Model and Shareholders' Equity funds

LIFE CSM ROLL FORWARD



CSM 2022 Sensitivities

Equity market -25%	(2,033)
Equity market +25%	2,037
Interest rate -50bps	(646)
Interest rate +50bps	466
Corporate spread +50bps	(154)
BTP spread +100bps	(397)

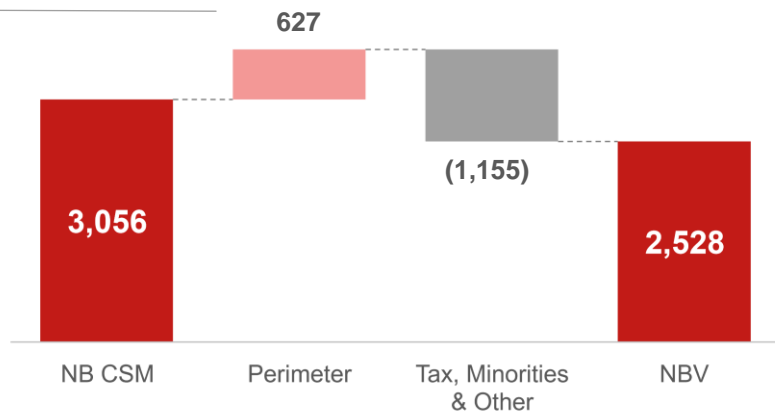
Key remarks

- **New Business (NB) CSM** refers to the CSM of business issued over the reporting period
- **Expected Return includes** the unwinding of discount and the contribution of the expected realization of real-world extra-return over risk-free rates
- **Economic Variances** are driven by the widening of spreads, the drop of equity markets and higher inflation and volatilities, only partially offset by the rise of interest rates
- **Operating Variances** mainly reflecting the more conservative update of surrender assumptions and model changes
- **CSM Release** reflects an implied overall release ratio of 8.8%, within expected range

LIFE NEW BUSINESS VALUE

From New Business CSM to IFRS 17 NBV

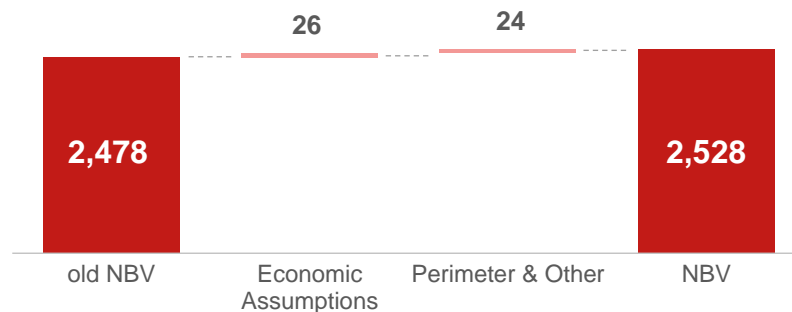
€ million



- **IFRS 17 New Business (NB) CSM** refers to the CSM of the business issued over 2022 and reported in the CSM roll-forward slide
- **Perimeter** refers to the value of **PAA business** and **investment contracts** and **look-through profits** mainly stemming from funds managed by the Group
- **Tax, Minorities & Other** mainly refer to the impact of taxation, minorities and extra-group reinsurance

From 'old' to IFRS 17 NBV¹

€ million



- Compared to the 'old' definition, the IFRS 17 NBV reflects primarily:
 - **IFRS 17 economic assumptions** instead of Solvency curves
 - The allocation of Funeral business in Spain to the non-life segment and other impacts as the consideration of risk adjustment in place of Cost of Capital & Non Hedgeable risks and differences in contractual boundaries

1. 'Old' NBV refers to the official 2022 NBV that includes also the contribution of bancassurance JVs of Cattolica (Vera and BCC companies), while NBV does not include the contribution of discontinued operations

P&C OPERATING RESULT

€ million

2022	IFRS 4 / IAS 39 pro-forma
Technical Result and Other	1,431
Investment Result	1,247
P&C Operating Result	2,678

2022	IFRS 17/9
Operating Insurance Service Result undiscounted	697
Discounting	602
Operating Insurance Service Result	1,299
Operating Investment Income	1,247
Insurance finance expenses	(39)
Operating Investment Result	1,208
P&C Operating Result	2,507

Δ Operating Result IFRS 17/9 vs IFRS 4 / IAS 39	(172)
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Key remarks

- The **Operating Insurance Service Result** is lower. Leaving aside the discounting element, this reflects primarily the impact of the IFRS 17 'Best estimate' view that - unlike IFRS 4 - did not benefit from reserve adequacy release and was affected by the inflation-related reserve strengthening
- The **Operating Investment Result** is lower, mainly due to the unwinding of the Liabilities for Incurred Claims (LIC) at locked-in rates

P&C COMBINED RATIO

	IFRS 4 / IAS 39 pro-forma	IFRS 17/9
Loss Ratio	64.5%	66.9%
Expense Ratio	28.7%	28.5%
Combined Ratio	93.2%	95.4%

CoR IFRS 4 to IFRS 17 walk

2022

Reported CoR IFRS 4 (IFRS 4 formula)	93.2%
Restatement for formula and expenses	1.7%
Restated CoR IFRS 4 (IFRS 17 formula)	94.9%
CoR impact (a+b)	0.5%
<i>CoR Undiscounted (a)</i>	2.7%
<i>Discounting impact (b)</i>	-2.1%
CoR under IFRS 17	95.4%
CoR undiscounted under IFRS 17	97.5%

Key remarks

- The **IFRS17 Combined Ratio** has:
 - In the **numerator**, the sum of the Insurance Service Expenses (Total Incurred Claims and Insurance Expenses), the Other Operating Income and Expenses and the result of Reinsurance held
 - In the **denominator**, the Insurance Contract Revenues (gross of Reinsurance held)
- **Restated CoR IFRS 4**: reflects the changes in the formula (move to Gross Revenues and inclusion of Other Expenses) without any impact on the Operating Result
- **IFRS 17 CoR** stands at 95.4%. The increase is mainly driven by the 2022 inflation-related IFRS 17 reserve strengthening
- **IFRS 17 CoR undiscounted** (that excludes the discounting effect from claims reserved) stands at 97.5%

FROM OPERATING RESULT TO NET RESULT

€ million

2022	IFRS 4 / IAS 39 pro-forma	IFRS 17/9	Δ
Operating Result	6,454	6,374	(80)
Non Operating Investment Result	(323)	(1,015)	(692)
Net Other Non Operating Expenses	(744)	(788)	(43)
Non Operating Holding Expenses	(634)	(631)	3
Non Operating Result	(1,702)	(2,434)	(732)
Earnings before Taxes	4,753	3,940	(812)
Income Taxes	(1,596)	(1,378)	218
Result of Discontinued Operations	32	(93)	(125)
Minorities	(277)	(235)	42
Adjusted Net Result	2,912	3,133	221
Adjusted EPS (€)	1.85	2.00	+0.14
Net Result	2,912	2,235	(677)

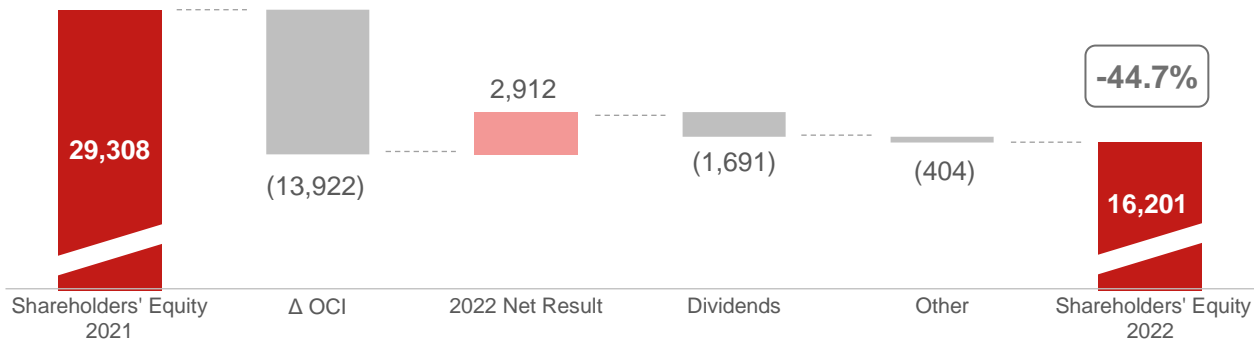
Key remarks

- The **Non Operating Result** under IFRS 17 is lower, primarily reflecting the negative mark-to-market valuation of asset at FVTPL on non-participating businesses and shareholders funds
- **Tax rate** stood at 35.0%, higher by 2.3 p.p. compared to IFRS 4, mainly due to higher non-deductible losses from Non Operating assets at FVTPL
- **Adjusted Net Result** neutralizes the impact, net of Taxes and Minorities, of the profit & loss on assets at FVTPL and hyperinflation effect

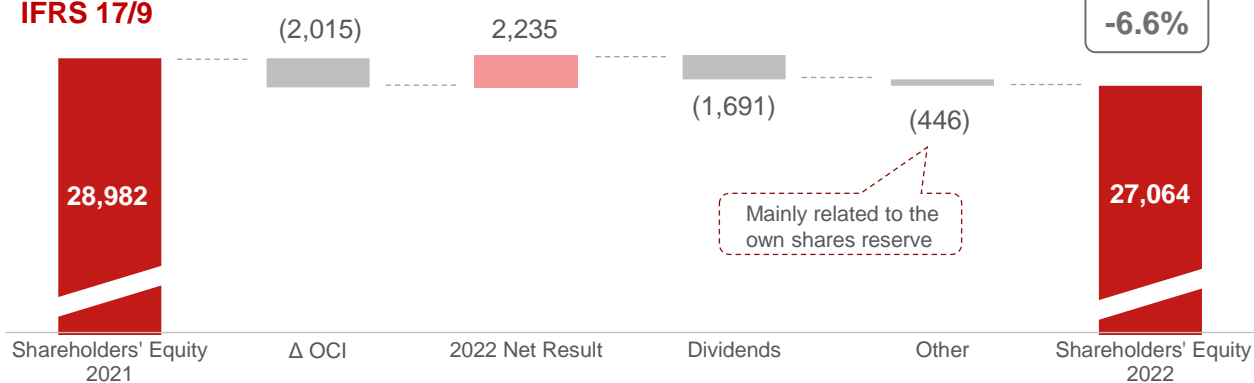
SHAREHOLDERS' EQUITY ROLLFORWARD

€ million

IFRS 4 / IAS 39



IFRS 17/9



- **Shareholders' Equity IFRS 17/9** reflects more closely the underlying economics (considering both assets and liabilities valuation)
- For **Life business**, the impact of economic variances is substantially absorbed by the CSM, while in **P&C** the reduction of claims provisions due to the increase of interest rate is recognised in OCI, together with the related unrealised losses on assets

FINAL REMARKS

No impact on Cash and Capital Generation, Net Holding Cash Flow, Dividends and Solvency

Group Earnings power not affected by the new accounting standards

Life Operating Result to be more predictable

CSM growth supported by both New Business CSM and expected return

Shareholders' Equity higher and less volatile than under IFRS 4

Fully on track to achieve the 'Lifetime Partner 24' targets

BACKUP

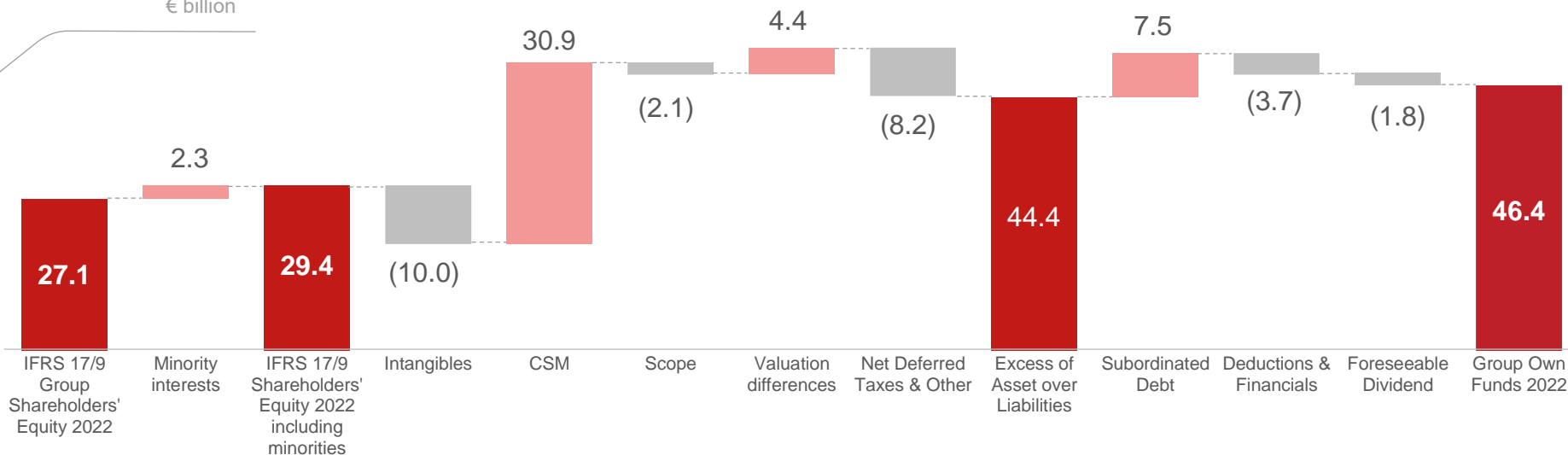
RECONCILIATION BETWEEN REPORTED IFRS 4 / IAS 39 AND PRO-FORMA FIGURES

€ million

2022	IFRS 4 / IAS 39 reported	Application of IFRS 5 for Cattolica JVs	IFRS 4 / IAS 39 pro-forma
Operating Result	6,509	(55)	6,454
Life	3,522	(37)	3,485
P&C	2,696	(18)	2,678
Asset & Wealth Management	972	-	972
Holding & Other businesses	202	-	202
Consolidation Adjustments	(833)	-	(833)
Non Operating Result	(1,710)	8	(1,702)
Earnings Before Taxes	4,800	(47)	4,753
Income Taxes	(1,610)	15	(1,596)
Result of Discontinued Operations	0	32	32
Minorities	(277)	-	(277)
Net Result	2,912	-	2,912
Adjusted Net Result	2,912	-	2,912

RECONCILIATION BETWEEN IFRS EQUITY AND OWN FUNDS

€ billion



- **Intangibles:** mainly related to goodwill not recognised in SII
- **CSM:** unearned profits to be recognised over the residual coverage period in IFRS17/9, which is not recognised as liability in SII
- **Different scope:** changes in perimeter and consolidation method between IFRS and MVBS (i.e. the minorities of the entities consolidated proportionally for Solvency II purposes)
- **Valuation differences:** balance between impacts on assets and liabilities of the different valuation framework of IFRS17/9 vs SII
- **Net deferred taxes & Other:** as a consequence of the changes of the items reported above and other residual movements

IFRS 17/9 GLOSSARY

Contractual Service Margin	CSM	Insurance liability representing the unearned future profits from the in-force business
Combined ratio	CoR	Profitability indicator of the P&C segment. Numerator: insurance service expenses (total incurred claims and insurance expenses), other operating income and expenses, the result of reinsurance held. Denominator: insurance contract revenues (gross of reinsurance held)
Fair Value Through Profit and Loss	FVTPL	Fair Value with unrealized gains and losses reported in the P&L
General Measurement Model	GMM	Default measurement model for all contracts without direct participation features
Liability for Incurred Claims	LIC	Liabilities related to incurred claims
New Business Value	NBV	Expected value created by new insurance and investment contracts issued over the reporting period. Calculated as the sum of following items (net of taxes, minorities and cost of external reinsurance): New Business CSM, including potential loss component, short-term business under PAA, investment contracts falling under IFRS 9, look-through profits emerging outside of Life (mostly related to fees paid to internal asset managers)
Premium Allocation Approach	PAA	Simplified measurement model for contracts with short-term duration, or contracts tested as eligible according with a non-significant variability in the fulfilment cash flows during coverage
Risk Adjustment	RA	Insurance liability component to reflect the compensation for bearing the uncertainty on the amount and timing of the cash flows that arises from non-financial risk
Variable Fee Approach	VFA	Measurement model for contracts with direct participation features

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These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties.

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The manager charged with preparing the company's financial reports, Cristiano Borean, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Financial Intermediation, that the accounting information contained in this presentation corresponds to document results, books and accounts records.

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