Consolidated results as of 30 June 2021 – Slide commentary

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STRATEGY OVERVIEW

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Slide 4 – Key messages

In an environment still uncertain due to the effects of the on-going pandemic, Generali demonstrated excellent profitability, posting strong growth in terms of premiums, operating profit and net result; in addition, Generali confirmed its extremely solid capital position.

The disciplined focus on M&A has continued to bring us closer to the delivery of our current plan “Generali 2021” and its key objectives.

At the same time, the updated Group strategy on climate change, which was presented in June, further highlights Generali’s strong continued commitment to integrating sustainable business practices in its strategic decisions.

While fully on track to deliver the targets set out in “Generali 2021”, which is now in its third and final year, the Group is also preparing for what will come next. On December 15, the new strategic plan for 2022-2024 will be presented to the market.

Slide 5 - Excellent business profitability and extremely solid capital position

Looking at our key performance indicators, the Group’s operating result grew to reach nearly € 3 billion (+10.4 percent vs 1H 2020), supported by the positive development of the Life, Asset Management and Holding and other businesses segments as well as by the sound contribution from P&C.

The Life and P&C segments confirmed their excellent technical profitability, with the Life New Business Margin at 4.67% (+0.73 p.p. vs 1H 2020) and a stable Combined Ratio at 89.7% (+0.2 p.p.).

The net result nearly doubled to € 1,540 million, up from € 774 million at half-year 2020. The sound operating result translated well into the net result. This was thanks to the lower impairments on investments classified as available for sale, by the increase in the realization of profits and by the lack of one-off items, such as those related to the Covid-19 pandemic that had impacted the net result in the first half of 2020. The interest expenses on financial debt further reduced as a result of the successful execution of our debt optimization strategy thereby overachieving the target of “Generali 2021”.

I would also like to mention the operating result of the Asset Management segment at € 306 million, with a nearly 40 percent increase from 1H 2020. This was mainly driven by the rise in operating revenues, also supported by the increase in the assets under management.

Lastly, the Solvency Ratio increased to 231% (224% FY2020), further demonstrating Generali’s extremely solid capital position.

Slide 6 - M&A and partnerships accelerating ‘Generali 2021’ plan delivery

The actions implemented in terms of M&A since the beginning of the execution of “Generali 2021”, as well as the partnerships commenced both in the insurance and in the asset management space, have continued to bring us closer to the delivery of “Generali 2021” and its key targets.

Several important milestones were achieved in the first half of this year. In Greece, the acquisition of AXA’s operations was completed, and a 20-year exclusive distribution agreement began with Alpha Bank. As a result, Generali is now the #2 P&C player and #3 Health player in the Greek market.

In Italy, a cash voluntary public tender offer was launched for all of the ordinary shares of Cattolica Assicurazioni not already owned by Generali. Once completed, this will allow us to further consolidate the leadership in our domestic market, becoming #1 also in the P&C segment; to reinforce our position among our main European peers and to accelerate the business mix diversification towards P&C, consistent with the “Generali 2021” strategy and our Lifetime Partner ambition.

With our on-going focus to strengthen our presence in high-potential markets, in June two important transactions were announced. They will allow us to become the second largest P&C insurer in Malaysia and one of the largest players in the country. As a result of the transactions, Generali will operate in the local market through two companies, one in the P&C segment and the other in the Life segment, with a 70% stake in both.

Slide 7 - Updated climate change strategy highlighting on-going commitment to Sustainability

The Group also followed up on its strong commitment to sustainability, unveiling the new strategy on climate change.

Through this strategy, which updates and extends the plan that was approved by our Board of Directors in February 2018, the commitment is to deliver ambitious targets related to core activities of investment and underwriting, thus playing our part in building a low-climate impact future.

Among the goals, please note: between € 8.5 and 9.5 billion of new green and sustainable investments between 2021 and 2025; gradually decarbonizing our direct investment and underwriting portfolios to become carbon neutral by 2050 and defining a roadmap for the complete exclusion of investment and underwriting activities in the thermal coal sector in both OECD and non-OECD countries.

In addition, the Group continued to be proactively involved with the most important organizations and initiatives that promote sustainability and climate protection at a global level. As part of this effort, together with seven other leading insurance and reinsurance groups, the establishment of the UN-convened Net-Zero Insurance Alliance (NZIA) was recently announced.

It is our belief that the insurance industry has a key role to play in the transition to a net-zero economy, and the NZIA will allow us to bring on board many other institutions and peers that share our same vision and commitment.

Slide 8 - Investor Day 2021: Presentation of the next three-year strategic plan

In conclusion, today's excellent results confirm that the Group is fully on track to successfully deliver the ambitious targets of our current plan "Generali 2021", even in this challenging environment. The significant growth achieved in the first six months of the year strengthens Generali's position as the European leader, thanks to our operational excellence, the quality of our distribution network and, last but not least, our digital innovation. The latter was recently recognized at the "EFMA-Accenture Innovation in Insurance Awards 2021", winning five awards out of seven categories, including the honor of the Gold medal as "Global Innovator". While close to complete the current plan, Generali is also preparing for the next chapter in its history. On December 15, at our Investor Day, the Group will present the new strategy for the 2022-2024 cycle, with a view of making Generali a leading insurance and asset management group increasingly prepared to face the constantly-evolving challenges in our industry. We will continue to forge ahead with an even stronger focus on our Lifetime Partner ambition, leveraging on the enthusiasm, passion and energy of our 72,000 colleagues and 165,000 agents worldwide.

GROUP FINANCIALS

Slide 10 – First Half results at a glance

Overall the Group's top line recorded a healthy growth of 5.5 percent, year on year and on a like-for-like basis thanks to both life and P&C segments. In Life, premiums were up 5.8 percent, with an acceleration in the second quarter, up 6.1 percent. Life Net inflows decreased by almost 8.6 percent to 6.3 billion Euro. It should be remembered that 1H 2020 results included a significant group contract in Italy, worth 1.5 billion Euro with the pension fund Cometa focused on Unit Linked business (excluding Cometa business, 1H 2021 net inflows would have increased by 16.6 percent and life premiums by 12.7 percent).

The P&C top-line was up 4.9 percent on a like-for-like basis with a significant 9.1 percent increase in the second quarter standalone.

Technical performance remains very positive, as demonstrated by an excellent combined ratio at 89.7 percent, notwithstanding the impact of nat cat events in continental Europe in the first half year, and a higher Life new business margin at almost 4.7%.

The operating result was up 10.4 percent at around 3 billion Euro, benefitting from the Group's business diversification and operational excellence.

The net result was up significantly to reach 1.54 billion Euro reflecting the operational result development and a much lower incidence of non-operating charges.

Extremely solid capital position with Group Solvency Ratio at 231 percent, up by 7 percentage points compared with year-end 2020. The increase has been mainly driven by an excellent normalised capital generation, net of the dividend for the period, calculated pro rata from the previous year's dividend, and positive market variances. These more than offset the impact of the regulatory changes at the beginning of the year, operating variances (largely driven by re-risking) and M&A transactions.

As additional information, a stable versus 1H 2021 Group Solvency position is estimated at the end of July.

Slide 11 - Operating result growing thanks to business diversification

The Operating Result reached around 3 billion Euro, thanks to our business mix and diversification. There were strong performances across most business lines, with increases in Life (5.4 percent), Asset Management (39.6 percent) and Holding and Other businesses, more than offsetting a 3.6 percent decline in P&C. P&C result remains at excellent levels despite the impact of important nat cat events in continental Europe in the first half year.

Slide 12 - Growth in Life volumes and strong technical margin

The development in Life premiums produced a 5.8 percent growth overall (12.7 percent excluding Cometa business).

In terms of business mix, Protection grew 4.0 percent, reflecting good growth in Italy and Asia. Savings increased by 2.0 percent, driven by France, with a constant focus on growing capital light products. Unit Linked increased by 8.1 percent, mainly thanks to France and Germany. Excluding Cometa business, unit-linked premiums would have increased by 38.4 percent on a Group basis and by 58.8 percent in Italy.

Slide 13 – Sound growth of Life operating result

The life operating result posted a 5.4 percent increase to 1.4 billion Euro.

The technical margin increased by 7.5 percent, driven by the shift in our mix towards Protection and Unit Linked business. Please note that Covid-19 related claims impacted technical results by 62 million Euro in 1H 2021.

The investment result was up 13.3 percent vs. 1H 2020, which was heavily impacted by negative financial market developments and the accelerated strengthening of guarantee reserve in Switzerland. Excluding the latter, declining running yields and some de-risking activities executed last year impacted on the current investment income, which decreased in absolute amount by 204 million Euro.

Expenses increased by 10.3 percent, with higher acquisition costs across the board to support new production in our preferred business lines.

Slide 14 - Further improving the quality of life net inflows

Life net inflows stood at 6.3 billion Euro, down 8.6% year on year, with a very strong outcome in terms of business mix as the whole net inflows were concentrated in Protection and Unit Linked business whilst Savings delivered outflows.

Let us remember that an important contribution to 1H 2020 net inflows came from the aforementioned Unit Linked group contract with Cometa worth 1.5 billion Euro in Italy. Excluding Cometa net inflows were up by 16.6 percent at 1H 2021.

As mentioned, the quality of our business mix was excellent, as the decline has been entirely concentrated in the Savings business. Protection increased by 10.3 percent. Unit Linked showed a 0.9 percent increase but an impressive 55.1 percent if stripping out the Italian group contract. The dominant contribution of Unit Linked and Protection differentiates our performance and is evidence of our strong focus and progress on steering the business mix towards the preferred lines, enabled by our proprietary distribution channels.

New business is made up of more than 90 percent of capital light premiums, with the remaining traditional business having very low guarantees. As further evidence of the Group's strict underwriting criteria, over 80 percent of new business premiums can be defined as ultra-light. This means business without guarantees or negative guarantees, being Protection with zero guarantee and Savings products with zero guarantees at maturity. It also includes our new production focus in Italy on whole life products with death guarantee only.

In Italy, net inflows decreased from 4 to 2 billion Euro. Excluding the Cometa business, net inflows would have decreased by 20.5 percent due to a decline in the Savings segment (down 77.6 percent) in line with our strategy. Unit Linked net inflows contribution recorded a growth of around 90 percent without Cometa. Protection performed very well, up 6.5 percent. These results show the success of Generali Italia's proprietary networks in pursuing growth in our preferred business lines.

France saw strong increase in net inflows to reach 1 billion Euro. All business lines contributed positively. Savings improved by more than 500 million Euro. Protection business was up 19.8 percent, while the Unit Linked business continued a strong performance, with net inflows up 60.7 percent.

In Germany, there was a 1.5 percent increase in net inflows, driven by Unit Linked, up 6.8 percent, which mostly compensated for declining Savings business. The Protection business also proved its resilience growing 4.1 percent.

In Austria, CEE and Russia, net inflows increased to 153 million Euro. This was driven mainly by Unit Linked business.

The International business experienced a 1.1 percent decrease, with positive development in Asia and Spain partially compensating for the decrease in Switzerland and Americas & Southern Europe.

At Group level surrenders were in-line with historical trends and slightly increased across the life book compared to the relatively low base of 1H 2020 (impacted by the lockdown).

Slide 15 - Life technical reserves growth thanks to net inflows and market moves

Thanks to a combination of strong positive net inflows and financial markets performance in 1H 2021 Life technical reserves increased by 2.3 percent to 393.4 billion Euro. Adjusting for the effect of the deconsolidation of a pension fund in the CEE countries, the increase in Life technical provisions would have amounted to 3.4%.

We continue to steer the mix of liabilities in line with our strategy. Capital light business has increased its proportion of total reserves by 1.8 percentage points since the end of 2020, reaching 64.5 percent, also thanks to a tight control over the proprietary distribution networks.

Slide 16 - Excellent new business value generation

With regards to new business, volumes were up by 8.9 percent in terms of present value of new business premiums. Without the Italian group contract, new business volumes would have increased by 23.0 percent.

The margin was up 73 basis points, on a like-for-like basis, to 4.67 percent, despite less favorable financial assumptions.

The margin increased, despite lower average reference rates, thanks to the rebalancing of the business mix towards the most profitable lines of business, improved product features and the

ongoing recalibration of financial guarantees for Savings products.
A positive volume development coupled with an improved margin led to a 29.3 percent new business value increase, on a like-for-like basis, to reach 1,145 million Euro (Excluding Cometa up by 36.4 percent). Please note the Cometa group contract underwritten in Italy had a 46 million Euro positive contribution in terms of New Business Value in 1H 2020.
In terms of the business mix, Savings business volumes increased by 7.7 percent, largely driven by France and China. In line with our strategy, almost 85 percent of FY 2020 Savings new business premiums are considered capital light given their product features. The weight of no guarantee products has increased to 35 percent in 1H 2021, mainly driven by Italy (that moved to 61.6 percent weight of products with guarantee only in case of death). Protection business volumes grew by 25.5 percent, with a positive development in all regions. Unit Linked new business had a 2.2 percent growth (48.0 percent if excluding the Cometa business from 1H 2020), mainly thanks to France and Germany.

In terms of margins, Savings saw a decrease from 2.38 to 2.20 percent, with the positive performance in Asia offsetting the slowdown registered in France. Protection experienced a margin increase, like-for-like, to 10.23 percent, at exceptionally high levels thanks to the higher weight of profitable Italian and Chinese products. The margin on Unit Linked new business experienced an increase to 4.46 percent, thanks to profitability increases in almost all main areas.

Slide 17 - Strong growth in volumes coupled with high profitability
Italy experienced a 10.8 percent decrease in new business premiums, in PVNBP terms, driven by Unit Linked but +16.7 percent excluding Cometa business. Overall profitability increased thanks to a better company/product mix, with higher weight of protection business and UL business, and with an improved profitability due to better product features. New business value is up 18.2 percent but 31.5 percent excluding Cometa business.
In Germany, our strong distribution capabilities have continued to perform even in the current context, resulting in strong new business sales that increased by 17 percent, in terms of PVNBP driven by Protection and Unit Linked. Combined with a slightly improved margin, this led to a 25.1 percent new business value increase.
In France, new business sales increased by 50.5 percent, driven by the Savings and Unit Linked components focusing on increasing the capital light business in line with our strategy. The increased weight of Unit Linked drove a margin improvement of 12 basis points and generated a 56.8 percent growth in new business value.
In the Austria, CEE and Russia region PVNBP increased by 20.9 percent, with a 15-basis points margin contraction. New business value increased by 18.2 percent.
Finally, in the International region volumes were up 21.6 percent, with margins improving by 194 basis points. This brought the new business value up by 59.5 percent mainly thanks to a higher share of more profitable Protection and Unit Linked businesses.

Slide 18 - Life investment return reflecting lower yields

General account investments amounted to 344 billion Euro, down 3.9 percent from year-end 2020.

In terms of asset mix, the allocation remained substantially in line with year-end 2020, with a decrease of government bonds, partially compensated by a slight increase of corporate bonds and other fixed income instruments also influenced by market moves.

Our exposure to Italian government bonds amounted to 58 billion Euro at 1H 2021, vs. 61 billion Euro at year-end 2020. Almost the entire exposure is based in Italy and mostly within our Life books.

Current income in absolute terms decreased by 204 million Euro gross of policyholder share, with current investment returns decreasing by 12 basis points to 1.2 percent. This decrease is explained by lower returns from bonds and real estate, and lower returns and dividends from equities. Please note that current returns are calculated on investments at IFRS book value.

The new money reinvestment rate in the Life fixed income portfolio increased to around 1.5 percent, on a 12 months basis, compared to 1.4 percent during the same period of last year.

Slide 19 - Strong growth in P&C volumes at excellent profitability

Gross written premiums increased 4.9 percent on a like-for-like basis. Primary motor premiums grew 4.7 percent, thanks to Italy, France and ACEER. Primary Non-Motor premiums were up 4.9 percent reflecting widespread growth in various countries, in particular Italy and France.

Slide 20 - Growth in P&C volumes coupled with high technical profitability

Italy’s top line was up 8.7 percent, at 2.9 billion Euro. The driver of this performance was primarily Non-Motor, which increased by 6.9 percent, thanks to good performances of Accident & Health, SMEs and Global Corporate & Commercial lines. Primary Motor, which was heavily impacted by lockdown measures during 1H 2020, saw a 5.5 percent premium increase, due to good development in fleet business. Moreover, accepted premiums almost doubled thanks also to the partnership with Cattolica.

In France, the top line grew significantly with premiums up 7.5 percent to 1.6 billion Euro. Motor grew 3.2 percent, thanks to new partnerships and the fleet business. Non-Motor performed very well, up 11.7 percent, thanks to Industrial, Multi-Risk, and Accident & Health businesses.

In Germany, volumes were up by 2.3 percent. A positive development of Non-Motor lines, up 2.9 percent, was due to Global Corporate & Commercial, property and assistance. Motor

performed well, up 1.3 percent.
Austria, CEE and Russia delivered a good performance once again, showing a 4.9 percent premium increase, with Motor up 6.1 percent driven by Poland and Austria, and Non-Motor up 4.4 percent, driven by Hungary, Poland and Austria.
The International region delivered a growth of 5.4 percent, mainly thanks to inflationary driven price increases in Argentina, more significant in Motor, and the growth in Non-Motor predominantly in Spain and Portugal.
Group Holding and other experienced a 7.4 percent drop due to a decrease in Global Health businesses underwritten by Assicurazioni Generali's branches and a partial shift of Global Corporate & Commercial business to Italy. Europ Assistance's premium collection recorded a 5.2 percent growth, after being negatively impacted by lockdown measures in 2020.

In terms of profitability, largely thanks to the improvement in attritional current year loss ratio, the combined ratio improved in both Italy (-1.0 p.p.) and Germany (-3.0 p.p.), with the latter also benefitting from higher PYD against less favorable nat cat events during 1H 2021. The combined ratio in ACEER remained almost flat and in France (+0.3 p.p.) slightly increased, although both impacted by nat cat events. In International (+5.1 p.p.) the combined ratios increased mainly due to Spain and Switzerland.

Slide 21 - Strong P&C Combined Ratio notwithstanding higher Nat Cat impact

The Group combined ratio increased by 0.2 percentage points to 89.7 percent.
The loss ratio was down 0.4 percentage points, with a 0.5 percentage points lower current year loss ratio, excluding nat cat. This was mainly due to the lower impact from man-made losses, 0.6 percent versus 1.0 percent half year 2020. The attritional current year loss ratio, excluding man-made losses, remained flat.
The nat cat burden increased by 0.9 percentage points to 2.0 percent. The positive contribution from prior years' development increased to 3.3 percent, compared to the very prudent level of 2.5 percent of half year 2020.
The expense ratio increased by 0.6 percentage points, entirely driven by higher acquisition expenses whilst admin expenses continue to trend downwards to reflect our focus on efficiency. On acquisition costs, please note that the increase is entirely mix driven across both motor and non-motor.
The 1H 2021 combined ratio excluding Covid-19 impacts is estimated to be at 91.2 percent.

Slide 22 – P&C operating result remains at excellent levels

The P&C operating result moved to around 1.26 billion Euro, with a 3.6 percent decrease. This was mainly driven by the investment result with a 5.6 percent decrease, caused by lower current income from bonds and equity investments. Some mitigation in 2H 2021 are expected from dividend income. Going forward, some benefits from our real asset strategy coupled with a partial re-risking executed during 2Q 2021 are expected as well. These actions should partially compensate the negative drag coming from reinvestment yields into fixed income assets.

Technical result was down 1.5 percent mainly due to an increased nat cat burden and to higher acquisition costs mainly in Motor as a result of the growth in higher commission coverage, in particular in Italy and ACEER.

Slide 23 - P&C investment return reflecting lower yields

P&C investments increased 1.7 percent to 41 billion Euro.

In terms of asset mix, there has been a decrease in the weight of government bonds largely driven by market movements whilst corporate bonds and real estate remained flat. The weight of equity and cash equivalents increased.

Total P&C current investment returns decreased by 11 basis points, to 1.3 percent, on investments at IFRS book value. This decrease is explained by lower return from bonds and real estate. The return from equities also decreased due to a different seasonality in dividends. The average reinvestment rate in P&C was 1.2 percent during 1H 2021, down 8 basis points from the previous year.

Slide 24 - Asset Management Global KPIs

The net result before minorities reached 226 million Euro for Asset Management, up by 38 percent compared to the same period of 2020. Its trajectory is in line with our 2021 target.

The Operating Margin was at 60 percent, up from 52 percent a year ago, well above our over-the-cycle target of 45 percent. This result stems from the strong revenues growth, also supported by the increase in performance fees and decreasing non-compensation costs, thus resulting in positive operating leverage.

Please note that on the revenue mix, the contribution from external customers stood at 31 percent, slightly below the 32 percent registered a year ago. It should be remembered that 1H 2020 numbers included one off commissions related to the sale of certain real estate portfolios.

Slide 25 - Asset Management Global growing nicely

1H 2021 operating revenues increased by 20.3 percent to 506 million Euro, driven by a combination of growing management fees in higher margin products and a more significant contribution from performance fees (19 million Euro vs 12 million Euro in 1H 20).

Operating expenses were down 0.7 percent, with a non-compensation costs decrease more than offsetting a compensation costs increase.

As a result, the cost / income ratio stands at a very healthy 39.5 percent. Consequently, the operating result grew by 39.6 percent, to 306 million Euro.

The net result, after non-operating items and taxes, increased by 38 percent on a year-on-year basis to 226 million Euro.

In terms of geographical breakdown, Europe has grown to 200 million Euro, whilst the Rest of the World has also showing increasing profits, driven by the good performance of our Chinese JVs.

Assets under management of the segment increased by 6.9 percent, reaching 563 billion Euro. This was driven by good market performance and positive net flows from 3rd party business, including around 8 billion Euro assets contributed by Cattolica in line with the partnership agreement.

Slide 26 - Asset Management Global: revenues contribution and external clients AuM

Starting from the left side chart: 38.1 percent of the operating revenues are generated by the Insurance/LDI business. This has proven highly resilient during these challenging times, supported by the Fixed Income investment component.

39.2 percent of the revenues are generated by high conviction strategies, driven mostly by the external Third-Party Retail and Institutional Client business.

The Real Assets business, including real estate, private debt and private equity, accounts for the remaining 22.7 percent of the revenues.

Moving to the table on the right side, the development in external client assets is presented. Net inflows were positive by 8.6 billion Euro, while market effects had a positive impact of 0.8 billion Euro.

Slide 27 - Strong contribution from Financial and Other Businesses segment

The overall contribution from the Holding and Other segment to the Group operating result improved from 38 million Euro last year to 251 million Euro in 1H 2021.

This positive development was boosted by the good operating performance of Banca Generali, up 20.9 percent, thanks to higher fees and commission income. Please note that the second quarter was impacted by a prudential provision of € 80 million aimed at protecting clients. Additionally, there was a strong improvement from “Other businesses”, that increased by 165 million Euro, supported by the strong performance of our growing Private Equity business. The latter growth largely reflects the progressive increase of our deployment in private equity over time as well as a different seasonality versus last year in terms of 1H vs 2H capital gain contribution.

Please note that a further growth in private equity contribution is expected in 2022.

Operating holding expenses decreased 4.3 percent, with the reduction of operating expenses related mainly to Head Office.

Slide 28 - From operating to net result

Non-operating investment income moved from negative 361 million Euro to positive 48 million Euro: there were both lower impairments and higher realized gains on equities, offsetting lower realized gains from bonds. A 67 million Euro gain related to the Citylife real estate transaction contributed as well.

Non-operating holding expenses decreased to 286 million Euro, mainly driven by 18 million Euro lower gross interest expenses on our financial debt, in line with our strategic goal and actions to reduce both the amount and cost of our debt.

Net Other non-operating expenses decreased to 258 million Euro. The components are: the VOBA amortization, equal to 43 million Euro; restructuring costs of 58 million Euro; and Net Other Non-operating Expenses of 156 million Euro mainly related to provisions and costs for strategic initiatives and local projects as well as impact from IAS29 hyperinflationary accounting in Argentina.

The overall effective tax rate for the Group moved from 38.5 to 31.5 percent, due to the decreased weight of non tax-deductible cost items occurred during 1H 2020.

In the discontinued operations line there were no items during 1H 2021. In comparison, 1H 2020 number included a 183 million loss related to the agreement Generali reached with BTG Pactual, which ended the arbitration related to the disposal of BSI.

All the above took us to a net result for 1H 2021 of 1,540 million Euro, compared with 774 million Euro in 1H 2020.

Slide 29 - Shareholders’ equity

Shareholders’ equity decreased by 5.4 percent compared to year end 2020, reaching 28.4 billion Euro.

The main positive driver was the contribution from the net result. This was more than offset by 1 billion Euro decrease of Available for Sale reserve, mainly due to bonds, and by the deduction of 2.3 billion Euro of dividends, including 1.6 billion for 2020 paid last May and the second tranche payable as of 20 October 2021. The latter is subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

Slide 30 – Strong capital generation drives Solvency up further

The Group’s capital position was extremely solid, with the Solvency Ratio at 231%.

The improvement of 7 percentage points from year end 2020 (224%) was thanks to the excellent contribution of normalised capital generation net of dividend accrual and positive economic variances in the period. These variances included the recovery of interest rates, the narrowing of spreads on Italian sovereign bonds, only partially reversed during 2Q 2021, and the upswing in equity markets. These positive drivers were partially offset by the impacts of regulatory changes at the beginning of the year, linked to EIOPA change on the Ultimate

Forward Rate and the reference portfolio, negative operating variances largely driven by re-risking in 2Q 2021 and finally the impact of our recent acquisition in Greece. Please note that the 500 million Euro sustainable bond issued in June 2021 was not included in Group Own Funds, as this is an early refinancing of 2022 calls and maturities.