Nine months 2025 results as of 30 September 2025 – Conference Call Transcript
(Please carefully read the disclaimer on page 15 of this document)

13/11/2025

Group General Manager Introductory Remarks

This set of results confirms that the "Lifetime Partner 2027 Driving Excellence" Plan has started on a very strong footing, thanks in particular to the excellent performance of our P&C business.

The implementation of the Strategy and of its workstreams is the key focus for the entire Group.

One of the most relevant changes that we made in this strategic plan is reinforcing the role of the Center in orchestrating more organically strategic business initiatives. Each Group Management Committee member is sponsoring one of the Plan's strategic initiatives with the key Head Office Functions working in close cooperation with our business units. We are reaping the benefits of being a Group. As part of this approach, the whole GMC is very focused in sharing best practices and scale up local initiatives. I could list many exciting developments I've seen over the past nine months as part of these interactions but let me just highlight 3 that I found particularly compelling. First, Sophisticated Nat-cat modelling in major countries such as Italy, France and the Czech Republic: We developed an advanced machine-learning model for Windstorms and Severe Convective Storms, combining internal claims data with external weather data through machine learning systems. This approach will soon be scaled to other countries. Second: Claims automation in Austria: A great example of automation and speed for Automated Health Claim Reimbursements, which have now reached 56% automation for invoice processing, and pharmacy invoices are settled in just 18 seconds. And finally our Group Geospatial Platform: This provides advanced geospatial capabilities for underwriting purposes. This is already live in Italy, France, Spain, and across the world in our Global Corporate and Commercial business with further expansion in other Business Units planned for 2026. When I see these initiatives on the ground, delivering tangible results, I am very confident in our journey of delivering excellence.

So, let's now focus on our nine months results. P&C continues to show positive momentum in terms of both top-line, up over 7%, and margin expansion, with the undiscounted Combined Ratio improving by over 2 percentage points compared to last year.

At the beginning of the year, I told you that I was very confident about our development thanks to the combination of larger volumes coming through and sharp portfolio repricing in an environment where frequency is declining and claims inflation is under control.

As you can see we are very much on the right track to achieve our undiscounted Combined Ratio target well ahead of schedule.

The top management team is thinking strategically about cycle management, to ensure a continued improvement in the Combined Ratio, supported by our historical and reinforced technical excellence and to make today's underwriting margins resilient in the future.

You can see this in the discipline that we apply to underwriting, you can see it in our country-specific pricing approach, and you will increasingly see this in the benefits we expect to generate across the P&C value chain from new digitalization and automation.

In this quarter, as Cristiano will explain, you can also see this in an even more conservative approach to initial loss picks and even more visibly in the prior year development.

What we see is an insurance sector that has been disciplined and continues to be disciplined. I want to reassure you that as part of the sector, Generali will be a force of discipline as the cycle progresses.

Our P&C top-line is continuing to grow and is mostly driven by the Price effect, which we measure as the improvement of the Average Annual Premium for the Retail and SME segments.

This pricing effect remains very significant at nine months 2025 at +6.4% for Motor and +5.2% for Non-Motor Retail and SME.

Looking at the technical margin, we achieved continued improvement in the Average Earned Premium in comparison with that of the Risk Premium, resulting from the combination of Claims frequency and Claims severity.

In Motor, which represents around one third of our P&C portfolio, the Average Earned Premium increase for our top 10 markets exceeds +7% at nine months 2025, whilst the Risk Premium rose around +1%, thanks to a decrease of the Claims frequency in most of our countries, coupled with well contained Claims inflation.

In Non-Motor, the industrial KPIs point to an improvement in the current year attritional Loss Ratio of around 1.2 percentage points, very much spread across the majority of the Business Units. At Nine Months 2025, the Non-Motor Combined Ratio at 91.4%

These dynamics are at the core of the significant improvement in our P&C profitability and will continue to drive the improvement in the Combined Ratio.

I thought it was helpful to provide you this context and we are happy to help you bridge the P&C Industrial KPIs with our reported Combined Ratio in the Q&A.

Moving to Life, let me remind you of our target to gather between 25 and 30 billion of cumulative Life Net Flows in our “Lifetime Partner 2027” Plan. We have exceeded 10 billion at Nine Months 2025, with a very good result for Protection & Health with 3.7 billion and Hybrid and Unit Linked with 4.7 billion.

The improvement in Life Net Inflows is a function of both the effectiveness of our distribution and the evolution of our product offering. Life Net Inflows also improved thanks to the reduction of surrenders. Just to give you a sense, surrenders at Nine Month 2025 compared to the same period of last year are down by almost 2.6 billion in Italy and by over 500 million in France, consistent with our previous comments on the improvement in lapses.

In the first quarter call, we gave you a New Business Margin guidance for the remainder of the year between 5.25% and 5.75%. In the second quarter we had a 5.64% New Business Margin and, in this quarter, we recorded a 5.74% New Business Margin.

This demonstrates that we have done quite well not only in terms of volumes but also in terms of margins. You will have noticed that at Nine Months the growth in the New Business Value has also turned positive year-on-year.

In addition to volumes and marginality, let me also confirm the underwriting discipline of this new business with some data points on quality: over 73% of our new production has no guarantees, compared to 66.4% in the same period of last year. The share of new production coming from capital light products is close to 85%.

To summarize: we continue to have strong net flows with improving margin and confirming our underwriting discipline to ensure the long-term resilience of our in-force book also thanks to ongoing quality in the new business.

Moving to the investment portfolio, as you know we have an allocation to private markets that is more limited than that of our main peers at around 18%.

We do see value in a diversified portfolio and therefore we continue to aim at increasing our allocation to alternatives in a disciplined way.

Our portfolio of alternatives is balanced, with strong safeguards to ensure it meets our strict investment criteria.

When you look at our Private Debt portfolio of around 19 billion, almost half of it is in Real Estate debt and Infrastructure debt, both having a high grade credit quality.

Around three quarters of our private debt portfolio is secured by collateral and our exposure to single borrowers is very limited.

The allocation to Direct Lending – which has been the focus of the market recently – is around half of our Private Credit portfolio and is therefore less than 3% of our General Account. The vast majority of it sits in Life Portfolios with policyholders' participation and low guarantees.

Only 23% of our private debt portfolio is in the US and thanks to our strict investment guidelines, we have had hardly any exposure to credits which have been in the news recently.

Given this very strong framework, we are very comfortable with our portfolio.

We continue to believe that there is value in gradually diversifying our government bonds exposure into credit, as I explained to you at our Investor Day in January.

Our strategic asset allocation move is also informed by the trends we are seeing in the government debt market, where there were also some downgrades recently.

To summarize: the very strong start of our strategic plan coupled with the prudence we are exercising across the board provides us with confidence that this trajectory will be maintained and will prove its resilience to a volatile external context.

Group CFO Introductory Remarks

Thank you, Marco and hello, everyone.

Let me provide you some additional colour on our financial performance as well as some indications about the direction of travel in the fourth quarter.

Let me start with P&C. As Marco described, the business performance has been very good and we are working to make sure that the strong margins you see in the Current Year Attritional Combined Ratio today will continue to improve in the future.

In the last couple of years the insurance industry and Generali have had a severe Nat Cat experience. Our 2023 and 2024 Nat Cat impacts before reinsurance were well above the expected yearly losses.
As you’ve seen, historically the second and the third quarters are the most relevant in terms of Nat Cat seasonality in our portfolio. So far, 2025 has been quite benign and well below our ex-ante 2.8 percentage points Nat Cat budget.
In light of this, we thought it appropriate to exercise an even stronger prudence on our reserving, always within the range of reasonable best estimate. This translated in a much lower Prior Year Development as well as even more prudent initial loss picks, for both the attritional and the Nat Cat component. Therefore, we further strengthened our balance sheet, making Generali very resilient in future years.
Together with the accelerated trajectory observed in our P&C performance compared to the plan, this approach increases our confidence to exceed the “Lifetime Partner 27: Driving Excellence” key financial targets.
There is an old saying in financial markets: *“The Income Statement is your past; the Balance Sheet is your future”.* Having a Balance Sheet with low debt, solid solvency, high quality of capital and reserving makes me very comfortable that Generali is well positioned to prove its resilience.
The fourth quarter Nat Cat experience has been benign so far too. If this continues until the end of the year, in the fourth quarter you should expect a PYD pattern similar to this quarter. This would imply a full-year 2025 P&C operating result of around 3.6 billion.
A more dynamic interplay between Nat Cat and PYD is, in our mind, the sensible thing to do when managing the business for the long-term. Therefore, looking ahead in 2026 and beyond, we will calibrate our PYD dynamically, always within the boundaries of the Best Estimate approach.
I hope this clarifies the very low PYD contribution of this quarter and provides you a perspective on our thought process, which will always prioritize long-term sustainability of results versus short-term impacts from volatile components. This approach also enhances earnings predictability and mitigate P&L volatility.
Let me now move briefly to the Life business. When looking at the Nine Months 2025 results compared to last year, the 1.8 percentage point growth of the Operating Result should be read as a 4 percentage points of growth, after accounting for the stricter discipline on cost allocation from non-operating to operating for around 30 million euros and excluding the lower investment income from Argentina.
As of the end of September 2025 the Group enjoyed strong New Business volumes and positive economic variances, both supporting our CSM development. This was only partially offset by some operating variances, in the region of -200 million, due to a tax regulation change in Germany affecting health business profit sharing and some model refinements.
Looking ahead, as I have mentioned to you previously, during the fourth quarter we perform the full annual review of all actuarial assumptions on longevity, morbidity, lapses, expenses as well as model refinements. The discussions on this are ongoing and will be finalized by year-end; just to give you an indication, I would expect negative operating variances for less than 1 percent of our reported Life CSM stock.

Moving to the non operating result, let me anticipate to you that we expect additional restructuring charges in the fourth quarter and we may also see some impairments on the Real Estate portfolio. This will be partly compensated by a lower tax rate as we have some positive tax one-offs expected in the fourth quarter.

When you take all these one-off effects into account, I think that, with the information available as of today, an Adjusted Net Result projection for Year-End 2025 of around 4.25 billion euros would probably be a good ballpark.

Moving to our capital position, the Group Solvency ratio remains solid at 214%, thanks to our healthy normalised capital generation and already fully embedding the € 500 million share buy-back programme.

Looking ahead, let me share with you some of the key factors that we expect to impact our solvency in the fourth quarter, in addition to the standard review of actuarial models and assumptions:

The acquisition of MGG is expected to have a minus 2 percentage points impact. Furthermore, as we stated in our half year presentation, in the fourth quarter there will be a temporary effect related to the loss of the internal model application for Spain as part of the Liberty integration, with an impact of around minus 4 percentage points. This is expected to revert in 2027. • In the fourth quarter you should also factor in non-economic variances of around -1 or -2 percentage points impact on Solvency, mainly stemming from the ongoing implementation of the SAA optimization. In addition, the rating downgrade of the Republic of France that occurred in October is expected to reduce our Group Solvency Ratio by almost 1 percentage point. Regarding subordinated debt movements, the 500m redemption in November will be offset by the 500m issuance of our inaugural Restricted Tier 1 bond.

Before closing, let me summarize. We manage the business for the long-term with a focus on sustainable value creation for our investors, as also reflected in an EPS that is growing 16% year-on-year. The "Lifetime Partner 27: driving Excellence" plan has started very well and the whole management team is focused on building on this momentum with a clear objective to do our best to exceed all our key financial targets.

Q&A Session

David Barma, Bank of America: *Good morning. Thanks for taking my questions. Firstly on P&C could you come back please on the average gap between written premium growth and loss trends? I'm not quite sure I got the numbers that you gave in the opening remarks, Marco. And if you could highlight the main country drivers within that it would be great. And then staying on P&C on the expense side and particularly on the administration expenses, could you give some color on how that developed in the quarter and whether you expect some of the measures that Marco, you discussed in the intro to already benefit the expense ratio in 2026 please? And then lastly on the life business. So sales were obviously really strong and the mix too. You're getting close to your 2027 new business margin target already. Are expenses the main piece missing to get you to bridge that to 6%? Thank you*.

Marco Sesana, General Manager: Hi David. Good morning. So I go back to what I said during the speech. So, what I mentioned was the growth of motor average premium at 7% and the growth of the risk premium was at 1%. So let me just give a word to clarify what we mean when when we give this measure. So we are measuring in motor what we see coming through as the average earned premium of the single risk. So that's what we see showing up and we measure the risk that we have in the portfolio. So when we give these two measures, what is important is to see that there is a marginal gap between how much the risk is growing and how much the average earned premium is growing. In this case, 6% is very significant in terms of spread, in terms of margin. That means that in the portfolio that we have in the different business units there is an underlying potential to deliver more improvement in the loss ratio. So where do we see this? I would say we can go into the different detail but I would say that this is very spread across the top geographies. In some cases is more pronounced, in other cases is less pronounced. But I hardly see any cases where we are not in this situation. I could mention two geographies that I think are interesting: one is Germany. In the last three years we really focused during this call in showing how much we were repricing the portfolio and the effort done by the German business unit is really significant, which by the way I want to thank the colleague for this. So we have done three consecutive years of double-digit price increases and I think the results are showing up and we do see a significant improvement in the portfolio. The other geography is clearly Italy which is going really well in terms of repricing versus the increasing risk. And also there we see a margin into the portfolio that is really significant. So if you want then we can go on more detail. But this is the picture that we see for motor and I think this is what I mentioned and I think it's really positive news for the future.

Giulio Terzariol, CEO Insurance: Thank you, David. On the question regarding the expenses, maybe let's start from the expense ratio. The expense ratio for the nine month is going up 50 basis points. Here we need to keep in mind that we have the impact of the Purchase Price Allocation coming from the Liberty acquisition and also that we made some reclassification of expenses from non-operating to operating. So if you adjust the expense ratio basically for these impacts, the expense ratio is flat. Now to your question about the admin expense ratio, we are measuring the GEX (General Expenses) ratio which is basically the component of the expense ratio which are not commissions or incentives; that number is going down by 50 basis points. So that's an improvement. We don't see the same improvement in the expense ratio because of a little bit of mix but also there is some conservative provisioning from the business units. So moving forward we like to see clearly better alignment between the improvement of the admin expense ratio, the expense ratio and also the end of the year anyway we are going to report also the admin expense ratio so that you can see the development of the KPI and then clearly we are going to provide you also some more transparency about the movement of the other line items going into there. But from an efficiency point of view we are definitely improving. That's going to be also a driver of improvement as we think about 2026 and 2027.

Cristiano Borean, Group CFO: Hi David, regarding the Life sales and the drivers. Yeah, I would say at the first nine months already higher growth compared to the acquisition cost is impacting 16 basis point onto this improvement. But the farther way to project forward should embed also the focus on our Protection business which is something running at almost double-digit present value new business margin and this is supporting a much better marginality. And this together with product features where you can even simply improve the features adding extra value, not only managing on the part of the cost is driving it, but we are already on that trajectory. There will be also an extra focus on this topic but it will not be the only driver to get there.

Micheal Huttner, Berenberg: *Fantastic. Thank you so much for your lovely results. Lovely disclosure. I just had two. One is on solvency. There are so many negative numbers I came away with a conclusion which I didn't add them up but clearly it'll be down quite a bit. So let's say it's down 10 points. I mean just rounding it. I just wanted hear, can you remind us, are there any positive offsets: so clearly operating capital generation probably 5 points a quarter and then I have no idea, maybe you can say whether some of this resiliency or prudency you're building in, whether that's included in the operating capital generation or not. So just a little bit would be lovely. Then on cash, I always like cash and here everything's doing so nicely. I'm just wondering whether Switzerland is returning your EUR 400 million now. Then the final one is on net inflows, which is an outstanding number. Even Poste doesn't have such a good number. I just wondered whether you can talk a little bit about what's driving this and what it could mean for earnings growth going forward because clearly this isn't in earnings, it's in OCG, but not in earnings. Thank you.*

Cristiano Borean, Group CFO: Hi Michael. So first of all I think I start from a point. What happened already is the Spain from October 1st 2025 has lost temporary, I already said up to 2027 the internal model eligibility, it is a -4 percentage point solvency group impact which was already signaled half year, so it's not new. And I see also the projection by all of you for the year-end are pretty much embedding all what I already said. I think the two points of MGG were already signaled also in the press release, so it's something known. I think the only point which - I repeat, in 2027 Spain will reverse this four point - probably the downgrade of France which is lightly less than 1 percentage point is something not in. But this has already happen. If I just look at the November 10th Solvency Ratio which was the last updated number, we are basically at 210% and this is already embedding both the MGG acquisition, both the France downgrade and the -4 points of Spain. Clearly what I was highlighting is you need to take -1 to -2 points on the SAA further asset allocation improvement for the year to come. Not a huge number and I think you are perfectly in line and I think given the November is giving you. Let me speak a little bit about the Solvency II also review going forward and one of the things which I think it is relevant for the Solvency II review, as we always said is that we were between the 10 to 15 percentage point of benefit.

I would say that the latest version of the delegated act which has been approved and still needs in any case a discussion with the College of Supervisors on very minor topics which have some uncertainty, bring us I would say on the top end of this range of the 10 to 15, which is, I would say positive also to allow us implementing our EPS-accretive investments. Speaking about cash for Switzerland. For Switzerland, we both are extremely focused, you and me, and not only you and me, many people in our company on this. I can confirm you that in the plan we are going to start seeing repatriation of excess capital including remittances and capital support done. It will gradual and I think you should see this more coming in the end of the plan from 2027 onwards. There will be some positive 2026 potential expectations supporting our cash flow but it is a gradual process. The company is fully focused now to increase the business result and that will be further supportive out of this.

Giulio Terzariol, CEO Insurance: Thank you Michael. Your question about the Net inflows. yes, actually the development is pretty good and it's better compared to our plan because we were not planning to cross the EUR 10 billion threshold this year, but now as you see at nine months we already about EUR 10 billion. So you can imagine also that we are going to have positive inflows in the last quarter. From a composition from inflows point of view: we see basically growth across all the different line of business. From a geographical point of view, I can tell you Italy is up 1.3-1.4 billion compared to last year. What we see in Italy actually is not so much the premium up is more that the surrenders are down significantly. In France we are about EUR 300 million better. Also here we have a similar situation, so from a premium point of view we are relatively flat but surrenders are much, much down. And in Germany we're also up, and here we have growth in premium and less surrender. So we see a similar dynamic in the different markets. If you look at the last quarter also there was a good dynamic on the inflow. So quarter over quarter you can see also that the present value of new business premium in the third quarter was ahead compared to last year. So we went from negative growth in present value of new business premium to positive growth. Also the new business value is going into positive numbers. So really working in the right direction. From a profit point of view, you know the concept of the thub of Cristiano, that if you fill the thub you're going to get more profit. So basically this is going, this is reflecting anyway in a better composition between the release of the CSM and what can be the increase of the CSM due to new business. Also how the lapses are going down. Remember that last year we had negative variation, negative experience variances due to lapses and this year the negative variances due to lapses are non-existent. So that's a positive that translates into better CSM release eventually.

***Micheal Huttner, Berenberg**: Just one thing, a lovely explanation. France, what was the figure you said something lower, 300 or 900?*

Giulio Terzariol, CEO Insurance: France is about EUR 300+ million of inflows, coming from hybrid and unit-linked products. That's what we say basically in France. And Protection is also a nice contributor.

Iain Pearce, BNP Paribas*: Hi, just one for me. I think in the introductory remarks you mentioned some benefits from frequency. I was just wondering if you could elaborate what you're seeing on frequency. So if you're seeing some different trends by market and also if you're viewing this as a long term lower frequency trend or if there's anything abnormal. In what you're seeing in frequency at the moment.*

Marco Sesana, General Manager: So let's start with the general picture. We do see the decrease in frequency, very broad, so on the different markets. So I couldn't pick one single market that is an outlier. So this is really showing off in every single market. So whether this is a trend that we are going to see in the future is a different question. So let me elaborate. I do think that we are going to see these again in the future, but let me explain you why. So we have two set of drivers, I would say, the first is frequency is historically coming down in every market. We are seeing a long term trend of decreasing frequency in all the western European markets and I would say it's also Eastern European markets: it's consistent and so therefore I think this is going to happen in the future. There is a second driver, which I think is really important to mention, because sometime we always think that frequency is an external factor but we have worked a lot on the quality of the portfolio. We have worked a lot on few initiatives. One is loss prevention so we are trying to put on the ground tools to make sure that we evaluate correctly every single risk that we take. The second one is pruning so we have cleaned the portfolio from all the tail part of the portfolio that were unprofitable or as a prediction would look unprofitable. So this is something that we have driven, that we think is going to give us benefit in the future in terms of frequency. And so when we think about frequency you should always think of a long term trend but also of the type of active work that we have been doing over the past month in the quality. By the way, if you want a proof point of this,you could look at the trend of the man-made losses that really came down in the last quarters thanks to all the initiative we have done.

Iain Pearce, BNP Paribas*: If I could just quickly follow up. Do you have a view of how much the combined ratio has benefited at 9 months from lower frequency versus your expectations?*

Marco Sesana, General Manager: So I would say in term of industrial KPIs, So as we said there is always a link between the industrial KPI and the financial KPI, but clearly then you need to look at the different prudence that has been taken and everything, probably in the Risk Premium that we have this has been the main factor of benefit that we see in the risk premium.

William Hawkins, KBW*: Hello everyone. I've got three questions. I hope I can be brief. Thank you already Cristiano for what you said about the conservatism in your loss picks. And I get the idea of what you're saying, I'm still not quite clear. In the nine months attritional combined ratio, how many percentage points of conservatism was there in that pick? Because before PYD obviously that ratio improve, It just would have improved more if you hadn't been prudent, so I'm not quite sure the percentage point drag from the prudence.*

Secondly please, now that you're very clear that you're managing your combined ratio, I think it is a reasonable question to ask therefore how much is it expected to improve per year? Because you're clearly managing so that as you said it will improve per year and I don't know if we're talking 20, 50 or unlikely 100 basis points. And how are we ever going to know when the underlying environment is making that improvement less sustainable? Because it's great that you're now managing the number but I'm not quite clear how I'm going to know when you're losing the capacity to manage the number in the future.
And then thirdly, please, you've already talked a lot about the great life new business result. The thing that stands out to me is the present value of new business premiums seemed seasonally very, very strong in the third quarter. Normally everyone's on holiday, so that number dips 10% or even 20%. This time it only dipped about 5% from the second quarter. And that can't be anything to do with surrenders because it's PVNBP. So, what was the explanation for that? And is this the new normal? Is 3Q now going to be a lot stronger than it's been in the past few years or should we go back to seasonal dips in the future? Thank you.

Cristiano Borean, Group CFO: Thank you, William. So clearly, as we didn't exactly mathematically disclose the conservativeness of the prior year, but you can reverse back it yourself. In any case, I try to answer with a different angle. The industrial development Marco is seeing has an improvement which is 0.4 percentage points better than the one you see in the accounts, which is a way to try to second guess your question.I think to help you extracting this point.

Giulio Terzariol, Chief Executive Officer, Insurance: Thank you, William. On your question about the improvement in the combined ratio, first of all, from a price environment point of view, we think that next year, clearly the gap between the price change and what we call the risk premium is going to narrow but it's not going to vanish completely so we might still have a little bit of room in motor, potentially also in non-motor, where we see also that the frequency tends to go lower, which is a consequence also of the actions that we are taking. So we might still have a benefit there which is not going to be as strong clearly as what we are seeing right now.But let's say there is still a little bit of way to go. Then the other improvement should come over time from the initiative that we have on the claims side. You remember we discussed that also in January, that we have initiative on the efficiency and effectiveness in claims. Here we have all the work we do on the networks theory on anti fraud, all these kind of elements, pricing sophistication might help also to get more granular on some pricing. And then one driver moving forward of improvement in the combined ratio - that's going to be definitely something where we need to focus - is the expense ratio. So we go back to the improvement of the expense ratio, that we are already seeing from an admin point of view, and we want this improvement improvement to continue in the next years and reflect also in the total expense ratio that you. So it's a combination of still some way to go.

Think also about, by the way the work that we are doing in Switzerland. Switzerland is at the moment having a combined ratio of 100%. It's not going to be the future. So we're going to have some improvement on some pruning or turnaround, some improvement coming from credence initiative, then the expense ratio. So let's say that our journey to improve our marginality, which is already very strong, is not finished.

Cristiano Borean, Group CFO: Just to clarify, I was speaking about the basis, not the delta, the basis before the two. In order that you get that we increase this basis to answer to your first question.
To the question on the PVNBP first of all, the third quarter still compared to other quarters. I know that in the third, as you said, people should stay on vacation on the summer component, but I would say still weaker than the previous quarter. I've seen three major drivers of improvement which are geographically aligned in especially France, where you had a very strong third quarter and I think it is related to the very positive and stable return you can get from the saving component of our hybrid product and that was clearly also linked to not attractive anymore Livret-A return given to the, let's say affluent to retail. On top of this we had a small kick-up from a new distribution agreement which is opening up in Portugal with our postal partner Bank CTT, together with the strong growth which you've seen are basically all over the board and is not Generali specific but we are seeing both Hong Kong and Mainland China, which is a kind of market trend.

Farooq Hanif, JP Morgan: *Hi everybody. First question, you kind of partially answered it but you gave the average premium versus risk premium numbers for full-year, sorry for 9 months. What is it in 3Q we are already seeing a closing? That's my first question. Secondly, given everything that's gone on Italy, are you willing or able to talk about the bancassurance opportunity for you now in your Life business?You've been very quiet about that. Obviously stuff has happened, stuff could have happened and didn't happen. Just wondering whatever you feel like you can say about that. And the last question on non-operating, are you indicating a slightly higher restructuring cost which will limit your adjusted net result? But I remember back at the CMD you talked about how the non-operating kind of holding expenses line is too high and will come down over time. How should we think about that going forward? Because it's obviously a big component of your adjusted net result. And I think we don't, all of us, certainly me spend a lot of time thinking about it. Thank you.*

Marco Sesana, General Manager: Yeah, so let me say that, yes, we have disclosed the number for the nine months. What we see in the third quarter is broadly in line with what we see in the nine months. Clearly, again, we could go in much bigger detail on the different geographies. So there are some specific. So for example I can tell you about Germany, where you have a renewal of the portfolio that is clearly in the first part of the year, the third quarter looks a little bit weaker in terms of development and that is fine. So historically that is the case. So I would say we tend to give the nine months result because we think over the year are more stable and are more indicative of the different developments.

So Italy is still very strong, probably in France we had to do some pruning, so the average premium is probably weaker but overall in line with the development of the year. So I couldn't spot in the third quarter anything that is like non normal or is diverging from the trend that we showed on the nine months.

Giulio Terzariol, CEO Insurance: So your question about bancassurance. First of all, as we are very proud of our footprint from a tide agency point of view: so that's clearly the bread and butter. But this does not mean that we don't do bancassurance. So we have a few cases. Cristiano was just referring to the new agreement in Portugal. We have a joint venture now in India with a bank. So we are going to push bancassurance also in India. We have a successful relationship with bancassurance in Spain. And you should not forget Banca Generali, which is also a bancassurance relationship. And clearly if there are other opportunities in Italy, we are going to look at that. So our belief is that if you have a business model centered around bancassurance that can be a little bit tricky. But if bancassurance is clearly selectively used, it can enhance the franchise value and also the scale of the operation. So from that point of view, if we find the right partner we are very happy to engage with this business partners.

Cristiano Borean,Group CFO: Hi Farooq. So going to the non-operating part. First of all I confirm you that by year-end 2025 versus year-end 2024, EUR 80 million of non-operating cost will be reallocated; there have been already 60 million reallocated because it's pretty linear throughout the year, evenly split between Life and P&C, and will be booked in the operating and already been booked into operating result from the non-operating, like it was last year. And this is done and is going already to reduce the expected projected non-operating charge going forward from the next years. In this quarter specifically there has been one effect and as Giulio was referring to Portugal, I'm referring back to India where - probably you've read about it - we set up a joint venture with our partner and the cost of this setup was having a one-off charge related also to set up the marketing effect of around EUR 60 million, which is clearly related to a specific business development, and by the way this is a PV taken. It's one now and not anymore what I was referring in India because it's taking the full charge projected in PV terms. For what regards the restructuring charges, we are in a year where we have already exploited Germany restructuring, which will allow to better improve the GEX ratio, general expenses ratio, for the future years and allow the improvement and digitalization of the company with the related efficiencies. On top of that we are in the process of implementing the Liberty integration and we are in advance towards that. So that's why we can see something more in the fourth quarter together with other countries where we are accelerating potential restructurings. That's why I was mentioning a fourth quarter with further restructuring charges. Clearly these will be counterbalanced by a much better tax rate because of some one-offs. So I would say there are two kinds of form of one-offs but the first one is forward looking projecting the restructuring acceleration to have a better trajectory. And I confirm you that the non operating charges are materially going down for the next years.

***Michael Huttner, Berenberg**: So here's my difficulty: so your earnings are - I look at your consensus sheet - and look at what you're saying: it's the same number. I mean, there are small variances, but there's a lot of accuracy here. But listening to you guys, it's like you're bubbling with excitement and stuff. And for me, the difference is, I think what Giulio, you were trying to explain, to remind me of, is there's a difference between IFRS, which is CSM, which is incredibly slow. You have to fill the bath tub and wait for ages for the thub to the water to come out and then local GAAP, which is not IFRS. Now, the reason I ask this is always cash: So is there more upside potentially in the cash than we're seeing in these numbers at the moment?*

Cristiano Borean, Group CFO: So Michael, let me say, related to the CSM bath tub point that you were mentioning: not necessarily a higher Life production materializes in a better local GAAP versus CSM. Because CSM sometimes has a revenue recognition and this revenue recognition is pro-rata temporis. Sometimes in the new approach, you forget about the acquisition cost when you do many business and you have them immediately to be paid on the cash side. So clearly on the CSM, this is amortized through the revenue recognition, it's called Contractual Service Margin because you amortize it for the time of the service you give to the client. So the point is the CSM is a present value while the local GAAP takes into account the actual amount that you are usually paying. So it's slightly more prudent in the Life. So there is a gap, usually negative, between contractual service margin result and cash-in a growing business. Clearly, if you are just making a company to run off, which is not the case of Generali, you can have the opposite but that is a different business model, especially for other integrators or run-offers, let's call them. But for what regards the cash element, the positive trend should come. In my opinion, you should read it from the acceleration of the P&C trajectory versus what we were projecting in the plan. And that because one thing I always report to the Board is the exactly almost equivalence between finance expenses and discounting at this level, these two non cash item of the operating result P&C P&L, are canceling each other. So the result you are seeing is cash. That will be a better driver together with the improvement on some, let's say, cash trapped as our favorite Switzerland topic.

***Michael Huttner, Berenberg**: In the past you've always mentioned Argentina as a kind of negative adjustment This morning it sounds like Argentina is now turning to be a positive.Is there something there?*

Cristiano Borean, Group CFO: Michael, I think in the third quarter you observed a fluctuation, there was a positive contribution from, I think you are referring to the P&C component for Argentina, and instead of having a negative delta in the investment result, you had a small EUR 7 million positive in this quarter. Be mindful that Argentina is extremely volatile in nature because of the way it does not follow the basic financial textbook rules that we know. First of all, when you manage Argentina P&C business you have basically in your investments all inflation-linked bonds, because you need to be able to catch up with the cost of your liabilities and so the investments are mainly inflation-linked bonds in that environment.

Last year we had a huge spike of inflation. Huge, materially huge. I'm talking about something 200% and that was getting to a point where the exchange rate was not following the international Fisher parity. So we were having massive positive contribution of inflation-linked component in the investment result without having an equivalent depreciation that basic finance should tell you should have followed. That's why we had this push up. When you look this topic into isolation and you isolate investment result versus the other part of the P&C, you can get things which could be completely offsetting, but you are seeing a very huge number on one side and on the other. If I take the P&C operating result at 9 months of Argentina, it's EUR 14 million. So, hope this helps for you to better understand. But last year was a very, very peculiar year because of that effect. By the way, the movement of the excess capital from Life in Argentina in 4Q 2024 that we made is affecting us in the Life Investment operating result for -39 million this year on a like-for-like basis. So, it was not an immaterial effect due to this, let's say paradox or non rational movement between inflation and FX rate.

Elena Perini, Intesa San Paolo:*Yes, thank you for taking my questions. I've got only one actually. Considering that you are improving your P&C trajectory and you mentioned that some further cash can come from this improvement, are you going to use part of it to make other, I don't know, bolt-on acquisitions to strengthen your presence in some markets? And then can you elaborate a bit on what could be the potential targets? Thank you.*

Giulio Terzariol, CEO Insurance: First of all, really the good thing is to add the capital, to add the liquidity. From an M&A point of view, I just tell you, right now we don't see much in the pipeline. So from that point of view, clearly, if we can find a good target, we would definitely look into that. As you know, our preference is to do acquisition where we can realize cost synergies, where we can strengthen the franchise. I tell you, Liberty is a great example of an acquisition where we can really create value. As of now, as of the moment, I tell you there is not really much happening on the question between then. Clearly every time we do an M&A, we are measuring the M&A against the buyback. And when we say we are measuring the M&A against the buyback, it's not just a comparison of the IRR, because as you know the IRR can be very dependent on the terminal value. But that's really about the EPS accretion that we get three or four years, let's say four or five down the road. So, if we find anything which is interesting, we are going to go for that, making sure that we can create real value. But at the moment there is not much.

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