First Quarter 2026 results as of 31 March 2026 – Conference Call Transcript
(Please carefully read the disclaimer on page 18 of this document)

21/05/2026

Deputy Group CEO Introductory Remarks

The first quarter 2026 results mark another step forward in the successful delivery of our Lifetime Partner 2027. We are now in the second year of our plan, and our focus on excellence in core capabilities continues to deliver tangible value for our customers, employees, and shareholders. We have reinforced the role of the group center in the implementation of key initiatives, especially when it comes to technology and artificial intelligence. This approach allows us to scale best practices more effectively and reap the benefits of our fully integrated group. Overall, we have delivered strong growth in both operating and adjusted net result, thanks to contributions from all segments.

Let me highlight a few achievements from the first quarter that clearly demonstrate the success of our strategy. Starting with P&C, gross insurance revenue grew by EUR575 million, or almost 7% year-on-year. This top line growth has a lot of quality in it. While revenue growth continues to be mainly driven by price effects in both motor and non-motor, volume growth is increasing its positive contribution, with volumes in non motor growing 1.8%, and we had even faster growth in accident, health, and disability at 3.4%. Let me also mention that Europ Assistance has increased its consolidated gross turnover to EUR1.2 billion in the first quarter, marking almost 15% year-on-year growth.

Looking at motor, following two years of deep pruning and the recovery in profitability achieved in 2025, we saw positive development, with risk-in-force growing about 1%. Let me tell you that we could have achieved a higher volume growth in motor by expanding the book through more aggressive pricing. However, as we have said previously, we are squarely focused on cycle management. Therefore, we deliberately have made a strategic decision not to grow the number of contracts faster at a time when pricing is slowing down and without further clarity on the implication of the Middle East situation on the cost of claims. In this context, we are disciplined and continue to explore additional growth opportunities only in very selected markets.

A quick comment on the Nat Cat load, which has been rather significant in this quarter. This was mostly related to the heavy storms that hit the Iberian Peninsula, and particularly Portugal, which represented almost 70% of our gross Nat Cat losses. This is broadly aligned with the most recent insured industry losses for case reserve before IBNR that amount to approximately EUR1.3 billion for Portugal only. In this context, our underlying performance was very healthy, with more than one full percentage point improvement in the attritional current year loss ratio, thanks to both motor and non-motor. As highlighted in the press release, the amount of man-made losses was almost double that of last year, at around EUR65 million, amounting to 0.7pp of loss ratio. Therefore, the underlying improvement of the attritional current year loss ratio, excluding man-made, is close to 150 basis points year-on-year.

As you know, our target for P&C efficiency is the GEX ratio, which improved by 60 basis points year-on-year to 13.7%. This ratio represents the productivity improvement journey in a more targeted way than the full expense ratio, capturing what we are doing to transform our core function, including claims, IT, customer operation, and underwriting. We have a strong focus to push forward the extensive deployment of AI agents that automate workflows, augment employee decision-making, improve service quality, and drive operational efficiency at scale.

The reported expense ratio of 29.3% is up 40 basis points, reflecting higher acquisition costs and also the business mix. If you look at the expense ratio, excluding Europ Assistance, it would be basically flat year-on-year at 28.7%. Looking at acquisition costs in isolation, the reported 21.2% of the first quarter would be 20.3%, excluding Europ Assistance, and the year-on-year change would be in the order of 20 basis points, as opposed to the reported 60 basis point increase. As we mentioned previously, we are implementing actions that will enable us to achieve, not only a better GEX ratio but also an improved expense ratio.

Let's move now to Life, where we have achieved very strong net inflows of EUR4.3 billion, driven by contributions from all lines of business and benefiting from further improvement in lapses. Compared to the first quarter last year, we recorded higher inflows in Traditional Saving. This has been achieved with a strong level of New Business Margin and enabled us to record a very healthy growth in New Business Value. The first quarter production is fully aligned with our underwriting discipline: the weight of non-guaranteed business is 75%, the overall guarantee is stable at 0.73%, and the share of capital light business is 83%.

The overall development in New Business Value is clearly very satisfying. To be noted, the first quarter benefits from positive seasonality, so I would caution not to extrapolate these numbers for the next quarters. But the key message here is that the Life business continue to grow profitably and is growing without compromising our underwriting discipline.

I'm also very pleased that Protection, Health, and Accident, one of our key strategic drivers of profitable growth, showed a premium increase of 6% year-on-year while recording also a better profitability.

In Asset and Wealth Management, you have already seen a few days ago the very good numbers from Banca Generali, where we continue to deploy the joint insurerbanking initiative with a positive initial development.

In asset management, as we indicated in the press release, there is a positive contribution from non-recurring fees of around EUR15 million.

These reflect a successful business positioning of our infrastructure business. Although transaction fees can be less regular in terms of frequency than recurring management fees, they are indicative of sound investment capabilities and also reflect the success of our infrastructure business in originating and executing deals.

Before I hand over to Cristiano, some closing remarks on the overall macro environment. Financial markets have been pricing in an increase in short-term inflation indicators due to higher oil prices. And while we are monitoring the situation very closely, we are confident in the strength of our business model. On the Life front, the business is capital light, and the high-quality investment portfolio, combined with disciplined ALM, ensures stability and resilience. Additionally, we have proven many times that we are capable to adjust to different cycles and match consumer needs in all kinds of environments, also thanks to our strong distribution footprint. For P&C, we are very focused on preserving the excellent level of profitability, and we are watching very closely the development of severity and frequency. And in some cases, we are already preparing to take pricing actions. Also, please keep in mind that two-thirds of our P&C book is non-motor, and of this, 60% is inflation-indexed. In addition, investment yields are higher than originally projected, which also benefits the P&C operating results. Lastly, an environment of high inflation is also likely going to support the P&C pricing cycle towards a new hardening phase. And of course, this overall context creates an even stronger reason to push ahead with our key initiatives on digitalization and automation.

To summarize, the Lifetime Partner 27 plan execution is progressing very well and showing tangible results. Looking ahead, we remain fully committed to delivering on our plan objectives, maximizing profitable growth in P&C, leading Life through quality production, and expanding Asset and Wealth Management. We are proactively managing the cycle to ensure strong performance, enabled by an effective central steering combined with disciplined local execution, with a focus on technical excellence and productivity improvement.

Group CFO Introductory Remarks

As Giulio mentioned, our first-quarter 2026 results demonstrate continued strong momentum in the execution of our "Lifetime Partner 2027 " Plan. We're delivering robust growth across all segments, with a clear focus on quality, resilience and profitability. This exemplifies our ability to navigate a complex environment while advancing our strategic priorities.
Let me share some key highlights before we open the Q&A.

Giulio spoke about the Life New Business production. Let me focus on the Life CSM, which recorded a 1.4% normalized growth. The end of the first quarter marked a peak in financial markets volatility and a low in equity markets. As a result, the CSM recorded slightly more than 900 million of economic variances. The key drivers of this 900 million movement were:

- The widening of sovereign and corporate bond spreads by around 0.4 billion
- The increase in interest rates by around 0.2 billion, which impacted in particular Germany and Italy
- The decline in equity markets by around 0.2 billion
- And finally higher volatility, especially in equity markets, with a 0.1 billion impact.

Clearly the economic variances in the quarter were also a reflection of the single measurement day: if we were to apply the disclosed sensitivities and use financial markets levels of May 15th, the CSM would be around 500 million higher than the 33.2 billion shown in the Press Release.

Moving to **P&C.** Giulio has already mentioned the improvement in the Attritional Current Year Loss Ratio. Let me emphasize that this improvement was achieved while maintaining the conservative booking of initial loss picks which was a key feature of our 2025 results.

Concerning Nat Cat, Storm Kristin exceeded our per-event reinsurance protection set at 300 million Euros. This means that in the second quarter we will book around 19 million Euros as reinstatement premium, which will be recorded in the current year attritional loss ratio.

I would like to elaborate on the **prior year development**. Last year, at the Nine Months 2025 call, I emphasized how a dynamic interplay between Nat Cat and PYD is the sensible approach for managing the business over the long-term. This is why I indicated that we would calibrate our PYD dynamically, always within the boundaries of the Best Estimate approach.

This approach enhances earnings predictability and mitigates the year-on-year P&L volatility throughout the year.

The first quarter has seen significant Nat Cat events and as a result you saw a higher contribution from PYD in our numbers.

I feel very comfortable with our ability to manage the combination of Nat Cat and PYD this way in the long term. This confidence stems from the very strong level of reserving from the ongoing conservative initial loss picks. It is also reinforced by the new reinsurance structure that we negotiated at the last renewals, where we used the favorable market

conditions to significantly strengthen the contractual features of our Cat Aggregate program.
Staying with P&C, let me also highlight that the investment result growth was led by high quality factors and also thanks to the volume growth recorded last year.
As you've read in the Press Release, this quarter is impacted by around 50 million **one-off tax component**. This stems from the new French Finance Law that extended through 2026, the so called "Surtax", which is based on the average taxable basis of 2025 and 2026. As such, the accounting rules required us to recognize the 2026 Surtax in first quarter 2026, by considering the whole amount of 2025-related "Surtax" component. We expect that the residual component of the Surtax will affect the Group by less than 10 million per quarter for the remainder of 2026.

Moving to **Cash and Capital**, as you know we schedule most of our remittance inflow into the Parent Company's coffers ahead of the dividend payment. We have already received around 4.5 billion of remittance so far in 2026. As a result the cash at the Holding Company, after the 2.5 billion dividend payment we made yesterday, stands above 5 billion, of which slightly more than 3 billion is available.
Finally a word on **Solvency**. As I mentioned this morning during the Press Conference, the estimated Solvency 2 Ratio increased around 1 to 2 percentage points as of May 15th compared to the end 31st of March.
Let me provide you the moving parts during the first quarter. We benefitted from healthy normalized capital generation, adding 4 percentage points. This is basically stable year-on-year, as the higher contribution from Life and Financials is offset by the impact from Nat Cats. The non-economic variances include both the PYD effect as well as the SCR increase from business growth and SAA optimization. The end of the grandfathering period reduced the Own Funds by 1 billion, with a 4 percentage points impact on the Solvency 2 Ratio. Capital movements in the period shed 2 points, including both the accrued pro-rata dividend and the subordinated debt operations.
Finally market variances impacted Solvency for around 5 percentage points. This reflected, of course, the movement of equity markets and the widening of sovereign and corporate spreads, as well as higher volatilities. Similarly to the CSM, the Solvency 2 Ratio is also a reflection of the single measurement day. March 31st was close to the bottom of financial markets during the recent bout of volatility.
Looking ahead, during the second quarter, you should factor in three elements on top of the normalized capital generation and the dividend

provision for the period.

- First of all, we expect to receive the regulatory approval for the € 500 million share buyback, with a 2 percentage points impact;
- Secondly, as we indicated at Full Year 2025, you should factor in 2 points stemming from the higher SCR following the SAA optimization;
- Finally, please consider that the downgrade of Belgium from AA to A which occurred in April will have a 0.5 percentage points impact on our Solvency 2 ratio.

In summary, this quarter's performance highlights the strength of our diversified business model and our ability to generate profitable growth. I am particularly pleased by the quality that I see in the numbers when I look through the quarterly noise of Nat Cats and of financial markets movements. This quality makes me very confident in the ongoing delivery of our plan.

Andrew Baker, Goldman Sachs: *Thank you for taking my questions. The first one, just on the Life insurance service result. Are you able to tell us how much of the 1Q result was from experience variances and other? And then I guess, if possible, are you able to break that out by the sort of portion that you wouldn't necessarily project going forward and any items that you would expect to repeat? I believe the PAA business runs through this line. And then secondly, again, thank you for the additional detail on the higher acquisition costs in P&C. I guess, should we assume that there's a broadly offsetting impact from the higher acquisition costs in the current year attritional loss ratio from these same mix effects? Any comments around that would be really helpful. Thank you.*

Cristiano Borean, Group CFO: Hi, Andrew. So, breaking down the operating insurance service result into the CSM release at EUR828 million, which increased by EUR55 million compared to the first quarter 2025, you should then have a couple of extra elements which create the movement. We had a slightly higher amount of loss components, EUR31 million loss components with negative impact, versus EUR11 million last year, which reduced by EUR20 million the result. As well as that, the experience variance and other technical results had a EUR32 million positive contribution up, going to the EUR97 million amount in the operating insurance service result. And in the end, the other operating income and expenses decreased, in a positive sense, at minus EUR37 million, which is an improvement of EUR17 million versus the previous year. I would tell you that there are no particularly one-off in the first quarter 2026 number, apart from slightly higher sensitivity on some loss components of interest rate up coming from our country Italy. But there is a very healthy contribution in the other operating income and expenses of the so-called contribution from the investment contract under IFRS 9 accounting. So, I would say pretty much good quality, as I was hinting in the initial speech.

Giulio Terzariol, Deputy Group CFO: So, to answer your question whether there is an offset in the loss ratio, I would say it depends. If you look at the numbers, including Europ Assistance, definitely, in that case, you see an increase in the expense ratio, and there is an offset in the loss ratio. When we remove Europ Assistance, actually, the expense ratio is relatively flat. So, in that case, I would say there is not much of an offset. So, it depends how you look at the numbers.

***Michael Huttner, Berenberg:** Fantastic. Thank you very much, and congratulations. So, I've got three, if I may. The first one is on 93%, and I think you have 94.5% as an undiscounted combined ratio target. It feels like you're there and you're protecting margins. On the cash, thank you so much for the explanation, Cristiano. I just wanted to add the EUR4.5 billion you've collected so far. I've forgotten the figure from last year. I just wanted to ask if you could help me on that. And then, I'm being greedy: the CAT aggregate cover, I'm really interested in that. I think you did mention it at the full year, but I can't remember the details and how much more protection it provides. Thanks.*

Giulio Terzariol, Deputy Group CEO: So, Michael, your question whether we are better than 94.5%. Yes, we are better than 94.5%. I will tell you that already at year end 2025, we were better than that number. And what we see right now is still very strong performance. So, from that point of view, we always say, we want to run as fast as possible, knowing also that the environment is going to become more challenging moving forward. So, from that point of view, we know that as we move forward, inflation and risk premium are going to be more aligned with the average premium. So, from that point of view, we're very well-positioned, and moving forward, we will try to get additional improvement coming from actions that we can take, as always, on the portfolio and also the productivity improvement that we can realize. But to your question, are we better than 94.5%? Yes, we are definitely well below the 94.5%. And I will tell you, we're also below the 94% level.

Marco Sesana, Group General Manager: Hi, Michael. Happy to give you some additional detail on the Aggregate cover. So, as you remember, our aggregate retention is at EUR1.2 billion in the range of 3.2 points of combined ratio, and we have a capacity of EUR550 million. So, at the moment, what we have seen is that, clearly, we are commenting the first quarter, where there was one big event. But I would say we still have a lot as a coverage in the aggregate. So, at the moment, we have just seen the first quarter. Clearly, it's a first quarter that is significantly higher compared to the first quarter that we had in the last years. The first two months of the second quarter are in line with expectations. So, I would say that, at the moment, we are still fine with our aggregate cover.

Cristiano Borean, Group CFO: Michael, regarding cash, if I just take the picture as of today, I think compared to last year, we have already remitted around EUR200 million more compared to the same period of last year as of today. I think we are between 90% to 95% total remittances. So, if you make some math, you should expect, compared to last year, slightly more remittance contribution in the second half in 2026 than what we had in 2025. So, I think it is good news for you.

Gabriele Venturi, Banca Akros: *Good morning, and thanks for taking my question. Could you please provide more detail on any changes in the scope of consolidation that might have affected the volumes of the Life gross written premiums on a year-on-year basis, if any? Because when I divide the life gross written premiums for the first quarter of 2026 by those of 2025, I obtain a growth rate of 6.2% compared with the reported growth of 7.5%. And second, given the strong first quarter results, do we see scope for an acceleration in the coming quarters that could lead to an upgrade of the full year guidance?*

Cristiano Borean, Group CFO: So, overall, the only perimeter consolidation change is related to the IFRS 5 allocation on our Irish activity, but it is a branch, so you should not have any impact in the GWP as you are trying to hint. So, in my personal opinion, I don't really probably catch the point. It is a true like-for-like for what regards the GWP. Look, maybe I kindly ask if you can follow up with the IR team to better maybe grasp what is your question, because I just would like to confirm no change of perimeter when you look at the GWP. There is no material effect in the consolidation.

Giulio Terzariol, Deputy Group CEO: To your question about expectations on top line growth for the second part of the year, I would tell you the following. If I look at volumes, let's set aside price increases: volume in, as I said also in the introduction speech, volume in motor was plus 1%. I don't expect this number to get stronger. Considering that we are prone to really manage technical profitability, this number will stay at this level. Potentially, if we need to increase prices, we are even willing to lose a little bit of growth to protect profitability.

When we look at non-motor, we see a very strong development, both in non-motor without accident health and in accident health. So, if you ask me, I would expect that we are going to see this momentum continuing. Maybe we can accelerate a bit, but fundamentally, I don't expect a much different outcome. Coming back to motor, we see what kind of rate increases might be needed, maybe more towards the end of the year, and that might influence a little bit the trajectory of growth on the motor side. But fundamentally, the answer to your question is, I would expect to see more of the same as we go into the second part of the year.

Cristiano Borean, Group CFO: Gabriele, maybe just if I add on the first question, just to be sure, if you ask when we define life-for-like, our definition embeds as well a constant FX rate versus the first quarter of 2025. I don't know if that could help you in making your exercise, but it is the standard approach.

Fahad Changazi, Kepler Cheuvreux: *Thanks very much for taking my questions, and thank you for providing the detail on P&C and motor, non-motor. So, I was just wondering, in terms of motor and the outlook, what was the price effect just for motor in Q1, and how do you expect that to develop? And on the life business, could you possibly break out the impact on margin from the higher interest rates? And I'm sure it's in your comprehensive finance deep dive Investor Day, but could you remind us again when you strike the updated assumptions: is it H1 or is it at full year?*

Marco Sesana, Group General Manager: So, hi. As Giulio was saying, we had still a positive development of motor on the price effect. So, I would say, overall, we look at the growth that we are having on motor mainly on price, but this time also around probably one-third of the growth would come also from volume. The more we go into the year we see that these increases in average price are broadly in line with what we see on the risk premium development. So, we are there. We don't see tailwinds, we don't see headwinds. We are more or less in line overall. Country by country, there are differences, but overall, we see that the average premium is developing in line with the risk premium.

So, as Giulio was saying, looking forward, we will adjust our posture portfolio by portfolio, making sure we maintain the level of profitability that we like to have in every different market. So, we will look at the signs of inflation, if they're going to appear. We're going to look at the different effects of frequency, so all the components of the risk premium. And we're going to decide, portfolio by portfolio, in the second part of the year, what is the posture that we need to take, making sure that - and I want to reiterate that - we manage each portfolio for technical margin and not for any component of it, so not for growth or not for premium.

Cristiano Borean, Group CFO: Hi Fahad, regarding the methodology, our new business value is calculated with the beginning of period assumptions. So, the number you have seen here reported for the first quarter 2026 is the year end 2025 actual number. And just for you to be aware, had we had the benefit which this first quarter reflected because of the improvement of market conditions was 26 basis points in this quarter. But if I take the end of period of March 31st and we calculated the new business margin for first quarter 2026 there would be another 15 basis points. So, I hope this helps. Every quarter, we use the beginning of period.

James Shuck, Citigroup: *Thank you. Good afternoon and good morning. Both my questions are kind of AI and technology related areas. The first one: I just wanted to get a bit more insight into the productivity of the agents. I know the acquisition costs are very high, including or excluding Europ Assistance. Are you able to share any productivity metrics amongst those agents, and also what the pipeline is in terms of rolling out AI-related CRM tools and perhaps any expectations there?*

And my second question, forgive me if you just covered this already, but I know you have a digital investment plan of EUR0.5 billion to EUR0.7 billion over the plan. Can you just remind me what your total technology spend is in the Group? I'm not sure that EUR0.5 billion to EUR0.7 billion would be included in it. And if you're able to split that into kind of keeping the lights on versus other, that would be very helpful. Thank you very much.

Marco Sesana, Group General Manager: So, maybe before going specifically into one part of the topic, I would remind the effort that we are making on AI is broad and deep on every area of the Group. So, we are working a lot on scaling our use cases. So what we have presented in our strategic plan, the 16 use cases, and that's a big effort because we want to make sure that we get scale. One big topic for us is getting scale in everything we do. So, this is an effort that we constantly do.

At the moment, I can say we are around 55% to 60% implementation of those use cases, and we plan to go to more than 90%. So some of the use cases are technically related to the productivity in the agency. We want to make sure that we decrease the time spent by agents, or by people working for the agents, so inside the agency, on back office activity, on reconciliation, on discussing with us the different topic of specific claims or something similar. And so, what we are doing, we are also improving the productivity of the agency. Now, some of this is going to be a direct impact for the agency. Some of these use cases are going to be inside our company. We are going to make sure that, at the end of the year, when we are planning to have a full deep dive on AI in the whole Group, we are going to discuss more in depth also about this topic. One thing that is really promising, by the way, it's also all the development that we are having on claims, because this is actually helping the agency in managing the claims much, much better, and therefore, talking to the client much better. For the overall total technology budget for the plan, I think this is one big topic that we are tackling. So, we see a lot of potential for reducing the development activity, in particular, coding that we do inside the Group. So, this is one of the big items that we have in our cost base. So, we are targeting a significant improvement on this spending. And even here, probably, we can give you more detail by the end of the year when we do the deep dive.

Gianluca Ferrari, Mediobanca: *Yes. Hi, good afternoon. A couple of questions for me, please. One is on the EUR4.3 billion inflows in Life: I think if it's not the best result ever for a quarter, it's very close. I was wondering if you can give us a bit of color on how Q2 is going, if you are keeping the same pace or slightly lower than that. The second, I think Cristiano already gave a bit of an anticipation, but I was wondering if you can share with us a guidance for new business margin for full year 2026, considering the current level of interest rates. Thank you.*

Giulio Terzariol, Deputy Group CEO: Yes. So, maybe I start to also give you some color on the first quarter, on the inflows. So, basically, we saw strong inflows in France, where we are up 45% compared to last year. Also, we see that in our unit-linked - we sell a lot of unit-linked as part of the hybrid - we are also outperforming the market. So, that's a nice development. We saw also, from an inflows point of view, a good trajectory in Germany, where we are double the inflows of first quarter 2025. And then also CE, Eastern Europe, is not a major, let's say, contributor to the inflows, but we see positive inflows also there. And then, clearly, Asia is always contributing to the growth, being clearly a growth area. So, that's the picture that you see in the first quarter. Italy has been relatively flat, a little bit negative, which is also the reflection, clearly, of the strong quarter that we had at the end of the year. So, there is always some sort of seasonality. If you ask me what we are going to see in the second quarter, it's similar, but clearly, there is some seasonality, as I said before. So usually, Asia tends to be less strong as we go into the second quarter. France, I would expect to be more of the same. Germany, the same. Italy, also for the second quarter, don't expect to see much of a different trajectory. What we expect to see a different trajectory in Italy is towards the end of the year. So, bottom line is you're going to see something similar, but clearly need to adjust a little bit for the inflows because of the seasonality coming from Asia. But overall, I would say, we are very pleased with the development. I would like to point it out also to the growth in value of new business, which is 19%, and the strong new business margin. So, I would say that, once again, we delivered good results on aggregating the life cycle. New business margin: our guidance is 5.5%. I would say, based on where we are right now, it's not difficult to imagine we might be better than 5.5% by the end of the year. This said, look, it's really not important whether we are going to be at 5.6% or even 6%. I cannot even exclude that we are going to end up there. We are very much focused on growing the value of the business. So, clearly, we want to keep a high level of new business margin, but fundamentally, when we make our decisions, is about making sure that the value of new business is growing. You saw this quarter, and when you look at the CSM normalized growth, we are north of 4% for 2026 if you do a sort of run-rate. And that's clearly a good level because eventually this is what is sustaining the operating profit growth. So, to your question on guidance, we feel very good about meeting or exceeding 5.5%, but the focus is on growing the value of the business in a consistent manner.

William Hawkins, KBW: *Hello, everyone. Thank you for taking my questions. Expenses, please: KBW has been doing work on admin expense leverage across the European insurers, and one of the things I've noticed is that the loss ratio component of your GEX ratio is only about EUR800 million from the presentation you gave a bit earlier this year. And as I understand it, that is only claims handling expenses that are not allocated to specific claims. So, my question from that is, why would you take such a narrow measure? Because presumably allocated claims handling expenses are just as addressable, if not more so, as what is central. And then secondly, if you were to take an all-in claims handling expense ratio, consistent with the 7% or so admin that you've got in your normal expense ratio, what would that figure be, please?*

And then secondly, if I could ask a strategic question, could you gauge for me Generali's long-term interest in London and global specialty business? I'm sorry if it's a bit left field, but at the moment, your business there is negligible, and I've always assumed that it's completely off the agenda because your focus is more European personal lines and maybe Asia. I just wanted to make sure I'm not missing something in terms of your portfolio ambitions for that part of the business.

Giulio Terzariol, Deputy Group CEO: On the GEX ratio, I will tell you it's pretty normal to allocate the unallocated loss expenses to the loss ratio, so anything which is different would be totally new to me, honestly speaking. So, that's what usually is done in accounting. Now, when we look at our GEX ratio, we include in the GEX ratio the unallocated part of expenses, and this is usually 2 to 3 percentage points of our GEX ratio. So, we are capturing the unallocated loss expenses in the trajectory of the GEX ratio, which is going down. By the way, in this quarter, we had 20 basis points of improvement in the GEX ratio, which belongs to the loss ratio. If you talk about normal accounting, to the best of my knowledge, I'm 100% confident, without hesitation, that you need to put the loss adjustment expenses in the loss ratio. Somebody is not doing that, I don't know what to tell you, but that's what accounting has always been, by the way, so it's not even a new development. So, that's on that problem. On the question about the specialty business in London: I would say, we have a negligible presence. I would say, we have zero presence, actually, at the moment in the Lloyd's market. What is important for us, we have a company called GC&C. It's about EUR3 billion of operations. They are delivering very good results, so we are very pleased with the performance that the company is getting. And we want clearly to expand the company, diversify this business, which means we are clearly going to look also the opportunity. They don't need to be in the Lloyd's market, but they could also potentially be in the Lloyd's market, knowing, however, that the Lloyd's market is a very peculiar market, which is very much prone to specialty, maybe complex specialty, and also with a lot of U.S. business. We definitely don't have appetite for that kind of business.So, to your question, in reality, it's more our intention to try to strengthen our commercial business, to diversify that business, but it's not that we are targeting the Lloyd's market in a specific way.

Iain Pearce, BNP Paribas: *Hi, thank you for taking my questions. The first one was just on Banca Generali, and they were flagging in their results that the Alleanza partnership has been performing very well. Could you just touch on what you're seeing from your side in terms of the Alleanza benefits, how that's impacting and how that is performing, and if the sort of run rate in Banca Generali that you're seeing is sustainable? The second one was just on your comments on if you see higher inflation, you expect or anticipate seeing a hardening of P&C markets again. I'm just trying to understand what you think, what you're trying to say there. Do you mean that you expect to be able to price for that inflation, or would you expect that that would lead to stress in the market again and pricing ahead of inflation? I just want to understand those comments. Thank you.*

Giulio Terzariol, Deputy Group CEO: Coming to Banca Generali and Alleanza, I can tell you the insurer-banking is going actually pretty well. We are very encouraged by the results that we are getting, and the targets for 2026 are to achieve EUR500 million of Stile Unico, which is an Alleanza product but sold through this platform of Banca Generali, to achieve 15,000 current accounts. Right now, we are extremely confident that we are going to hit both targets. To your question, then, what are the specific benefits for Alleanza? Because the benefits for Banca Generali are pretty clear. I would tell you the following. Of the EUR500 million Stile Unico, we estimate that 40% is additional, because there is always an element of cannibalization. And if you ask us how much of this EUR500 million just replaces other solutions, and how much is on top, we would say that 40% of what we sell in Stile Unico is on top.

The second point, I was personally in the agency of Alleanza, and I tell you that the conversations you can have with clients are very different because they are really holistic. You can give more and more a sort of 360 degree advisory. So I would tell you that, in my opinion, in the mid-term, this is going to create more of a binding the customers even more. So, it's a share-of-wallet kind of thing because we can access a share of wallet that we don't have, and this is benefiting also Alleanza. And then also, I believe customer retention is going to be even stronger. And I saw that with my own eyes, and it was actually pretty impressive.

On the other one, on inflation leading to a new hardening price: yes, it might happen. So, we would say that if inflation is going to increase, I would assume that the market is going to react. We cannot speak for others, but we can speak for us. And as Marco was saying before, our posture is to always about technical profitability, making sure that we are achieving the marginality that we would like to achieve. And we are even willing, to a certain degree, to forgive volume.

And keep in mind that right now on motor, we have a positive balance. So, from that point of view, we have even some cushion before we go into negative territory. So, the bottom line is, yes, if we need to increase prices because inflation is going to go up, we are going to do that. And I tell you that, in some cases, we are already doing this, not necessarily on the motor side. I can tell you in Germany, on the non-motor side, we are increasing prices. In Eastern Europe, we are going to be more cautious. So, we are already preparing in that direction, and we are going to, as Marco was saying, watch the situation and act accordingly.

Andrea Lisi, Equita: *Hi. Thank you for taking my questions. The first one is on P&C reserving: if you are already factoring in your reservation in P&C a level of inflation that is higher and consistent with the current market expectations? And the second question is on the rate effect that could have on the inflows in Life. We are observing that the curve is projecting a higher level of rates. So, just wondering what are your expectations there, and if you think that, at some point, we will see a higher competition, for example, from govies. And very last question: we have seen that UniCredit was quite vocal in referring to you as a potential partner, and there are discussions, potential discussions, for developing a partnership in both insurance and asset management. Any indication that you could provide on this point, on this topic would be super helpful. Thank you.*

Cristiano Borean, Group CFO: Hello, Andrea. Regarding the higher inflation, we are not seeing a specific spike in inflation versus the normal trend observed so far. By the way, I recall you that our reserving technique embeds a pretty prudent inflation. And as you know, the difference between insurance inflation and CPI or HICP is different, and usually it is higher, the insurance inflation. So we start already from a higher level in the spare parts - what we are monitoring most - we are not seeing it in the bodily injury. The vast majority of the increases happened already, because of the change mainly, because of judicial and tribunal rules, but put them which were an inflationary factor. So, I would tell you that the huge prudence that we kept in 2025, and we are still keeping in 2026 on our current year number, coupled with the historical level of prudency in the insurance inflation projected in our reserves, makes us extremely confident to manage it. Our reserving level has never been so high, and I think the proof of our interplay in the first quarter is a pretty much good demonstration of that. So, I can confirm you this is pretty much strong.

Marco Sesana, Group General Manager: Hi. So, in terms of the effects of higher rates on life, I think it's interesting to go back to what happened a couple of years ago. So, when higher rates were there and inflation then was there: we have seen that the overall portfolio of the Group was pretty resilient in terms of development in that situation. So, clearly, it might be that we see higher rates, and as we have seen in the past, there could be more competition, especially on the short-term investments from, for example, Italian savers, due to the issuing of more Italian debt on the short-term. I would say unit-linked is more linked to equity more than interest rates, and I would say, protection has proven to be pretty resilient in different environments. And it's probably what we have taken away, that there is such a strong demand for protection products that this will continue to go and will keep on growing in a nice way. So in the way, we are seeing developing in the last quarter, even in different conditions. So, I also have to say that the type of business that we do, which I remind you is typically multiline - so it's traditional, unit-linked, protection - is developed mainly through proprietary distribution, and this is pretty resilient in different types of scenarios. We have seen that in low interest rates, and we have seen in higher interest rates. So, we are pretty confident that, even after what happened in 2022, 2023, this is going to be the case. Consider also that until we don't see a significant increase in interest rates, what we have seen in 2023 already protects us from some of the lapses that already happened at that level of interest rate. So, overall, I would say, we feel that our inflows and our Life business is pretty, I would say, resilient in different external conditions.

Giulio Terzariol, Deputy Group CEO: So, your question about UniCredit. First of all, I would also like to say, we are already working with

UniCredit in Eastern Europe. So, we have a successful relationship there. Based on the collaboration that we have, clearly, we've always touchpoints with UniCredit. It's a great institution. I would say also, if you take the metro in Milan between Tre Torri and Porta Garibaldi, they are just five stops. So, it's easy to have conversations with them. I think, anyway, it's pretty common that banks and insurance companies have conversations about what kind of cooperation we can do on the asset management side, the insurance side, but I would not read more than that. It's normal that there is a conversations going on, and this is not the only conversation we have.

Farquhar Murray, Autonomous: *Just two questions, if I may, both on non-life and actually mainly in elaboration on Iain's questions earlier. So, you mentioned further potential pricing actions in non-life, and you at least partly linked them to the macro backdrop in the Middle East. So, the first question is just to double-check that the linkage there is predominantly coming from claims inflation, or are there frequency and perhaps even economic consequences you are keeping an eye out for there? And then second question, what are the triggers for moving to implement those pricing actions? It sounds like some geographies have obviously already gone through them. Thanks.*

Giulio Terzariol, Deputy Group CEO: Regarding the pricing action because of the situation in Iran, so we need to see first what is going to be the impact because of the Iran situation. For the time being, we don't see inflation yet. Now, according to some analysis, one might assume that if oil prices stays up 25% or 30% over time, we might see an increase, let's say, in the loss ratio before we take any actions, in Motor to 1% to 2%. So, if this is going to happen, we are going to see this kind of increase, we are going to react. But as we said before, right now we don't see severity going up. So, for the time being, we are watching, preparing. In some cases, we are taking actions, but because of other reasons. But we are not, at the moment, in a situation where claims inflation is going up. Then, I would like to highlight that, on the non-motor side, a substantial part of our business is indexed. So, from that point of view, there will be a natural, if you want, offset in the case inflation is going up. So, coming back to what we said before, we are monitoring the situation. We are going to take action case by case based on what we see. Since you are asking anyway about the impact coming from the Iran situation - one thing, because we saw also from calls with other competitors - on the travel side, we don't see major impact so far. Actually, Europ Assistance in total was up 15% on revenue, and this despite clearly softening, especially in Australia. The business was very strong in America. So, for the time being also, we have been able to more than offset the weakness in Australia because of the situation, and we are going to continue to look at the development on the revenue side. It's more a revenue-side issue potentially on travel, but I can tell you there might be a little bit of a headache, but not something that can change our delivery, not even for Europ Assistance. So, bottom line, for the time being, so good so far.

Marco Sesana, Group General Manager: If I can add one topic, I think the phases that we went through in the last years of inflation made us learn a lot about where the first site of inflation come up and show up. So, we have very good monitoring at the micro level of peril and also going market by market, portfolio by portfolio. If you think about, for example, material damage, we are able to look at the different spare parts brand by brand, portfolio by portfolio, or also the aggregation of those affecting to perils. So, I think this is also a good way of looking, a leading indicators of where inflation might come up, because as you know, when we talk about inflation, one thing is to think about general inflation, one thing is to think about the claim's inflation, which is completely different.

Michael Huttner, Berenberg: *Thank you very much for this opportunity. I had two, and you may have answered one, but I wasn't sure. So, on frequency, I think, in the past, it's been declining, but from the way you've been talking, it sounds like it was flat. I just wondered if you can maybe comment. And then remind me, on the solvency, you gave us basically the kind of Q2 figure pro forma as of today, but what is the impact of Solvency II review, which comes early next year? Thank you.*

Giulio Terzariol, Deputy Group CEO: So, when we look at the frequency in motor, we need to adjust for Portugal because in Portugal, we are picking up some attritional frequency, some frequency that is for sure related to the weather event that we had over there. So, for the motor of Portugal, actually, frequency across the portfolio is relatively stable. But we see a little bit of a different nuance compared to last year. Last year, we saw frequency going down across the portfolio, and now we see countries where frequency is going down. But in Central and Eastern Europe and also Germany, we saw frequency going up. We think this is related to the winter because 2026 winter was colder compared to the winter of 2025. So, we see a little bit of a different trajectory depending on the country. But when we look at the total portfolio, frequency, adjusted for Portugal, is basically in line with the prior period level and also consistent with our plan assumptions.

Cristiano Borean, Group CFO: Thank you, Michael. So, I'm not commenting again that you're already done valuation so far of the second quarter, but referring to the Solvency II review, we can confirm that we are around the 15 percentage points. The important thing is don't forget that it will come into practice at the end of January 2027. So, any decision that has to be taken in beginning of 2027 will already embed this already at the end of January, which is also positive and conducive for resiliency, environment, and security of cash flows, since I know that both of us care a lot.

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