192nd year

ANNUAL INTEGRATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2023

GENERALI

ANNUAL INTEGRATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2023

Starring on the covers of the 2023 Reports is SME EnterPRIZE, the initiative that promotes a culture of sustainability among small and medium-sized enterprises by inspiring them to develop responsible business models. In 2023, the project involved more than 7,600 companies from 10 European countries to celebrate, among them, the Sustainability Heroes: entrepreneurs who have implemented outstanding environmental and social initiatives, for people and the planet.

In 2024 SME EnterPRIZE also expands in Asia, where together with the United Nations Development Program (UNDP) Generali is working on concrete solutions to increase the resilience of SMEs in the face of climate change and other risks.

On the cover of the **Annual Integrated Report and Consolidated Financial Statements 2023**:

Biopekárna Zemanka (Czech Republic)
A pioneer in circular food production that buys raw materials from local organic farmers and uses recyclable packaging and electricity from renewable sources.

Pervormance International (Germany)
A women-led company offering cooling garments through a sustainable alternative to traditional cooling systems, benefiting workers, athletes, and individuals with specific health conditions.

GENERALI | SME EnterPRIZE

Discover all the Sustainability Heroes

This Annual Integrated Report and Consolidated Financial Statements has not been filed, pursuant to art. 154-ter of legislative decree of 24 February 1998, no. 58 - Consolidated Law on Financial Intermediation (CLFI) - as amended and pursuant to art. 8 and 21 of Law of 6 February 1996, no. 52.
The Company will publish the final version of the Annual Integrated Report and Consolidated Financial Statements 2023 in accordance with prevailing law, and include the Board of Statutory Auditors' Report and Independent Auditor's Reports.

In compliance with the provisions of Directive 2004/109/EC and Delegated Regulation EU 2019/815 (European Single Electronic reporting Format - ESEF), this Annual Integrated Report and Consolidated Financial Statements 2023 is drafted also in XHTML format and will be available in its final version on the Group website.

Please note that the Report is translated into English solely for the convenience of international readers.

CORPORATE BODIES AT 11 MARCH 2024

Chairman	Andrea Sironi
Managing Director and Group CEO	Philippe Donnet
Board members	Marina Brogi Flavio Cattaneo Alessia Falsarone Clara Furse Umberto Malesci Stefano Marsaglia Antonella Mei-Pochtler Diva Moriani Lorenzo Pellicioli Clemente Rebecchini Luisa Torchia
Board of Statutory Auditors	Carlo Schiavone (Chairman) Sara Landini Paolo Ratti Giuseppe Melis (Alternate Auditor) Michele Pizzo (Alternate Auditor)
Board secretary	Giuseppe Catalano

Assicurazioni Generali S.p.A.
Company established in Trieste in 1831

Registered office in Trieste (Italy), piazza Duca degli Abruzzi, 2
Share capital € 1,592,382,832 fully paid-up
Fiscal code and Venezia Giulia Companies' Register
no. 00079760328
VAT no. 01333550323
Company entered on the Register of Italian insurance
and reinsurance companies under no.1.00003
Parent Company of the Generali Group, entered
on the Register of insurance groups under no. 026
Pec: assicurazionigenerali@pec.generaligroup.com

ISIN: IT0000062072
Reuters: GASI.MI
Bloomberg: G IM

Contacts available at the end of this document

Comments and opinions on the Report can be sent to
integratedreporting@generali.com

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THE INTEGRATED OVERVIEW OF OUR REPORTS

Our story of creating sustainable value continues to be based on the evolutionary adoption of integrated thinking, allowing us to live according to our values and to implement practices and processes aligned with our purpose. We tell our story adopting a Core & More[1] approach.

CORE

The Group's Core report is represented by the Annual Integrated Report, which illustrates, for the benefit of all stakeholders, the business model and the value creation process in a holistic way, integrating financial and non-financial information identified as material.

GROUP ANNUAL INTEGRATED REPORT

It provides a concise and integrated view of the Group's financial and non-financial performance, also pursuant to legislative decree (leg. decree) 2016/254 and Regulation EU 2020/852.

MORE

The More reporting includes other Group's reports and communication channels with the aim of providing detailed information intended for a specialized audience or for actors who intend to deepen some specific issues.

ANNUAL INTEGRATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

It expands the content of the Group Annual Integrated Report, providing details of its financial performance in compliance with national and international regulations.

CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.

REPORT ON REMUNERATION POLICY AND PAYMENTS

It provides specific information on the remuneration policy adopted by the Group and its implementation.

MANAGEMENT REPORT AND PARENT COMPANY FINANCIAL STATEMENTS

It provides information on the performance of Assicurazioni Generali, in accordance with currently effective regulations.

GROUP ACTIVE OWNERSHIP REPORT

It reports how the Group implements its engagement policy, including a description of dialogue with investee companies, exercise of voting rights and cooperation with other investors.

CLIMATE-RELATED FINANCIAL DISCLOSURE

It provides investors and other stakeholders with relevant information to assess the adequacy of the Group's approach to climate change, and its ability to manage the risks and opportunities it brings.

GREEN BOND REPORT

It outlines the use of proceeds collected from the Generali's green bond issuance and the related quantitative impacts in terms of lower GHG emissions and qualitative impacts in terms of selected assets' ESG features.

SUSTAINABILITY BOND REPORT

It outlines the use of proceeds collected from the Generali's sustainability bond issuance as well as the related impacts in terms of lower GHG emissions and the expenses for the social initiatives undertaken.

GREEN INSURANCE-LINKED SECURITIES REPORT

It describes how the freed-up capital coming from the green ILS is allocated and the related impacts in terms of lower GHG emissions.

TAX TRANSPARENCY REPORT

It describes the pillars of Generali sustainable tax outcomes and details the Group Total Tax Contribution, which is the contribution of our companies to the jurisdictions in which they operate in terms of taxes borne and collected.

THE HUMAN SAFETY NET'S SOCIAL IMPACT REPORT

It provides an overview of Generali's The Human Safety Net Foundation's contribution to early childhood development and to the integration of refugees through work and entrepreneurship.

generali.com
for further information on the Group and the Core & More reporting

1. The Core & More approach was developed by Accountancy Europe, which unites 50 professional organisations from 35 countries that represent one million qualified accountants, auditors and advisors. www.accountancyeurope.eu/ for further information.

ABOUT THE ANNUAL INTEGRATED REPORT

This Annual Integrated Report includes the Group's financial and non-financial performance and explains, through our value creation process, the connections between the context in which we operate, our strategy, the corporate governance structure and our remuneration policy.

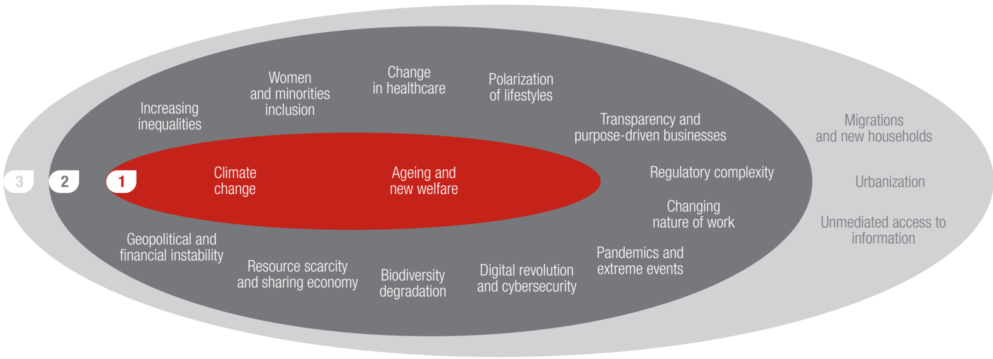
Information in the Annual Integrated Report refers to the topics identified as significant through a materiality analysis process, carried out by engaging both internal and external stakeholders.

NFS

1 Central cluster that identifies the material mega trends on which the strategic initiatives common to the Group are focused and the disclosure of which is included in this Report

2 Intermediate cluster that groups the mega trends of considerable relevance, which are addressed by specific business units or functions

3 External cluster that groups the mega trends to be monitored, which are of minor relevance compared to the other factors analysed



Consolidated Non-Financial Statement, p. 175 for further information on the materiality analysis process and results

The Report is drafted in compliance with currently effective regulations, among which the provisions of leg. decree 2016/254 on the environmental, social, employee-related, respect for human rights and anti-corruption and bribery information, that forms the content of the Consolidated Non-Financial Statement (NFS) and is clearly identified through a specific infographic, as well as the provisions of Regulation EU 2020/852 (known as EU Taxonomy Regulation) and the relative Delegated Regulations.
The Report is in accordance with the criteria of the *International <IR> Framework*[2]. It adopts for the disclosure of non-financial matters envisaged by leg. decree 2016/254: selected indicators from the *GRI Standards 2021* and indicators in accordance with a proprietary methodology.
The Report is in line with the 2023 priorities on non-financial information by ESMA[3] and considers the Task force on Climate-related Financial Disclosures (TCFD) recommendations and the guidelines on non-financial reporting of the European Commission[4] as for the environmental matters.

Notes to the Management Report, p. 188 for further information

Responsibility for the Annual Integrated Report

The Board of Directors of Assicurazioni Generali is responsible for the Annual Integrated Report. The Board, through its competent Committees, and the Board of Statutory Auditors are regularly engaged by the management in specific meetings aiming at sharing the approach to the preparation and presentation of the Report.

2. The responsibility of the document, developed by the International Integrated Reporting Council (IIRC) in 2021, has been assumed by the IFRS Foundation starting from August 2022.
3. The document *European common enforcement priorities for 2023 annual financial reports* is available on www.esma.europa.eu.
4. *Guidelines on non-financial reporting: supplement on reporting climate-related information* (C/2019/4490) were published in June 2019. They are available on eur-lex.europa.eu.

LETTER FROM THE CHAIRMAN AND THE GROUP CEO

Dear readers and Generali shareholders,

the increasingly complex geopolitical scenario represented, once again, the most critical issue of the past year. With the war between Ukraine and Russia still far from a diplomatic solution, 2023 saw the beginning of a new conflict in the Middle East following the Hamas terrorist attack against Israel on 7 October. Dramatic humanitarian costs and disruptions to global trade and supply chains are only some of the consequences of these crises, at a time when the largest economies have been coping with inflation, slowing growth, and rising public debt. Furthermore, we cannot forget the ever-present threat of climate change, with the world's average ocean surface temperature at historic highs and the hottest summer ever recorded in the Northern Hemisphere, which meant a further increase in extreme weather events such as fires, floods, and droughts.

To successfully navigate through such context, it is more important than ever to correctly set the strategic direction in the medium to long term while being ready to intervene promptly and decisively when needed. It is also key to maintain a solid capital position, as well as to keep investing in innovation and putting sustainability at the core of everything. This is what Generali did in 2023, which marked the second year in the execution of the *Lifetime Partner 24: Driving Growth* strategy. Though it was conceived in a macroeconomic environment quite different from the current one, the plan has continued to show its effectiveness, allowing the Group to march on its path of sustainable growth creation for all stakeholders.
The annual financial results prove that Generali is in the best shape it has ever been. The Group achieved a record operating result with all segments contributing positively, led by P&C, and a record adjusted net result while maintaining a solid capital position. Consistently with this, and in line with our commitment to shareholder remuneration, we are proposing a dividend of € 1.28 per share, over 10% higher than last year.

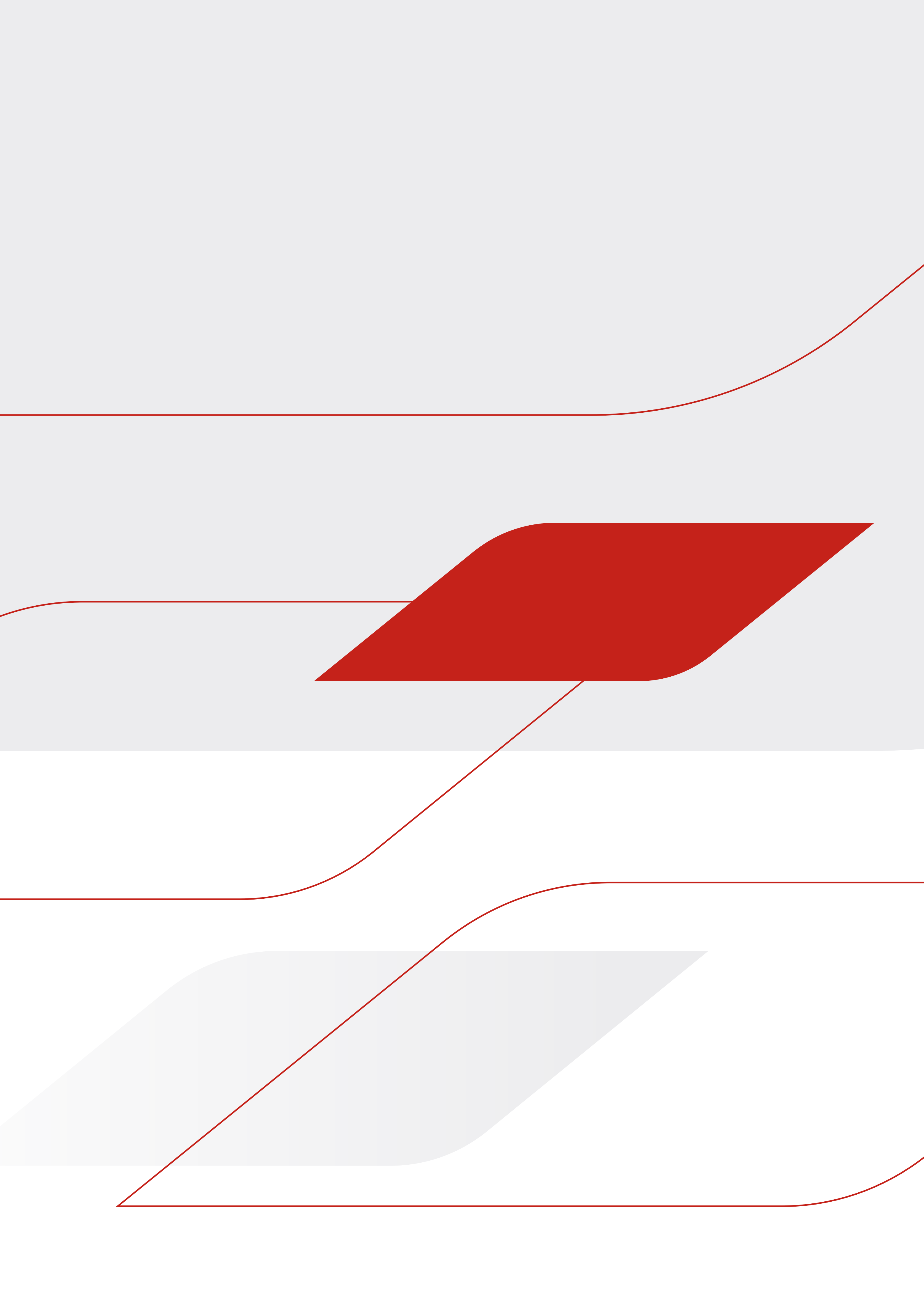
We would like to highlight several milestones. First of all, the acquisitions of Liberty Seguros and Conning Holdings Limited and its affiliates, which are key to strengthen Generali's insurance leadership in Europe and to keep building a global asset management platform.
The Group also received some important external recognitions underlining its financial solidity, with Fitch upgrading the Insurer Financial Strength rating from A to A+ with a stable outlook, and AM Best confirming the Financial Strength Rating of A (Excellent). Furthermore, Generali confirmed its place at the top of the European insurance annual ranking by Institutional Investor, a specialist magazine and independent research company in the field of international finance. In this regard, having retained the first position in many different categories including Best CEO, Best CFO and Best IR Team is a testament both to the quality of the management and to the great effort put every day into the engagement with the financial community. Finally, the hiring of Giulio Terzariol as CEO Insurance marks a significant strengthening from a strategic and managerial standpoint, as well as a proof of the ability to attract talents of the highest caliber and experience.

Sustainability continued to be the common thread at the heart of Generali's whole action as a responsible investor, insurer, employer, and citizen. A strong commitment shared by all of our people and recently recognised with the inclusion in the European and global Dow Jones sustainability indices for the sixth year in a row, as well as the confirmation of MSCI's ESG rating of AAA, the highest possible score.
The success of the third edition of SME EnterPRIZE further proved Generali's will to engage with the European institutions to promote a culture of sustainability among small and medium-sized enterprises, within a backdrop in which measures to boost European competitiveness must go together with the commitment to climate action. Looking beyond Europe, the ongoing partnership with the United Nations Development Program saw the launch of a Challenge Fund to seek innovative insurance solutions that will enhance the resilience of small and medium-sized enterprises in Malaysia. Finally, we are pleased to underline once more the precious contribution to social inclusion made by The Human Safety Net, which is constantly growing in terms of number of both beneficiaries (365 thousand people reached since launch) and active countries (26, up from 24 at the end of 2022).

Building on these results, on the skills and passion of our almost 82 thousand colleagues and 164 thousand agents and on the continuous support of our shareholders, we are ready to write together other important pages in Generali's almost two-hundred-year history, with the ultimate goal of continuing to create sustainable value for all stakeholders and to be a Lifetime Partner to each of our customers every day.

Andrea Sironi
Chairman

Philippe Donnet
Group CEO



WE, GENERALI

GROUP'S HIGHLIGHTS[1]

Glossary available at the end of this document

We are one of the largest global players in the insurance industry and asset management. With almost 82 thousand employees and 164 thousand agents serving 70 million customers, we have a leading position in Europe and a growing presence in Asia and Latin America.

Gross written premiums
€ 82,466 mln | +5.6%

Operating result
€ 6,879 mln | +7.9%

Adjusted net result[2]
€ 3,575 mln | +14.1%

Net result
€ 3,747 mln | +67.7%

Proposed dividend per share
€ 1.28 | +10.3%

Proposed total dividend[3]
€ 1,987 mln | +11.1%

Total Assets Under Management (AUM)
€ 656 bln | +6.6%

Solvency Ratio
220% | -1 p.p.

LIFE

Life net inflows
€ -1,313 mln | n.m.

New Business Value (NBV)
€ 2,331 mln | -7.7%

Operating result
€ 3,735 mln | +1.7%

PROPERTY & CASUALTY (P&C)

Gross written premiums
€ 31,120 mln | +12.0%

Combined ratio (CoR)
94.0% | -1.4 p.p.

Operating result
€ 2,902 mln | +15.8%

ASSET & WEALTH MANAGEMENT

Operating result
€ 1,001 mln | +4.9%

HOLDING AND OTHER BUSINESSES

Operating result
€ -320 mln | -5.7%

Our financial performance, p. 105

Share performance, p. 146 for further information on the dividend

1. Data in the Report were presented under the new IFRS 17 and IFRS 9 accounting standards.
Starting from the first quarter 2023 the bancassurance JVs of Cattolica (Vera and BCC companies) are considered a disposal group held for sale under IFRS 5 and therefore their results are reclassified in the Result of discontinued operations. Consequently, the 2022 yearly results of the Group presented last year have been restated. The Result of discontinued operations amounted to € 84 million at 31 December 2023 (€ -93 million at 31 December 2022).
All changes were calculated on 2022, unless otherwise reported. Changes in premiums, Life net inflows and new business were on equivalent terms, i.e. at constant exchange rates and consolidation scope. Changes in total AUM and Solvency Ratio were calculated considering the previous year-end data. The amounts were rounded and may not add up to the rounded total in all cases. The percentages presented can be affected by the rounding.
The non-financial indicators in the NFS referred to consolidated line-by-line companies, unless otherwise reported in the chapters dedicated to them.
2. Adjusted net result includes adjustments for 1) profit or loss on assets at fair value through profit or loss (FVTPL) on non-participating business and shareholders' funds; 2) hyperinflation effect under IAS 29; 3) amortisation of intangibles related to M&A, if material; 4) impact of gains and losses from acquisitions and disposals, if material.
3. The proposed total dividend takes into account all the transactions resolved by the Board of Directors up to 11 March 2024 or carried out on the share capital up to the same date, and excludes the own shares held by the Company.

NFS

RESPONSIBLE INVESTOR

Carbon footprint of investment portfolio (EVIC)[4]

98 tCO_2e/€ mln | -46.2% vs 2019 (baseline)

New green and sustainable investments (2021-2023)

€ 9,126 mln

Fenice 190 (2020-2023)

€ 2,666 mln

RESPONSIBLE INSURER

Premiums from insurance solutions with ESG components[5]

€ 20,815 mln | +7.4% (CAGR 2021-2023)

Relationship NPS

21.5 | +3.3

RESPONSIBLE EMPLOYER

Women in strategic positions

34.8% | +5.4 p.p.

Upskilled employees

68% | +33 p.p.

Entities working hybrid

100% | 0.0 p.p.

Engagement rate

83% | -1 p.p.

GHG emissions from Group operations

90,366 tCO_2e | -33.4% vs 2019 (baseline)

RESPONSIBLE CITIZEN

The Human Safety Net

Active countries

26 | +8.3%

Active partners

77 | 0.0%

Our strategy, p. 34

4. The indicator refers to the carbon footprint of direct general account investment portfolio of the Group's insurance companies in listed equities and corporate bonds, in terms of carbon intensity (EVIC).
5. *Insurance solutions with ESG components* is a definition used for internal identification purposes.

2023 KEY FACTS

www.generali.com/media/press-releases/all

JAN.23

Assicurazioni Generali started a share buyback for the purposes of the Group Long Term Incentive Plan (LTI Plan 2022-2024) approved by the Shareholders' Meeting of 29 April 2022 as well as of all remuneration and incentive plans approved by the Shareholders' Meeting and still under execution. The buyback transaction has as its object the purchase of a maximum number of treasury shares equal to 10 million and 500 thousand and the disposition of the same - jointly with those previously repurchased - within the framework of the aforementioned plans. The authorisation has a term of 18 months from the date of the Shareholders' Meeting, while the authorisation to dispose of treasury shares under the Plans was granted without any time limits. The repurchase started on 20 January 2023 and ended on 10 March 2023. The minimum purchase price of the shares was not lower than the implicit par value of the share, currently equal to € 1.00, while the maximum purchase price did not exceed 5% of the reference price recorded by the share during the stock exchange session on the day prior to the completion of each individual purchase transaction.

FEB.23

NFS

Generali is searching for the most innovative insurtech start-ups through an international contest at the upcoming Insurtech Insights, the conference that every year brings together industry executives, entrepreneurs, and investors to debate around technology trends impacting the insurance sector, as well as connect industry leaders and decision makers with innovative start-ups to create mutual business opportunities and accelerate growth. Winners of the competition will have the chance to develop a pilot with Generali.
Generali is also among the nominees for the Ambitious Insurer Awards, which recognise the most ambitious and innovative projects in the sector, with two projects: *bAIby: The AI-based Baby Cry Translator*, using Artificial Intelligence to translate the cries of infants between 0-6 months in order to provide indications to parents on the five basic needs of their children, and *Innovation Champions*, the programme to build a global network of innovation experts promoting learning opportunities, knowledge sharing, and the scaling-up of ideas, in order to steer and deliver innovation across the Group.

MAR.23

NFS

The Foreign Policy Association presented Generali Group CEO Philippe Donnet with the Corporate Social Responsibility Award, celebrating his commitment to sustainability, which is at the heart of the Group's strategy. This award is presented to individuals and companies who are committed to good corporate citizenship in the communities they serve.

Generali completed the share buyback for the purposes of the Group Long Term Incentive Plan (LTIP) 2022-2024 as well as the Group's incentive and remuneration plans under execution. The weighted average purchase price of the shares, equal to 10 million and 500 thousand, was € 18.16. At 10 March 2023, Generali and its subsidiaries then held 50,161,243 treasury shares, representing 3.16% of the share capital.

The Board of Directors of Assicurazioni Generali approved the following Reports: the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal and the Corporate Governance and Share Ownership Report at 31 December 2022 and the Report on Remuneration Policy and Payments. The Board also established:
- a capital increase of € 5,549,136 to implement the Group Long Term Incentive Plan (LTIP) 2020-2022, having ascertained the occurrence of the conditions on which it was based. The execution of the resolution of the Board was subject to the authorisation of the related amendments to the Articles of Association by IVASS, which was received on 5 April;
- to submit to the approval of the Shareholders' Meeting the proposals related to the Group Long Term Incentive Plan (LTIP) 2023-2025 and the Share Plan for Generali Group employees, supported by buyback programmes for the purposes of the plans;
- the cancellation, without reducing the share capital, of 33,101,371 own shares, acquired for that end, implementing the resolutions by the 2022 Shareholders' Meeting. The execution of the resolution of the Board was subject to the authorisation of the related amendments to the Articles of Association by IVASS, which was received on 5 April.

APR.23

In relation to the appointment of the Board of Statutory Auditors of Assicurazioni Generali for the financial years 2023-2025, two lists of candidates were filed by the following shareholders within the terms established by the applicable laws and regulations: several UCIs under the aegis of Assogestioni, with an overall stake of 0.810% of the share capital, and VM 2006 S.r.l., with a shareholding equal to 2.017% of the share capital.

In line with the approach of proactively managing its debt and with the aim to optimize its regulatory capital structure, Assicurazioni Generali announced a cash buyback offer for its € 1,500,000,000 4.596% Fixed-Floating Rate Perpetual Notes (XS1140860534) in a principal amount outstanding of € 1.5 billion, which expired on 19 April. At the expiration of the offer, the aggregate principal amount of the notes validly tendered amounted to € 525,063,000, approximately equal to 35% of the aggregate principal amount of the outstanding notes. Subject to the terms and conditions of the offer, Generali accepted for purchase from holders an aggregate principal amount of € 499,563,000 of notes.
At the same time, Assicurazioni Generali announced and successfully concluded the placement of a new Euro denominated fixed rate Tier 2 bond, due 20 April 2033, in green format in accordance with its Sustainability Bond Framework. It is the fourth green bond issued, for an amount equal to € 500 million. This transaction is in line with Generali's sustainability commitment. During the book building process, an order book of € 3.9 billion was attracted, more than 7 times the offered amount, from around 300 highly diversified international institutional investors including a significant representation of funds with Green/SRI mandates.

NFS

Our rules for running business with integrity, p. 89

Assicurazioni Generali increased the share capital in connection with the Group Long Term Incentive Plan (LTIP) 2020-2022, resolved by the 2020 Shareholders' General Meeting. It also cancelled its own shares (without reducing the share capital) acquired for the purposes of the share buyback scheme approved by the 2022 Shareholders' Meeting; the cancellation resulted in a change in the nominal value of each share.
At 17 April 2023, the share capital amounted to € 1,592,382,832 fully subscribed and paid up, subdivided into 1,559,281,461 ordinary shares with no explicit par value.

The Shareholders' Meeting approved: the Parent Company Financial Statements at 31 December 2022, setting forth the distribution of a dividend of € 1.16 per share to shareholders; the Report on the Remuneration Policy; the Group Long Term Incentive Plan (LTIP) 2023-2025, authorising the purchase and disposal of its own shares to service the remuneration and incentive plans for a maximum number of 11 million and 300 thousand treasury shares; and the Share Plan for Generali Group employees, authorising the purchase and disposal of a maximum of 9 million treasury shares.
The Shareholders' Meeting also approved the appointment of Stefano Marsaglia as a member of the Board of Directors to hold office for the financial years ending on 31 December 2023 and 2024, following the resignation of Francesco Gaetano Caltagirone, and the appointment of the Board of Statutory Auditors for the three-year period 2023-2025. It also established the annual remuneration for the Chair of the Board of Statutory Auditors at € 180,000 gross annual and for the permanent Auditors at € 130,000 gross annual, and an attendance fee of € 500 gross, for attending each meeting of the Board of Directors and the Board Committees, in addition to the reimbursement of expenses, as cited within scope of performing their duties, and D&O insurance coverage, in alignment with the Company's policies.
Finally, the Shareholders' Meeting approved the modification of fees for the statutory audit assignment in favour of the auditing firm KPMG S.p.A. specifically for the statutory audit of Generali's accounts for each of the financial years ending on, and between, 31 December 2022 and 31 December 2029.

MAY.23

The Board of Directors of Assicurazioni Generali, prior to the unanimous opinion of the Nominations and Corporate Governance Committee, and the Board of Statutory Auditors have assessed, for the members of the corporate bodies elected by the 2023 Shareholders' Meeting, i.e. for the Director Stefano Marsaglia and the permanent and alternate members of the Board of Statutory Auditors, the fulfilment of the requirements and compliance with the criteria set forth in law and regulations in force, by the Articles of Association and by the Corporate Governance Code, as implemented by Generali's internal regulations. In this context, the Board, prior to the unanimous opinion of the Nominations and Corporate Governance Committee, assessed the existence of the independence requirement set by the Corporate Governance Code also for the Chair of the Board of Statutory Auditors.

The 2022 dividend payout of Assicurazioni Generali, equal to € 1.16 per share, was distributed.

The Board of Directors of Assicurazioni Generali approved the Financial Information at 31 March 2023.

JUN.23

Following the Eurovita crisis, the Board of Directors of Assicurazioni Generali and that of Generali Italia approved the participation of Generali Italia, with four other insurance companies - namely Allianz, Intesa Sanpaolo Vita, Poste Vita and Unipol SAI - in the agreements aimed at implementing a collective solution with the primary objective of protecting Eurovita's policyholders and providing a clear signal of confidence to the market and to Eurovita's customers. The entire operation obtained all regulatory authorisations from the relevant supervisory authorities over the course of 2023.

JUL.23

Generali announced the acquisition of Conning Holdings Limited (CHL[6]), a leading global asset manager for insurance and institutional clients, from Cathay Life, a subsidiary of Cathay Financial Holdings, one of the largest Asia-based financial institutions. As a result of the contribution of CHL into Generali Investments Holding S.p.A (GIH), Cathay Life will become a minority shareholder of GIH owning 16.75% of its share capital (subject to customary closing adjustments), and will enter into a wider partnership with Generali, supporting the strategic growth ambitions of Generali Asset Management globally. There is no upfront cash consideration payable by Generali or GIH to Cathay Life. The impact on the Group's Solvency Ratio is expected to be negligible. Subject to customary regulatory, anti-trust and other relevant approvals, the transaction is expected to be completed in the first half of 2024.
For the acquisition, in December 2023 Generali received the Transatlantic Award by the *America Chamber of Commerce in Italy*.

AUG.23

The Board of Directors of Assicurazioni Generali approved the Half-Yearly Consolidated Financial Report at 30 June 2023.

SEP.23

NFS

Generali placed a new Euro denominated Tier 2 bond due in September 2033, issued in green format in accordance with its Sustainability Bond Framework. It is the fifth green bond issued, for an amount equal to € 500 million. The transaction is in line with Generali's sustainability commitment: indeed, an amount corresponding to the net proceeds of the notes will be used to finance/refinance Eligible Green Projects. During the book building process, an order book in excess of € 1.1 billion was attracted, more than 2 times the offered amount, from around 180 highly diversified international institutional investors, including a significant representation of funds with Sustainable/SRI mandates.

Our rules for running business with integrity, p. 89

Generali Group CEO, Philippe Donnet, was named Best CEO in the insurance sector for the second consecutive year, in the 2023 edition of the All-Europe Executive Team annual ranking by Institutional Investor, the specialist magazine and independent research company in the field of international finance. The Group CFO, Cristiano Borean, was confirmed as Best CFO in the insurance sector. The Investor & Rating Agency Relations team ranked first in the Best IR Team, Best IR Professionals, Best IR Program and Best IR Event categories. Generali was also awarded first position in the Best ESG and second position in the Best Company Board categories.

Fitch upgraded Generali's Insurer Financial Strength (IFS) rating from A to A+ with a stable outlook. The agency also upgraded Generali's Long-Term Issuer Default Rating (IDR) from A- to A. The upgrades reflect Generali's very strong capitalization and moderate financial leverage. The ratings reflect the continuous improvement of the Group's credit profile and its strong operating performance.

NFS

Within the partnership established between Generali and the United Nations Development Programme (UNDP) to reduce the protection gap for vulnerable communities worldwide, through access to insurance and risk finance solutions, the Insurance Innovation Challenge Fund was launched, searching for innovative insurance solutions to boost economic resilience in small and medium-sized enterprises (SMEs) in Malaysia.
The two organisations are developing a loss prevention framework for SMEs to leverage the power of data, awareness and understanding of risks for businesses in vulnerable communities. It will be hosted via an online platform, offering advice for businesses on how to protect their activity in the face of climate challenges.
Generali will also expand, together with UNDP, its flagship SME EnterPRIZE project to Asia.

Our strategy, Responsible insurer, p. 73

6. Conning, Inc., Octagon Credit Investors, LLC, Global Evolution Holding ApS and its group of companies, and Pearlmark Real Estate, L.L.C., Goodwin Capital Advisers, Inc., Conning Investment Products, Inc., a FINRA-registered broker-dealer, Conning Asset Management Limited, and Conning Asia Pacific Limited are all direct or indirect subsidiaries of Conning Holdings Limited which is one of the family of companies owned by Cathay Financial Holding Co. Ltd., a Taiwan-based company.

OCT.23

Generali announced Giulio Terzariol's entry into the Company as CEO Insurance with effect from January 2024. The new role, which will report directly to the Group CEO, Philippe Donnet, and will join the Group Management Committee, will be responsible to oversee the activities of the CEOs of Generali's insurance business units. The creation of the new Division further enhances coordination, effectiveness, and strategic alignment across geographies, streamlining and simplifying the Group's organizational model, and contributing to the achievement of the objectives of the *Lifetime Partner 24: Driving Growth* strategic plan.

Generali Ventures, the venture capital initiative to accelerate innovation, enter new markets and generate additional operating efficiencies for the Group, was launched. It is part of the *Lifetime Partner 24: Driving Growth* strategic plan and, with a dedicated commitment of € 250 million, it aims to identify the most promising investment opportunities, with a particular focus on the insurtech and fintech sectors. Generali Ventures invested in three strategic initiatives: Mundi Ventures, specialized in insurtech technologies; Speedinvest, focused on start-ups in the early pre-seed and seed stages; and Dawn, focused on investing in B2B software solutions.

NOV.23

Genertel exercised early redemption option on the fixed/floating rate subordinated notes (call date from December 2023) due December 2043 and belonging to ISIN XS1003587356 for an outstanding principal amount of € 100 million. The early redemption of the notes was approved by Istituto per la Vigilanza sulle Assicurazioni (IVASS) on 18 October 2023.

Generali announced the exit of Group Chief Transformation Officer Bruno Scaroni from the Group effective from 31 December 2023.

The Board of Directors of Assicurazioni Generali approved the Financial Information at 30 September 2023.

NFS

The third edition of SME EnterPRIZE was brought to a close, after kicking off in May 2023. It is Generali's flagship initiative to boost a culture of sustainability in Europe's SMEs. During the closing event, Generali celebrated the ten Sustainability Heroes, selected from over 7 thousand SMEs across Europe, and unveiled the new edition of the White Paper, developed in collaboration with SDA Bocconi.

Our strategy, Responsible insurer, p. 73

DEC.23

The Board of Directors of Assicurazioni Generali approved the appointment of Stefano Marsaglia, a non-executive and independent director, to the Investment Committee with immediate effect, in line with the recommendation of the Nominations and Corporate Governance Committee. This follows the decision of Flavio Cattaneo, a non-executive and independent director, to step down from this committee for new professional commitments.

Our governance and remuneration policy, p. 98

AM Best confirmed Generali's Financial Strength Rating (FSR) of A and the Long-Term Issuer Credit Rating (Long-Term ICR) of A+. The outlook is stable. The ratings reflect Generali's strong operating performance, driven by solid technical performance..

NFS

MSCI confirmed the AAA ESG rating of Assicurazioni Generali. The assessment highlighted Generali's integration of advanced climate risk management practices by assessing the impact of different climate scenarios on underwriting activities and the investment portfolio. MSCI also referenced the Group's leadership in human capital management, its promotion of responsible investments, and cybersecurity systems.
Generali was also confirmed in the Dow Jones Sustainability World Index (DJSI World) and in the Dow Jones Sustainability Europe Index (DJSI Europe). Generali's positioning in the 2023 indices particularly highlights the distinctive approach in terms of transparency and reporting, tax strategy, risk management, attention to cybersecurity, and climate change strategy.

Following the approval of the German Federal Financial Supervisory Authority (BaFin) and the responsible local antitrust authorities, Generali completed the disposal of Generali Deutschland Pensionskasse AG (GDPK) to Frankfurter Leben, with which an agreement was reached in May 2023. The transaction is aligned with the Group's *Lifetime Partner 24: Driving Growth* strategy, which aims to improve the profile and profitability of the Life business.

Notes, Information on consolidation area and related operations for further information

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2023 AND 2024 CORPORATE EVENT CALENDAR

JAN.24

NFS

Generali placed two new Euro denominated senior bonds, due in January 2029 and in January 2034 respectively, both issued in green format in accordance with its Green, Social & Sustainability Bond Framework. They are the sixth and seventh green bonds issued, for a total amount equal to € 1,250 million. The transaction is in line with Generali's sustainability commitment: indeed, an amount corresponding to the net proceeds of the notes will be used to finance/refinance Eligible Green Projects. During the book building process, the notes attracted an order book in excess of € 2 billion from more than 80 highly diversified international institutional investors, including a significant representation of funds with Sustainable/SRI mandates.

Our rules for running business with integrity, p. 89

Generali signed an agreement for the acquisition of 51% of Generali China Insurance Company Limited (GCI) for a consideration of approximately € 99 million[7]. The completion of the transaction is subject to regulatory approvals. The estimated impact on the Group's Solvency Ratio is approximately -1 p.p.. The acquisition represents a long-term strategic investment to develop a fully owned and controlled general insurance business in China, positioning Generali well to capture an increasing share of the growing Chinese market. Upon completion, Generali will become the 100% shareholder of GCI and the first foreign player to acquire a controlling stake of a P&C insurance company from a single state-owned entity in China purely via a Mandatory Public Auction process.

Generali updated the financial community on the progress of the *Lifetime Partner 24: Driving Growth* strategic plan, confirming that it is on track to meet all the key financial targets, as well as on the recent acquisitions of Liberty Seguros and Conning Holdings Limited, its Protection business, and Group cash and capital. During the Investor Day it also announced a € 500 million share buyback plan, which is to be submitted to the Annual General Meeting in April 2024 and launched during the same year, subject to all relevant approvals.

Following the receipt of all regulatory approvals, Generali completed the acquisition of Liberty Seguros, announced in June 2023. The deal is fully aligned with the *Lifetime Partner 24: Driving Growth* strategy and aims to improve the Group's earnings profile, boost the P&C business, and strengthen its leadership position in Europe, reaching the fourth position in the Spanish P&C market, consolidating its second position in Portugal, and gaining a top ten market share positioning in Ireland.

MAR.24

Generali completed the disposal of TUA Assicurazioni S.p.A. to Allianz, with which it had reached an agreement in October 2023. The transaction is aligned with the implementation of the Group's *Lifetime Partner 24: Driving Growth* strategy in Italy to pursue profitable growth, reduce complexity with the aim of making its operating machine more efficient and to increase P&C diversification. The transaction generates a positive impact of around € 50 million on the net result, and a neutral effect on the normalized net result, adding approximately 1 p.p. to the Group Solvency II position.

NFS

Within the partnership established between Generali and the United Nations Development Programme (UNDP), an event to present concrete solutions on how to boost small and medium-sized enterprises (SMEs) resilience against climate change and other risks took place in Asia. The following were presented: Building MSME Resilience in Southeast Asia, a joint research report focusing on selected value chains in Thailand and Malaysia, which proposes an alternative approach to identifying the risks and needs of micro, small and medium-sized enterprises (MSMEs), developing risk management and insurance services, and delivering these solutions to the MSME community; SME Loss Prevention Framework, a digital tool leveraging the power of data to raise the readiness and awareness of SMEs to the risks facing vulnerable communities, starting in Malaysia with the flood risk.

11 March 2024. Board of Directors: approval of the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal and the Corporate Governance and Share Ownership Report at 31 December 2023 and the Report on Remuneration Policy and Payments
12 March 2024. Release of the results at 31 December 2023

7. Consideration in local currency is approximately RMB 774 million.

APR.24

24 April 2024. Shareholders' Meeting: approval of the Parent Company Financial Statements at 31 December 2023

MAY.24

20 May 2024. Board of Directors: approval of the Financial Information at 31 March 2024
21 May 2024. Release of the results at 31 March 2024
22 May 2024. Dividend payout on the share of Assicurazioni Generali

AUG.24

8 August 2024. Board of Directors: approval of the Consolidated Half-Yearly Financial Report at 30 June 2024
9 August 2024. Release of the results at 30 June 2024

NOV.24

14 November 2024. Board of Directors: approval of the Financial Information at 30 September 2024
15 November 2024. Release of the results at 30 September 2024

NFS

THE VALUE CREATION PROCESS

In a global context characterized by countless challenges, we are committed to leveraging our **capitals** - classified according to *International <IR> Framework's* principles - by leveraging our solid and resilient business model. We create value over the time for all our stakeholders, in order to guarantee a safer and sustainable future.

Glossary available at the end of this document

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EXTERNAL CONTEXT

The industry in which we operate is at the crossroads of some of the great contemporary issues: geopolitical and financial instability; digital revolution and cyber security; climate change; ageing and new welfare. These challenges can be opportunities to offer our customers new and increasingly customised protection models.

Challenges and opportunities of the market context, p. 20

OUR PURPOSE

Our purpose is the reason why we exist and it inspires us. We have always driven our efforts with the intention to improve people's lives. In an increasingly complex world, our ability to care and help people by offering innovative, personalized solutions will enable them to take decisions and shape a safer future for themselves, their loved ones, their business. We have defined our values and behaviours. Values describe what is important for us and we stick to them. Behaviours describe how we want to manage our business every day; they are what makes us different. They are our commitment, as a community and as individuals. They are the way we want to measure how we achieve results.

www.generali.com/who-we-are/our-culture

OUR STRATEGY

Our strategy sets out a clear vision for the Group in 2024 and is built on three pillars: drive sustainable growth, enhance earnings profile, and lead innovation. We will go further in our sustainability commitments, with a continued focus on making a positive social, environmental and stakeholder impact. We will continue to invest in our people to ensure they are engaged with the successful delivery of the new plan while fostering a sustainable work environment.

Our strategy, p. 34

OUR GOVERNANCE

We believe that our governance is adequate for effectively pursuing our strategy and the sustainable success of the Company.

Our governance and remuneration policy, p. 92

OUR BUSINESS MODEL

We develop simple, integrated, customized and competitive Life and P&C insurance solutions for our customers: the offer ranges from savings, individual and family protection policies, unit-linked policies, as well as motor third-party liability (MTPL), home, accident and health policies, to sophisticated coverage for commercial and industrial risks and tailored plans for multinational companies. We expand our offer to asset management solutions addressed to institutional (such as pension funds and foundations) and retail third-party customers. We rely on innovation as a key driver for future growth to allow for tailored solutions and quicker product development. We also offer solutions with ESG components. Rigorous criteria for the risk selection are applied in the underwriting process.

We distribute our products and we offer our services based on a multi-channel strategy, while also relying on new technologies: not only through a global network of agents and financial advisors, but also through brokers, bancassurance and direct channels that allow customers to obtain information on alternative products, compare options for the desired product, acquire the preferred product and rely on excellent after-sales service and experience. Physical distribution networks are a key and valuable asset for our business model. Their role is to regularly dialogue with and assist customers at their best, striving for customer experience excellence and promoting the Generali brand.

We receive premiums from our customers to enter into insurance contracts. They are responsibly invested in high quality assets, with a particular attention to the impact that such assets may have on the environment and society.

We pay claims and benefits to our policyholders or their beneficiaries after death, accidents or the occurrence of the insured event. The payment is guaranteed also through appropriate asset-liability management policies.

STAKEHOLDER

We engage several categories of stakeholders, both internal and external to the Group, in order to understand and meet their needs.

Notes to the Management Report, p. 188 for further information on stakeholders than indicated in the related chapters

CHALLENGES AND OPPORTUNITIES OF THE MARKET CONTEXT

NFS

We live in a constantly and rapidly changing world. We face unprecedented challenges. We take them into account with a view to sustaining our ability to create value over time.
We assess the risks to the Group and our stakeholders in a systematic way, while guaranteeing that they are adequately monitored. We manage our activities and seize the opportunities from the context..

www.generali.com/what-we-do/emerging-risks for further information on the main risks and for the Emerging and Sustainability Risks Booklet

Risk Report, p. 149 for more detailed information on the risk management model and on the capital requirements

Geopolitical and financial instability

The economic situation in 2023 was mainly characterized by a global weakness in industrial production coupled with falling inflation and an increasingly restrictive monetary policy. Geopolitical tensions soared, particularly as a result of the ongoing war in Ukraine and escalating conflicts in the Middle East. The European Central Bank has significantly tightened its monetary policy, thus contributing to a decline in demand. The euro area slipped into a technical recession in the second half of 2023, and inflation declined significantly. Also in the US monetary policy was aggressive. Nonetheless, the US economy showed a surprising resilience to the sharp increase in borrowing costs. Inflation has fallen sharply, which has allowed the Fed to stop raising the reference rate and to signal cuts for 2024.
In 2023, activity in financial markets was initially dominated by high inflation and restrictive monetary policy; in the second half of 2023, the expectation that both the Fed and the ECB were not planning any further interest rate hikes prevailed. Towards the end of the year, despite uncertainties due to rising geopolitical risks, optimism in the markets increased, driven by the expectation of declining key interest rates in 2024 and the increased likelihood of a soft landing for the economy, especially in the United States. Against this backdrop, the yield on 10-year German government bonds fell over the course of 2023, after initially rising to close to 3%. This has come on the back of lower inflation rates and rising expectations of future rate cuts by central banks, notwithstanding a still difficult economic context in the euro area. At the end of 2023, the 10-year Bund yield stood at 2.03%, down from 2.56% a year earlier. Equity markets were on an upward trend, with the US index gaining 24.4%, while the European one increased by 16%.

Our management

The Group's asset allocation strategy keeps being mostly guided by consistency between liability management and targets on return and solvency. The higher interest rates allowed to lock-in attractive yields both for government bonds with high rating, which are the main instruments used to pursue the matching of long term liabilities, and for the investments in corporate bonds, vast majority of which having investment grade rating. In order to sustain current return and increase diversification, the Group keeps investing in private assets, among which private debt still offering an illiquidity premium and less exposure to raising rates due to its prevalent exposure to variable rates. Real assets (real estate and/or infrastructure investments, both direct and indirect) continue to be important in current investment activities; the multi-boutique Asset Management platform developed by the Group aims to enhance investment capacity in these market sectors.

NFS

ESG dimensions play a more and more relevant role in the process of investment allocation, specifically focusing on climatic change, backing companies that have a lower impact in terms of fossil emissions and that are focused on sustainable development, both environmental and social.

Our strategy, Responsible investor, p. 44

RISKS

We are exposed to market risks stemming from the fluctuations of the value of the investments and to credit risks linked to the inability of the counterparties to fulfill their obligations as well as the possible increase of the credit spread. We are handling these risks by following principles of sound and prudent management, in line with the Prudent Person Principle and with the Group Investment Governance Policy and risk guidelines. We measure financial and credit risks using the Group's Partial Internal Model, which offers us a better representation of our risk profile. We also assess the impacts of the macro-economic and financial scenarios deriving from the geopolitical context on the Group's solvency and liquidity position, considering different levels of severities.

We are also exposed to operational risks arising from the current turbulent and uncertain external context. Geopolitical tensions combined with market instability contribute to maintaining a high exposure to risks related to cyberattacks, operational resilience, and financial crimes.

Cybersecurity remains among the most significant concerns in the financial sector and for the Group, due to the increased sophistication of cyberattacks and the growing number of hackers, independent or supported by the States. Potential losses from a cyberattack have been estimated through a specific scenario analysis conducted within the operational risk assessment process of the Group.

In the current environment, where dependence on digital technologies is increasing and the degree of interconnections among infrastructures is more complex, the rise in cyberattacks and technological threats contributes to the exposure to risks that can compromise the operational resilience of the Group, such as the security and protection of data and the availability of applications and critical infrastructures, internal or managed by third parties.

Furthermore, geopolitical tensions and market uncertainty have weakened the supply chains and caused a significant increase in the price of raw materials, especially in the first part of 2023, threatening the availability of essential services and utilities, and exposing the Group to the risk of socio-political events induced by the phenomenon of social erosion.

Finally, the current geopolitical situation maintains a high level of attention by regulatory authorities towards the prevention of money laundering, terrorism financing, and international sanctions. In a sector characterized by a rapidly evolving regulatory framework, the prevention of these risks requires a timely adaptation to the applicable regulatory provisions.

Digital revolution and cyber security

The rapid evolution and interaction of different technologies is bringing an equally intense growth in the sensitivity to ethical aspects and implications of the adoption of such technologies: on the one hand, Internet of Things (IoT), cloud services, cognitive computing, Advanced Analytics (AA), Smart Automation (SA), Artificial Intelligence (AI), Generative AI (GenAI), Customer Relationship Management (CRM), digital tools, 5G and hyperconnected infrastructures may thoroughly renew products and operations, optimising efficiency and delivering personalisation for customers, agents and employees; on the other, side trustworthiness and fairness of these technologies and applications should always be driving the development and implementation roadmap.

We are surrounded by data, public, paid and context data, which, thanks to the increasing digitalisation of customer's interactions, the computational power available and the growing capabilities to generate meaningful and trustworthy insights, allow all businesses - including insurance - to transform their way of creating value and interacting into the so-called world of digital ecosystems, where the boundaries between different industries and players blur to provide customers with a relevant mix of innovative services and traditional products.

Technological evolution also involves exponential growth in cyber threats, such as attacks aimed at stealing information or blocking operational processes. Adequate management of this risk is therefore fundamental in order to limit potential effects of economic and operational nature but also to preserve, in particular, the confidence of customers in the processing of their data, which are frequently sensitive. The issue is also increasingly relevant for regulators which have in recent years introduced specific safety measures as well as reporting processes in the case of security incidents (for example, the most recent Digital Operational Resilience Act - DORA).

Our management

Our digital ambition translates into our lust to provide our customers, agents and employees with a superior experience, transforming Generali into an agile, innovative, digital organization that leverages strategic and trustworthy usage of data. We want digital to accelerate the change in paradigm we have identified: for example, moving from a traditional world of insurance coverage, policy renewal upon expiry and reimbursement of any claim, to an innovative world where we offer tailor-made solutions, which integrate the insurance component, which remains central, to services with a high technological content of prevention and customer support.

NFS

We pursue responsible usage of data and algorithms to gain full digital trust from all our stakeholders, leading to a sustainable competitive advantage and a stronger Lifetime Partner relationship.
Our ambition is to become a truly innovation-led, digitally-enabled, data-driven and agile organization to our people, our agents and our customers. Our goals are to become Lifetime Partner to our customers; to support the digital transformation of the distribution network; to transform our operating model with a view of greater digitalization by fully leveraging AI across its multiple applications such as predictive algorithms, Generative AI and Smart Automation.

To feed and accelerate our path to become true Lifetime Partners and digitize the operating model, we defined the new transformation strategy which relies on four transformation levers:
- Innovation;
- Digital and Ecosystems;
- IT Convergence;
- Data, Artificial Intelligence and Automation.

www.generali.com/investors/Strategy/transformation-strategy for further details

The digital path is enriched by a particular attention to convergence, a fundamental strategy for a Group with a global presence like ours. Convergence towards Group standards, common taxonomy, centers of excellence and selected central solutions that we adopt in specific areas identified as priorities of the digital world. The goal we have set ourselves is to accelerate the so-called time to value, i.e. speed and flexibility in implementation, while respecting our Group organizational model.

With a view to continuous improvement and exploring new applications, we are continuing to find new opportunities into the insurance business, leveraging innovative technologies and platforms that allow to enable digital ecosystems, both within the Group and with selected partners.

We are committed to guaranteeing that the Group is constantly equipped with appropriate cybersecurity systems, thus becoming increasingly more reliable for our stakeholders.
To be able to effectively manage the increasing complexity of security-related risks, as *One-Security*, thanks to the strong integration between Information & Cyber and Physical & Corporate Security, an effective strengthening of processes and tools for the identification, assessment and management of security risks and an increasing resilience against adverse events, we pledge to:
- protect the Group's ecosystem and strengthen its security standards;
- define internal security regulations and monitor their implementation;
- define a solid management process for IT security-related risks;
- ensure the implementation of security measures for the management of threats;
- raise awareness and understanding around the issue among all Group employees.

By leveraging the experience and results of the Cyber Security Transformation Programs (CSTPs), we launched the Security Strategic Program (SSP) in early 2022 to further strengthen the transformation of the Group's security, supporting the path towards innovation and digitalisation and increasing the resilience of the Group's cybersecurity while remaining abreast of technological trends, the threat landscape and regulatory requirements, which are constantly evolving. The ambition, over the 2022-2024 time horizon, is to continue to boost the security posture of the Group and increase cyber resilience, to implement global and standard security services across all Group entities as well as innovative secure-by-design digital solutions, to guarantee secure cloud transactions and consumption, to ensure faster reaction and recovery in the event of cyber attacks, to aim at the reduction of overall security risks, and to build a global Security Community.

We adopt tools and implement actions through which we guarantee constant protection from threats, such as:

01 the Security Operation Center (SOC) to monitor all events recorded by our security solutions 24 hours a day, detect potential incidents and step in with containment and restoration actions. SOC's performance are monitored in a structured manner through specific indicators, which are not reported due to security reasons. We have defined a Business Continuity and Disaster Recovery plan together with an Incident Response procedure to adequately guarantee the preservation or the timely recovery of data, services and critical business activities in case of a significant incident or crisis;

02 our cyber intelligence service that monitors the cyber threats landscape evolution and trends, thus enabling us to proactively prevent or be ready to react to potential threats;

NFS

03 internal and external vulnerability assessments in order to identify potential IT vulnerabilities in our systems. We also test the response capacities of our SOC through cyberattack simulations as well as customer solutions, including those based on IoT technology;

04 processes focusing on the whole supply chain management that enable us to identify, assess - also with the use of cyber risk rating systems - and manage the third-party security risk, with a strong commitment to secure the transition to and the use of cloud services;

05 processes and services to guarantee the physical security of employees (also during business travels and events), company buildings and internal workspaces, and to ensure all the aspects related to the corporate security, including crisis management and business intelligence activities;

06 an intervention assessment and prioritisation framework in accordance with the operational risk management model. It is supported by an IT tool available to the countries where we operate to execute periodic risk assessments and to continuously take a census of and manage cyber risks;

07 a structured regulatory framework, that is constantly updated with respect to regulatory developments, market standards and cyber threats;

08 an IT security awareness program for all our employees which consists of various initiatives such as dedicated training courses, videos and ad hoc communications. Internal campaigns simulating phishing also involve the Group and virtual challenges like cyber quiz designed to increase the engagement of employees and promote good conduct practices in the area of IT security;

09 a Group insurance policy to reduce residual exposure to cyber risk. Its effectiveness is considered in the Group's Internal Model for calculating the capital for operational risks;

10 relevant certification released to Generali Operations Service Platform (GOSP), a company that provides IT services and infrastructures to the main Group countries.

GOSP is certified according to standard ISO/IEC 27001:2013 - Information Security Management System. This certificate is valid for: information security management for the delivery of IT infrastructural services for the Group companies; delivery of hardware, IT services, IT engineering, project management, organization, security services; as well as management of information security incidents according to the ISO/IEC 27035-1:2016 and ISO/IEC 27035-2:2016 guidelines.

GOSP is certified by an external auditor according to standard ISAE 3402 Type 2 - Third Party Assurance Report. This standard, widely used and internationally recognized for service providers, aims at certifying that the internal control system is suitably designed and operates effectively.

www.generali.com/sustainability/our-rules/group-security for further information on security and the Security Group Policy

RISKS

Risks related to cyber security and dysfunctions of IT systems have increased not only because of the digitalisation trend and workforce remotisation after the Covid-19 pandemic but also in light of the geopolitical tensions in place.

They are operational risks we measure following the regulatory standards and with qualitative and quantitative models that allow us to grasp our main exposures and to define the adequacy of the existing controls. Specifically, against a potential rise in the inherent risk, we implemented countermeasures to mitigate this risk improving the overall control system effectiveness and reactiveness.

NFS

Climate change[8]

Climate change is a material mega trend with complex impacts in different geographies and different sectors.
Climate change risks can be divided in:

- physical risks, arising from the worsening of catastrophic events such as storms, floods, heat waves;
- transition risks, arising from the economic developments generated by the transition to a greener economy, with lower or virtually zero levels of greenhouse gas emissions, as well as from litigation risks.

Climate change also generates opportunities for companies that are able to develop solutions supporting the transition to a climate resilient economy and that increase its resilience through adaptation.

As for the insurance industry, the worsening of climate-related weather phenomena - as part of physical risks - may impact on the P&C segment in terms of pricing, frequency and intensity of catastrophic events, impacting- conditions being equal - the number and cost of the claims and their management expenses, as well as reinsurance costs.
The Life segment might also be impacted: the intensification of the heat waves, the increased frequency of floods and the expansion of the habitats suitable for hosting carriers of tropical diseases indeed might worsen the expected mortality and morbidity rates.
The physical risks caused by climate change, which worsen the living conditions of the population and increase damages not covered by insurance, might also lead to a deterioration of socio-political stability and the macroeconomic and geopolitical conditions, with cascade effects on the financial system and on the overall economy.

The transition to a greener economy (transition risks) is driven by changes in national or international public policies, in technologies and in consumer preferences that might affect different sectors, especially those with a higher energy intensity, up to leading to the phenomenon of the so-called stranded assets, which is the loss of value for the so-called carbon-intensive sectors.
A good portion of the impact of these risks depends on the speed to come into line with stricter environmental standards and on the public support that will be guaranteed for reconversion. The transition risks are therefore influenced by factors marked by a high degree of uncertainty, such as political, social and market dynamics and technological changes. Even though the speed of transition and its risks are hard to determine today, they will probably have wide-ranging consequences, especially in several sectors such as energy.
Financing or insuring companies operating in sectors characterized by high greenhouse gas emissions and do not have adequate decarbonisation strategies might also expose to reputational risks.
Climate change risk, and in particular the transition, can also expose to litigation risks, which include losses caused by legal cases due to climate matters.

Climate mitigation and adaptation strategies offer investment opportunities as well as opportunities for the development of the insurance market. As weather phenomena and extreme natural events evolve and intensify, a related increase in the demand for protection through specific insurance solutions and risk management is plausible.
The new regulations and the public plans launched in Europe aimed at creating incentives for transition to a green economy, together with the changes in consumer preferences, are supporting the demand for insurance products tied to the sector of renewable energy, energy efficiency and sustainable mobility. They are increasing the retail demand for green insurance products and services linked to sustainable lifestyles and strengthening the demand for investment products linked to green finance.
The decarbonisation of the economy and, more specifically, the large-scale spread of systems producing energy from renewable sources require substantial investments that are only partly covered with public funds, in this way increasing investment opportunities for private parties.

Our management

We have defined processes and tools to mitigate climate risks and to seize the opportunities arising from the green transaction. These include monitoring the adequacy of the actuarial models to assess and rate risks, recourse to risk transfer mechanisms, periodical analysis of the investments, product and service innovation processes, dialogue with stakeholders and development of partnerships to share knowledge and identify effective solutions. Particularly noteworthy is our participation in the Net-Zero Asset Owner Alliance, the PRI (Principles for Responsible Investments) Climate Action 100+ network, and the PRI and LSE[9] Investing in a Just Transition project.

8. The *Climate change* mega trend also includes extreme events.
9. *The London School of Economics and Political Science.*

RISKS

We manage short-term physical risks by adopting a risk monitoring and careful selection aimed at optimizing the insurance strategy with the use of actuarial models that are periodically updated in order to estimate potential damage, including natural catastrophe damage, influenced by climate change.
We turn to reinsurance contracts and alternative risk transfer instruments, such as the issue of insurance securities protecting against natural catastrophe risks, i.e. cat bonds, like Lion III Re.

Our rules for running business with integrity, p. 89

In order to reduce exposure to physical risks of our corporate customers in the Property & Casualty segment, we provide consulting services to introduce technical-organisational improvements capable of increasing the protection of the insured assets even from extreme natural events, and we define claim prevention programs and periodically monitor them.
We have set up special procedures to speed up damage appraisal and claims settlement in the case of natural catastrophes and extreme events so as to strengthen the resilience of the territories struck and to facilitate the post-emergency assistance and return to normality phase.

As for the transition risk management, we are reducing the already limited exposure of the investment portfolio to issuers of the coal sector in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2040. A gradual exclusion approach is also applied to the tar sands sector and to oil and gas extracted through fracking and in the Arctic. We also set the target of transitioning our investment portfolio to net-zero greenhouse gas (GHG) emission by 2050, in line with the Paris Agreement's goal of limiting global warming to 1.5°C compared to pre-industrial levels.

Our strategy, Responsible investor, p. 44

The exposure of our client portfolio to fossil fuel sector is low: we exclude underwriting risks associated with coal, gas and oil exploration and extraction - conventional and unconventional - and since 2018 we no longer offer insurance coverage for the construction of new coal-fired power plants, for existing coal-fired power plants of new customers and for the construction of new coal mines. Also for underwriting, we set the goal of gradually reducing our current limited exposure to the thermal coal sector in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2038. In parallel with what we are doing for investments, we are also committed to ensuring that the emissions associated with our insurance portfolio enable the achievement of the objectives set out in the Paris Agreement, through a strategy of decarbonisation of our portfolios.

Our strategy, Responsible insurer, p. 66

Finally, Generali champions the principles of the Just Transition through its engagement activity with issuers and clients. This activity has historically been targeted at energy companies in countries heavily dependent on coal as a primary energy resource. The purpose is in fact to accelerate their energy transition, combining climate protection with the adoption of measures to protect communities and workers.

To demonstrate consistency with the commitments required to our customers, issuers and business partners, we are reducing greenhouse gas emissions generated by our operations by optimizing spaces, increasing energy efficiency, purchasing green energy, pursuing digitalization and promoting the use of more sustainable means of transport.

Our strategy, Responsible employer, p. 81

In order to seize the investment and development opportunities arising from mitigation and adaptation to climate change, we offer: insurance solutions to protect customers from natural catastrophe damage, including damage influenced by climate change; coverage for industrial power generation plants from renewables; and insurance solutions to support customers in adopting sustainable lifestyles. We are also working to expand the offer of thematic investment products linked to green finance for the retail segment.
We are increasing our direct investments in green and sustainable assets as stated in our *Lifetime Partner 24: Driving Growth* strategy and we continue to issue bonds with the aim of financing or refinancing also projects relating to green buildings, renewable energies, energy efficiency and clean transportation.

Our strategy, Responsible investor, p. 44

Our strategy, Responsible insurer, p. 66

Our rules for running business with integrity, p. 89

Climate change risk management framework

The Group Risk Management function has identified[10] climate change as one of the main emerging and sustainability risks that could impact Generali's business in the medium and long term. Emerging and sustainability risks arise from future risks, and are difficult to identify and quantify, mainly due to their long-term implications, interconnectedness with other risks and uncertain development over time. Therefore, appropriate identification and assessment of these risks are fundamental to evaluate their possible impacts on the business over time.

The Group Risk Management function developed a process to identify, measure, monitor, and manage climate change risk impacts on the Group's portfolios.
This process covers the twofold perspective, including:
- the outside-in perspective, which refers to the financial impacts on the Group's portfolios (i.e. value of investments, insurance liabilities, etc.);
- the inside-out perspective, which refers to the impacts generated by the Group on both people and the planet.

In terms of governance, the Group Risk Management worked together with other functions such as Group Chief Investment Officer, Group Chief P&C & Reinsurance Officer, Group Actuarial Function, Group Chief Compliance Officer, Group Integrated Reporting, Asset & Wealth Management and Group Chief Sustainability Officer to further strengthen the integration of the activities related to climate change risk within the implementation of the *Lifetime Partner 24: Driving Growth* strategy and to ensure a cross-functional view of the different activities within the project.

The impact of climate change risk on the Group's portfolios is assessed using the Clim@risk methodology, which allows to capture, for each reference climate scenario, the impact on the Group's exposures through the application of different levels of climate stress[11].

The Group Clim@risk methodology covers the following risks and portfolios:

	TRANSITION losses caused by variation in costs and revenues deriving from the transition to a green economy	PHYSICAL losses caused by changes in frequency and severity of climate-related natural events	LITIGATION losses caused by legal cases and controversies due to climate matters
INVESTMENTS (*)			
General Account	✓	✓	✓
Unit-linked	✓	✓	✓(**)
P&C UNDERWRITING			
Motor, Property	✓	✓	
D&O			✓
LIFE UNDERWRITING	✓	✓	

(*) The perimeter of analysis excludes cash and other types of assets not relevant from a climate perspective.
(**) The inclusion of the unit-linked portfolio in the litigation risk analysis is planned during 2024.

The calculation carried out based on the Clim@risk methodology can be represented as follows:

10. The identification of risks is performed on an annual basis as part of the Group Own Risk and Solvency Assessment process, and a periodical monitoring with at least a further update during the year is planned to capture any significant change in the identified risks.
11. The Group is developing an internal tool (Aeolus) aimed at progressively enabling Group companies and business functions to access climate change analyses for activities related to reporting, business decisions (e.g. pricing but also real estate portfolio management) and assessment of individual counterparties for asset allocation choices within decarbonisation strategies.

Climate scenarios describe a change in the global temperature expected at the end of the century compared to the pre-industrial period, mainly deriving from the assumptions of higher or lower emissions of CO_2 and other greenhouse gases in the atmosphere and their effect on geophysical variables that regulate the Earth's climate.

The external climate scenarios selected are based on the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS) sources:

- IPCC for geo-physical variables used for physical risks[12];
- NGFS for energetic and macroeconomic variables used for transition and litigation risks[13].

Net-Zero 2050	Assumes a gradual and homogenous introduction of stringent climate policies for all economic sectors ("orderly" transition), as well as an increasing development and penetration of innovative low-carbon power generation technologies, thus reaching net-zero CO_2 emissions around 2050 and limiting global warming to 1.5°C by 2100
Below 2°C	Assumes an orderly transition like the Net-Zero 2050 ("orderly" transition), but with less stringent policies and a more contained technological development, thus limiting global warming to 2°C by 2100 in line with the 2015 Paris Agreement (COP 21)
Divergent Net-Zero	Assumes, similarly to Net-Zero 2050 scenario, the common target of net-zero emissions by 2050, although pursued in a disorderly manner and characterised by higher costs to sustain the decarbonisation process, due to less planned climate policies that impact economic sectors in a disorderly manner ("disorderly" transition)
Delayed Transition	Assumes a business-as-usual scenario until 2030 and the delayed introduction of very stringent policies from that year onwards to limit warming to 2°C by the end of the century, hence it is characterised by a "disorderly" transition in terms of timing ("disorderly" transition)
Nationally Determined Contributions (NDC)	Assumes the achievement of all announced decarbonisation targets by 2030 and a business-as-usual scenario from that year onwards; the projected temperature increase is above 2°C by 2100 given the not sufficient policy measures implemented ("hot house")
Current Policies	Assumes a business-as-usual scenario with no further climate policy introduced nor technological development to support the transition; also in this scenario, the target of limiting the temperature increase to below 2°C by 2100 is not achieved ("hot house")

12. For physical risks the Shared Socioeconomic Pathways (SSP) scenarios considered were SSP1-2.6, SSP2-4.5 and SSP5-8.5.
13. In 2023, the scenarios defined by the NGFS Phase III, published in September 2022, and for the physical part, the IPCC Coupled Model Intercomparison Project, Phase 6 (CMIP6), were used. The NGFS Phase IV (Fragmented World and Low Demand) scenarios, published in November 2023, were included with a simplified approach.

NFS

To capture the most significant expected impacts, we focused on short, medium and long-term time horizons, respectively 2025, 2030, and 2050. The analyses were performed on the existing Group portfolios and no further management actions, changes in infrastructures or in external market conditions are considered in the assessment.

Overall, our analyses show high impacts deriving from physical risk, particularly in scenarios characterised by a higher increase in temperature, while the effects of transition risk remain significant in the short and medium term, especially in absence of orderly decarbonisation measures, emphasizing the importance of orderly transition policy measures. Litigation risk impacts is assessed as limited.

The results of climate scenarios depend on existing climate projections' data and related modelling methodologies that are still evolving and becoming more mature on the market. They might hence change over time as a result of data enhancements and methodologies' improvements.

Climate stress, exposures and the related impacts for each portfolio are described below.

Investment portfolio

The Clim@risk methodology for the investment portfolio is described below.

The climate stress is represented:
- for transition risk by a change in profitability of the underlying assets (i.e. depending on the economic sector and decarbonisation strategies of the investees);
- for physical risk by the costs due to change in frequency and severity of climate perils (i.e. impact of floods, storms for each investee);
- for litigation risk by the cost for legal cases and controversies of investees.

The exposures include equities, corporate bonds, government bonds and real estate assets of the general account and unit-linked portfolios[14].
To identify the most material exposures we analysed the economic sectors for the equities and corporate bonds portfolio, focusing on the ones most vulnerable to climate change, classified according to the Climate Policy Relevant Sectors (CPRS) literature and to the geographical distribution of the activities. In particular, finance and other sectors less impacted by climate change represent the main part of the Group investment portfolio. Investments in sectors that are more impacted, such as fossil fuel, remain limited.
Government bonds were classified based on the reference country, mostly attributable to European countries, and assessed on the basis of the sectoral composition of the related economies.
The real estate portfolio has been analysed on the basis of the buildings' energy consumption characteristics, of the CO_2 equivalent emissions, and of their geolocation. The Group's portfolio appears to be diversified across all energy classes, and properties are mostly located in the European countries in which the Group operates.

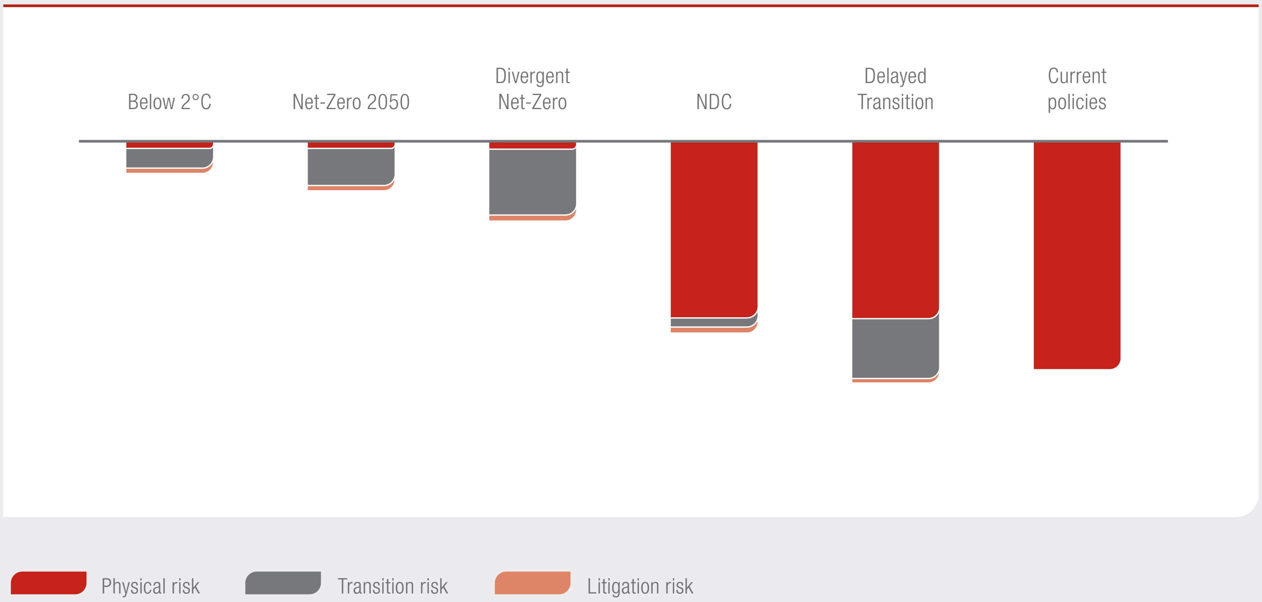
The impact is reported as the change in net assets value (NAV) determined through dividend discount models or based on bonds' and related counterparties' features to take into account the economic impacts on the investees arising from climate change stresses.

During 2023 the Clim@risk methodology was further expanded to include:
- the unit-linked portfolio;
- the litigation risk evaluation[15] on the equities and corporate bonds portfolio;
- an improved analysis of the issuers' revenue sectorial allocation and of their plants, property and equipment;
- the evaluation of the Group's portfolio issuers' decarbonisation strategies.

The following chart shows the impacts of transition, physical and litigation risks for the investment portfolio, in terms of change in NAV[16].

14. The exposures exclude assets that are not relevant from a climate perspective such as, for example, cash, which anyhow represent a limited part of the Group's portfolio. Investment funds are included in the assessment.
15. Litigation risk model has been developed based on the most up-to date market references (i.e. Geneva Association, Council on Federal Financial Relations - CFFR, and Columbia University database) and through a machine learning exercise applied to derive the most relevant litigation risk drivers.
16. The table presents impacts on general account portfolio. The analyses conducted on the unit-linked portfolio provide similar results per underlying asset classes.

Change in asset values under climate scenarios assumptions (ref. year 2050) (*)



(*) The reported results are to be considered preliminary and will be updated in the Group ORSA Report.

It can be observed that:

- physical risk remains the most relevant risk in the medium and long term, with impacts in all climate scenarios and specifically ranging from 5% to 10% in the high-emitting scenarios;
- transition risk is confirmed to be severe in the scenario with disorderly implementation of decarbonisation measures (Divergent Net-Zero) and in the scenario with delayed implementation (Delayed Transition), in contrast with the Below 2°C and Net-Zero scenarios, which, in the presence of orderly and timely measures, assume a substantial balance of costs and opportunities, resulting from the high level of diversification of the Group's portfolio and from a limited exposure to particularly emissive sectors. However, compared to physical risk, the impacts of transition risk are more limited with estimated losses on the Group's portfolio around 3% of NAV in the worst scenario;
- the impacts of litigation risk remain limited with estimated losses on the Group's portfolio of less than 1% of NAV in the worst scenario. However, impacts are expected to increase, especially in scenarios with high transition, driven by the growing scrutiny from both public and private regarding corporate behaviours in relation to climate-related matters.

From asset classes perspective, we observed that:

- the impacts on equity and corporate bond portfolio confirm the trend already described above for the overall investment portfolio both for physical and transition risk. Regarding transition, as the Group has little exposure in highly emissive sectors, the impacts remain limited, partially offset by the opportunities in sectors where growth is expected, such as utilities. In the scenarios with low or no transition, the physical impacts become more material particularly in the second half of the century, due to the cumulated effect of past emissions;
- the government bond portfolio is only marginally impacted as compared to corporate bonds and equity portfolio. Specifically, impacts resulting from transition are minimal for all scenarios, due to the greater presence of exposures in European countries, which already show a higher level of preparedness regarding the implementation of transition policies with respect to other regions. Physical impacts follow the same trend described for equity and corporate bond portfolio;
- the real estate portfolio shows impacts mainly related to the transition to the energy efficiency requirements represented by the alignment with the CRREM (Carbon Risk Real Estate Monitor) targets. Transition risk impacts on real estate portfolio benefit from the increasing availability of buildings' CO_2 emission data, showing a higher share of real estate portfolio already aligned to the CRREM targets. It is worth noting that the physical risk impacts are less significant because properties are mainly used as offices, generally less vulnerable compared to other building types, across European countries that are and not exposed to events, such as tropical cyclones, which occur in other regions.

The NGFS Phase IV scenarios have been applied with a simplified top-down approach. In particular, results show a general worsening of impacts in the Fragmented World scenario, while impacts of physical risk are lower in the Low Demand scenario.

Moreover, starting from 2023, the impacts of physical and transition risk across all abovementioned climate scenarios are monitored also with respect to the Group Life insurance portfolios. In particular, the effect on future liability cash-flows due to potential changes in the market value of backing investments was measured.

Climate change risk is integrated into decision-making processes through the definition of a specific framework, including limits and remedial actions in case of breaches.
Limits have been defined for the investment portfolio, complementing the already existing set of controls related to the application of the ESG principles in the investment processes. The aim is to maintain the Group's risk profile within the thresholds defined based on the Clim@risk, at Group portfolio level and to monitor the achievement of emissions' reduction objectives by setting annual tolerance limits defined on the basis of intermediate targets as well as the adoption of mitigation measures or the review of the investment strategy.

With regards to the above emissions' reduction targets (generated impacts) our analysis focused on the investment portfolio, including equities, corporate bonds and real estate, in line with the targets already announced as part of the Net-Zero Asset Owner Alliance (NZAOA) initiative.
In relation to the investment portfolio's carbon intensity decarbonisation target of 25% by 2024, the Group has defined a system of intermediate targets, with related tolerances, to be monitored on a regular basis throughout the year, in order to identify, monitor and manage any deviation from these and from the announced target. In particular, these targets have been defined taking into account the carbon intensity metric components, i.e. the active portfolio management lever and the levers not directly under Generali's control (individual counterparty emissions and their market value trend, expressed in terms of Enterprise Value Including Cash - EVIC). Possible remedial actions to be activated in case of deviation from the internal investment's portfolio carbon intensity decarbonisation targets have also been defined.

Our strategy, Responsible investor, p. 44

P&C underwriting portfolio

The Clim@risk methodology for the P&C underwriting portfolio is described below.

The climate stress is represented:
- for transition risk by a change in profitability (i.e. based on the change in premium volume of the different lines of business);
- for physical risk by the change in frequency and severity of climate perils driven claims (i.e. flood, convective storms etc.);
- for litigation risk by the cost of climate-related legal claims in D&O (e.g. greenwashing, etc.).

The exposures include premiums and claims of the Solvency II lines of business most relevant for the Group, namely Motor and Fire and other damage to property. D&O line of business is considered only with regards to litigation risk.
For the analysis we considered the different geographies where the Group underwrites.

The financial impact is calculated in terms of:
- higher claims resulting from the change in perils' frequency and severity, also considering the different vulnerabilities of each insured asset, and the increasing frequency of climate-related litigation cases;
- change in premiums as a result of higher/lower demand for insurance coverage in each economic sector.

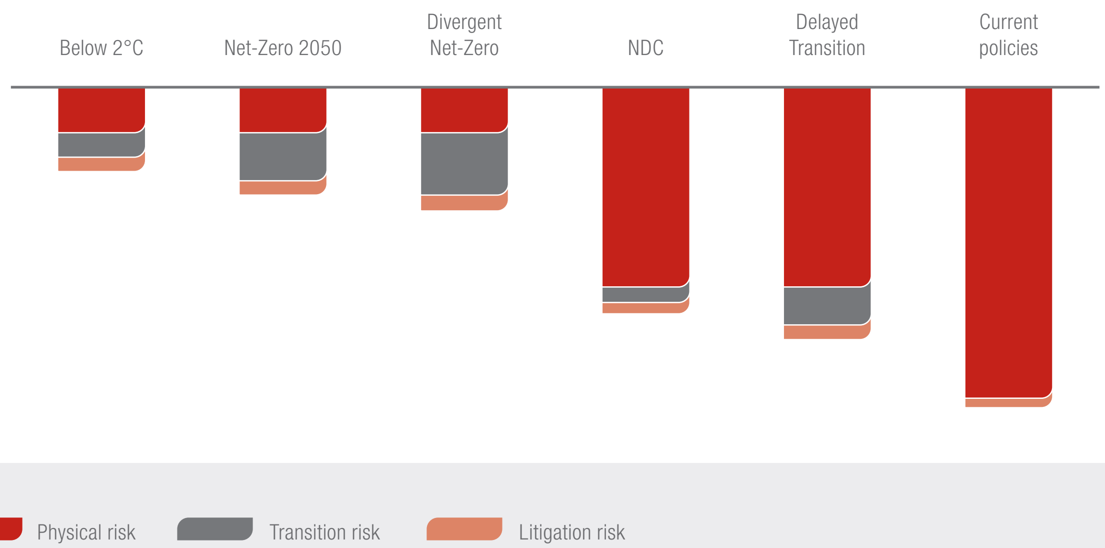
The impact is presented in terms of change in operating result for each combination of line of business, sector and geography at a given future point in time.

During 2023 the Clim@risk methodology was integrated with the inclusion of the litigation risk impacts evaluation for D&O portfolio.

The following chart shows the impacts of transition, physical and litigation risks for the P&C underwriting portfolio, in terms of change in operating result[17].

17. The analysis considers risk impacts under defined climate scenarios as of 2050, by assuming no changes in today's portfolio and in absence of management actions or reinsurance.

Change in operating result under climate scenarios assumptions (ref. year 2050)



In analysing the P&C underwriting portfolio, we observed that:

- physical risk impacts are confirmed to be prevalent and increasing over time in scenarios with absence of stringent emissions policies. The most relevant physical impacts derive from floods and storms, whose increase in frequency and intensity is foreseen in all geographical areas where the Group operates. In particular, the stresses on flood risk can even more than double in specific European countries, with areas or regions in which they even increase by three times. The intensification of the phenomena of droughts and wildfires, as well as tropical cyclones, has also been assessed. Although, according to some studies, these are expected to increase by more than 250% in some Caribbean areas and in the United States, they do not present significant impacts given the Group's limited exposure. During the year, the Group launched an improvement of the physical risk modelling thanks to the latest available literature and more granular climate-related projections data, also including a broader set of so-called secondary perils, such as hail and subsidence[18];
- transition risk impacts remain limited in scenarios with stringent emissions reduction policies (Net-Zero), while the risk impacts are more significant, albeit limited in case of disorderly transition (Divergent Net-Zero). With reference to transition risk, the most vulnerable line of business is Motor, given the expected increase in the use of car sharing and public transport to support the reduction of emissions from private transport. On the other hand, the Fire and other property damage line of business benefits from the increase in the value of insured assets subject to renovation for energy efficiency;
- with regards to litigation risk for D&O line of business, climate-related litigation claims are increasing with the transition towards a low-carbon economy, and we measured higher impacts in scenarios where the decarbonisation targets are more stringent, such as Net-Zero, but the final impact on the P&C operating result remains nevertheless limited given the marginal exposure in our portfolio.

As already anticipated for investments, the NGFS Phase IV scenarios have been applied with a simplified top-down approach, and, as for investments, results show a general worsening of impacts in the Fragmented World scenario, while impacts of physical risk are lower in the Low Demand scenario.

During 2023 the Clim@risk methodology was integrated with the Life underwriting calculation module. To this end, we collaborated with the United Nations Development Programme (UNDP) and used the Climate Horizons available calculations in evaluating climate warming implications on people's lives in various regions.

18. It should also be noted that the Group, through its Internal Model for calculating the capital requirement, already considers the increasing level of losses due to catastrophic events including floods and storms.

Life underwriting portfolio

The Clim@risk methodology for the Life underwriting portfolio is described below.

In addition to the effects on future liability cash-flows due to potential changes in the market value of backing investments, we also measured the effects of changes in future mortality rates due to:

- for transition risk, changes in air pollution;
- for physical risk, changes in temperatures across the different periods in the year.

In terms of exposures, coherently with the implemented framework, it should be noted that the stresses are applied to all Group Life portfolios. In particular, for mortality, this means that stresses are applied both to portfolios exposed to mortality risk (e.g. term contracts) and to portfolios exposed to longevity risk (e.g. annuities) leading to possible offsetting effects which are consistent with the Group product diversification.

The impact of climate scenarios on Life technical provisions is then measured by means of the underlying actuarial models.

Considering the predominant weight of products with asset dependent cashflows (both saving with profit participation and unit-linked) the climate change impact on the Group's Life portfolios is essentially driven by changes in the market value of backing assets (which resulted to be particularly severe in scenarios with high physical risk). On the other hand, the impact due to the potential changes in future mortality rates is overall limited thanks to both the Group geographical and business mix diversification.

NFS

Ageing and new welfare

Modern communities continue to be influenced by distinct demographic and social phenomena with a strong impact on their socio-economic balances.

In the more mature European economies, we are witnessing a continual process of population aging, driven by an increase in life expectancy, net of the still uncertain long-term pandemic effects, and a decrease in birth rates. The international migration phenomena only partially counter-balance this trend, which is in any case otherwise influenced by socio-political initiatives adopted locally.

In most European markets, the adult working-age population is often affected by the pressure of combining work and caregiver responsibilities for elderly age groups (a growing phenomenon), children and young people.

The younger age groups are affected by a reduced and often discontinuous capacity to generate average income; this is strongly influenced by a flexible but precarious labour market that does not ensure reasonable certainty for financing the public welfare system. We confirm the presence of unbalanced communities, where the increase in social security and healthcare needs does not match the appropriate funding and coverage of public systems by the active population.

The healthcare need naturally evolves towards increasingly sophisticated, hence costlier, supplies and services, which have to face new needs. The stable expansion of the elderly and vulnerable age groups highlights the trend of a constant increase in chronic diseases with severity and incidence prolonged over time. At the same time, an enhanced awareness of the bond between health, lifestyles and the environmental context is perceived thanks to both public social initiatives and greater proactiveness and promotion from private market.

In the context described above, the limited financial resources produced by the younger categories of the population, or from private savings in general, have to be directed and valued more carefully.

Our management

We actively engage in creating more stable communities while monitoring and tackling the effects of a changing society. This is why we develop and offer flexible, modular pension and welfare solutions for the coverage of healthcare costs and other potential current and future needs for individuals, families and communities. We are committed to becoming a Lifetime Partner to our customers, strengthening the dialogue with individuals during their entire period of interaction with our companies through new, streamlined services accessible 24/7.

Generali is active in the development and/or diffusion of modern subscription processes, in particular for protection and health products, based on digitalization and automation, as key levers for improving the accessibility and the usability of the service.

We provide customers with complete and easily accessible information on products and services, while helping them to understand the primary factors that may affect their income capacity and quality of life, and aiding them in accurately assessing their capacity to save as well as identifying their current and future needs. We believe that insurance coverage is the most appropriate tool to forecast and meet potential needs for people of all ages with the required advance notice; we therefore formulate, and present offers even in the case of market contexts with little knowledge and low individual propensity for insurance solutions.

RISKS

Life and Health products, including pension and welfare products, imply the Group's acceptance of biometric underwriting risks, typically mortality, longevity and morbidity. We therefore need to manage them through underwriting processes that are based on an updated assessment of the socio-demographic conditions of the population whose purpose is to understand their relative trends. We also have solid pricing and product approval processes that offer a preliminary analysis of the cases regarding the biometric factors, in line with Local Product Oversight Governance Policies. Such processes are part of a structured governance defined in the Life Underwriting and Reserving Group Policy. Lastly, we measure the mortality, longevity and morbidity risks using the Group's Internal Model. Moreover, to assess the impact of the *Ageing and new welfare* megatrend and promptly intervene on both pricing and reserving, we monitor the exposed Life portfolios by means of qualitative and quantitative analyses.

OUR STRATEGY

DRIVE SUSTAINABLE GROWTH

- BOOST P&C REVENUES AND MAINTAIN BEST-IN-CLASS TECHNICAL MARGINS
- GROW CAPITAL LIGHT BUSINESS, TECHNICAL PROFITS AND ESG PRODUCT RANGE
- UNDERPIN GROWTH WITH EFFECTIVE COST MANAGEMENT

ENHANCE EARNINGS PROFILE

- IMPROVE LIFE BUSINESS PROFILE AND PROFITABILITY
- REDEPLOY CAPITAL TO PROFITABLE GROWTH INITIATIVES
- DEVELOP ASSET MANAGEMENT FRANCHISE FURTHER

LEAD INNOVATION

- INCREASE CUSTOMER VALUE THROUGH LIFETIME PARTNER ADVISORY MODEL
- ACCELERATE INNOVATION AS A DATA-DRIVEN COMPANY
- ACHIEVE ADDITIONAL OPERATING EFFICIENCY BY SCALING AUTOMATION AND TECHNOLOGY

DELIVER **STRONG FINANCIAL PERFORMANCE, BEST-IN-CLASS CUSTOMER EXPERIENCE** AND AN **EVEN GREATER SOCIAL AND ENVIRONMENTAL IMPACT**,

SOCIAL, ENVIRONMENTAL AND STAKEHOLDER IMPACT FOR A SUSTAINABLE TRANSFORMATION

RESPONSIBLE INVESTOR

- **FULL ESG CRITERIA INTEGRATION**[19] BY 2024
- **NET-ZERO** INVESTMENT PORTFOLIO BY 2050, WITH AN INTERIM GOAL OF 25%[20] CARBON FOOTPRINT REDUCTION BY 2024
- **€ 8.5 - 9.5 billion** NEW GREEN AND SUSTAINABLE INVESTMENTS 2021-2025
- **€ 3.5 billion** INVESTMENT PLAN BY 2025 TO SUPPORT THE EU RECOVERY

RESPONSIBLE INSURER

- **+5 - 7%** INSURANCE SOLUTIONS WITH ESG COMPONENTS GROSS DIRECT WRITTEN PREMIUMS CAGR 2021-2024
- **NET-ZERO** INSURANCE PORTFOLIO BY 2050
- FOSTER SUSTAINABLE TRANSITION FOR SMEs THROUGH **ENTERPRIZE** PROJECT

RESPONSIBLE EMPLOYER

- **SUSTAINABILITY WITHIN** ALL PEOPLE PROCESSES, ENABLED BY A PEOPLE STRATEGY FOCUSED ON CULTURE, DIVERSITY, COMPETENCE UPSKILLING AND NEW WAY OF WORKING
- **CHANGE MANAGEMENT** PROGRAMS ON SUSTAINABILITY, TARGETING GROUP LEADERSHIP AND ALL EMPLOYEES
- **GOVERNANCE OF SUSTAINABILITY** TO MIRROR AND MONITOR OUR AMBITION

RESPONSIBLE CITIZEN

- **THE HUMAN SAFETY NET** - A SOCIAL INNOVATION HUB POWERED BY GENERALI'S SKILLS, NETWORKS AND SOLUTIONS TO CREATE SOCIAL IMPACT, SUPPORTING THE MOST VULNERABLE GROUPS IN UNLOCKING THEIR POTENTIAL

19. General account - Direct investments (corporate bond and equity, sovereign bond).
20. General account - Listed equity and corporate bond portfolios. Carbon footprint in terms of GHG intensity per invested amount. Baseline: 2019.

LIFETIME PARTNER 24: DRIVING GROWTH

> 4%
P&C NON MOTOR GWP CAGR 2021-2024

€ 2.3 - 2.5 billion
LIFE NEW BUSINESS VALUE AT 2024

COST SAVINGS TO COUNTERBALANCE INFLATION IN INSURANCE EUROPE[21]

Up to **€ 1.5 billion**
POTENTIAL SOLVENCY II CAPITAL REQUIREMENT REDUCTION

€ 2.5 - 3 billion
CUMULATIVE DISCRETIONARY AVAILABLE FREE CASH FLOW

+ € 100 billion
ASSET MANAGEMENT THIRD PARTY REVENUES

RELATIONSHIP NPS
MAINTAIN THE LEADERSHIP AMONG OUR EUROPEAN INTERNATIONAL PEERS

€ 1.1 billion
CUMULATIVE INVESTMENTS IN DIGITAL AND TECHNOLOGY

2.5 - 3 p.p.
COST/INCOME RATIO[22] IMPROVEMENT

STRONG EARNINGS PER SHARE GROWTH

6 - 8%
EPS CAGR RANGE[23] 2021-2024

INCREASED CASH GENERATION

> € 8.5 billion
CUMULATIVE NET HOLDING CASH FLOW[24] 2022-2024

HIGHER DIVIDEND

€ 5.2 - 5.6 billion
CUMULATIVE DIVIDEND 2022-2024, WITH RATCHET POLICY ON DIVIDEND PER SHARE

THANKS TO **OUR EMPOWERED PEOPLE.**

ENGAGED PEOPLE AS A CORE ASSET TO SUCCESSFULLY DELIVER THE NEW PLAN

BUILD A DIVERSE AND INCLUSIVE ENVIRONMENT ENSURING EQUAL OPPORTUNITIES

40%
WOMEN IN STRATEGIC POSITIONS[25]

INVEST IN DIGITAL AND STRATEGIC SKILLS PLACING PEOPLE AT THE HEART OF OUR TRANSFORMATION

70%
UPSKILLED EMPLOYEES

ENABLE AN EFFICIENT AND AGILE ORGANIZATION EMBRACING A SUSTAINABLE HYBRID WORK MODEL ROOTED ON DIGITAL

100%
ENTITIES WORKING HYBRID

ENHANCE CUSTOMER-CENTRIC, SUSTAINABLE AND MERITOCRATIC CULTURE

ENGAGEMENT RATE > EXTERNAL MARKET BENCHMARK[26]

21. Excluding sales-force cost.
22. Income defined as the sum of general expenses, operating result and non-operating result (excluding non-operating investments result and interest on financial debt); insurance perimeter (total Group excluding A&WM and EA). Target based on current IFRS accounting standards.
23. 3-year CAGR based on 2024 Adjusted EPS (according to IFRS 17/9 accounting standards and Adjusted net result definition currently adopted by the Group), versus 2021 Adjusted EPS (according to IFRS 4 accounting standards and Adjusted net result definition adopted by the Group until 2022).
24. Net Holding Cash Flow and dividend expressed on cash basis (i.e. cash flows are reported under the year of payment).
25. Group Management Committee, Generali Leadership Group and their first reporting line.
26. Willis Towers Watson Europe HQ Financial Services Norm.

COMMITMENT TO OUR CUSTOMER RELATIONSHIPS.

COVERS THE PLAN DURATION, THREE YEARS THAT WILL TAKE US THROUGH TO THE END OF 2024, AND IT ALSO REFERENCES TO BE THERE FOR OUR CUSTOMERS IN EVERY MOMENT.

LIFETIME PARTNER 24: DRIVING GROWTH

CAPTURES OUR COMMITMENT TO SUSTAINABLE GROWTH.

Lifetime Partner 24: Driving Growth **is Generali's strategic plan for the 2022-2024 period, a plan that marks an important new chapter in the 190-year history of the Group, and it is built around an even stronger commitment to being a Lifetime Partner to our customers.**

Our commitment is to be there for our customers 24 hours a day, 7 days a week: providing sound, personalized advice while leveraging on digital technology to ensure easy, immediate access.
The plan is about growth. In the 2022-2024 period, we will:

- strengthen our leadership in Europe and foothold in fast-growing markets;
- maintain our unrivalled financial strength in all market conditions;
- champion sustainability to be the originator of our strategy;
- enhance the Lifetime Partner ambition for our customers;
- accelerate our digital transformation, to make Generali a recognized data-driven innovator.

Thanks to all these actions, we will keep delivering robust earnings, increased cash generation and higher dividends to our shareholders, while creating sustainable value for all our stakeholders.
Sustainability is the true originator of this plan. It is and will continue to be deeply integrated into everything we do, in line with our commitment to play our part towards a more resilient and just society.

Drive sustainable growth

The first strategic pillar aims to pursue growth that is both sustainable and profitable: increasing profitability and growing revenues from our existing activities remain the backbone of our strategic vision. To achieve this goal, we will rely on three key levers based on a set of strategic actions to be accomplished.

FIRST LEVER

We will boost our P&C revenue and maintain our best-in-class technical margins in order to deliver a compound annual increase of more than 4% in P&C non-motor gross written premiums. We will do this by improving our market share in segments with significant growth potential, such as SMEs, Senior Care in Europe, and Travel in the US. We will also leverage our leadership in the Health market to take advantage of growth opportunities, going beyond traditional medical reimbursement plans. Everything begins with wellness and prevention: rewarding healthy behaviours is vital to face the key drivers of major diseases. The next priority is making healthcare more accessible, leveraging on our comprehensive range of services, including telemedicine, home care and digital symptom checkers.

SECOND LEVER

We will grow our Life capital-light business, technical profits and ESG products range, with the aim of delivering between € 2.3 and € 2.5 billion of New Business Value by year-end 2024, result that will be achieved by continuing to invest in our unit-linked business, while further internalizing margins.
In addition, we will strengthen protection as a de-risking tool for investment solutions and expand the range of ESG propositions.

THIRD LEVER

We will underpin growth with effective cost management in our established insurance markets and we will focus additional investments on Asian growing markets and on fee-based businesses like Europ Assistance, continuing to develop our distribution capabilities in the Asset Management space at the same time. In our core European insurance markets, our expense reduction targets will fully offset expected inflation, leading to overall flat expenses.

Our financial performance, p. 105

Enhance earnings profile

The second pillar on which the strategic plan for the coming years has been built aims at enhancing earnings profile. In order to achieve this goal, we will rely on three key levers. For each of them, we have identified a set of strategic actions to carry on.

FIRST LEVER

We will improve Life business profile and profitability by undertaking a comprehensive in-force optimization to reduce the capital intensity of our Life business and improve our operating result. We will also enhance our strategic asset allocation to improve returns, thanks to our investment capabilities in the real asset space and the further integration of ESG criteria. With in-force management, we are aiming for a reduction of up to € 1.5 billion in our solvency capital requirements, which will result in improved capital productivity and a further reduction in market sensitivity.

SECOND LEVER

We will redeploy capital to profitable growth initiatives with the expectation to have available € 2.5 to € 3 billion cumulative discretionary free cash flow. Overall, we will target activities that allow earnings diversification and increase our market leadership, minimizing execution risks. This represents our activities from a strategic point of view while, from a financial one, we will maintain the usual highly disciplined approach. Firstly, we will reinforce our leadership in Europe and strengthen our presence in specific growing markets, especially in Asia. Moreover, we will invest in selected Asset Management capabilities, and build scale to accelerate third-party growth. The goal is to maximise long-term value creation for our shareholders, while finding the right mix of capital redeployment and capital return.

THIRD LEVER

We will develop Asset Management franchise further.
Our first aim is to expand our real asset capabilities, capitalizing on the strong track-record of Generali Real Estate and Infranity. This will allow us to optimize our general account and better attract third-party clients, expanding our recurring and high-margin fee business. We will furthermore integrate our Life and Asset Management businesses, which remains a priority.
By broadening our investment capabilities, we will also expand our product offering. This will support our Unit-Linked strategy and further develop our third-party client base.
Our second aim is to upscale distribution platform to drive growth in third-party revenues. To this end, we will maximize the reach of our multi-boutique platform well beyond our core European markets, diversifying profit sources with new markets and new channels.
We will furthermore continue to integrate ESG criteria into our investments, in line with our commitment to sustainability and our customers' expectations.
All these activities will allow us to target an incremental revenue of more than € 100 million from third-party clients.

Our financial performance, p. 105

NFS

Lead innovation

The third pillar of our strategic framework consists in leading innovation, an essential element to the continued evolution of Generali's business. To make it happen, we have identified three main levers and key strategic actions.

FIRST LEVER

We will create more customer value through the Lifetime Partner advisory model by scaling up our increasingly digitally-enabled and data-driven advisory model, establishing a seamless omnichannel distribution approach, and growing our presence in the European direct business market, with the aim of scaling up of our direct operations. This will allow us to maintain our leadership position within our peer groups in terms of Relationship Net Promoter Score.

Lifetime Partner ▶

SECOND LEVER

We will guarantee operational efficiency by optimizing internal operating machine and external spend, consolidating and modernizing core and non-core platforms to achieve economies of scale on investments and reduce IT costs. We will also enable business transformation by better leveraging Digital & Data through the scaling-up of Group solutions to collect, process and extract value from data. Additionally, we will ensure a better level of digital service for customers, distributors as well as internal users by fostering performance and improving the level of service by working on operating machine organization, processes, skills and culture. This will happen through € 1.1 billion of investments in digital transformation initiatives. At the end of 2023 we have invested an overall 75.5% of the € 1.1 billion and we confirm our commitment to reach 100% within the current strategic cycle.

Investments in Digital & Technology[27]

€ 443 mln +14.2%

THIRD LEVER

We will achieve additional operating efficiency by scaling Analytics, Automation and Technology: we will reduce costs through digitization, core process automation and shared platforms, and we will optimize further claims management using Artificial Intelligence. These investments in areas like Analytics, Automation and, generally speaking, Artificial Intelligence in all its different facets will deliver additional operational efficiency to our core processes resulting in a 2.5-3 p.p. improvement of our cost/income ratio.

We will further improve our business model and service level across the board, create data-driven opportunities to deliver profitable growth, and increase both efficiency and productivity. We will do so by:
- capitalise on Group scale and expertise converging all entities towards Lifetime Partner model;
- drive cost efficiencies and improved service through adoption of latest digital technologies;
- unleash the power of data capturing opportunities from IoT, 5G and AI;
- ensure Group security through cyber and infrastructure harmonisation;
- release Group innovation potential to drive new features, channels and revenues.

We will keep a strong focus and act on four key transformation levers.

www.generali.com/investors/Strategy/transformation-strategy for further details

27. The indicator refers to insurance consolidated line-by-line companies that are part of the Technology, Data & Digital program, which has kicked-off the transformation initiatives aimed to scale and converge expertise, drive cost efficiencies and improve service through adoption of the latest technologies, unleash the power of data, ensure security and release innovation potential, in line with Generali's Lifetime Partner model.

NFS

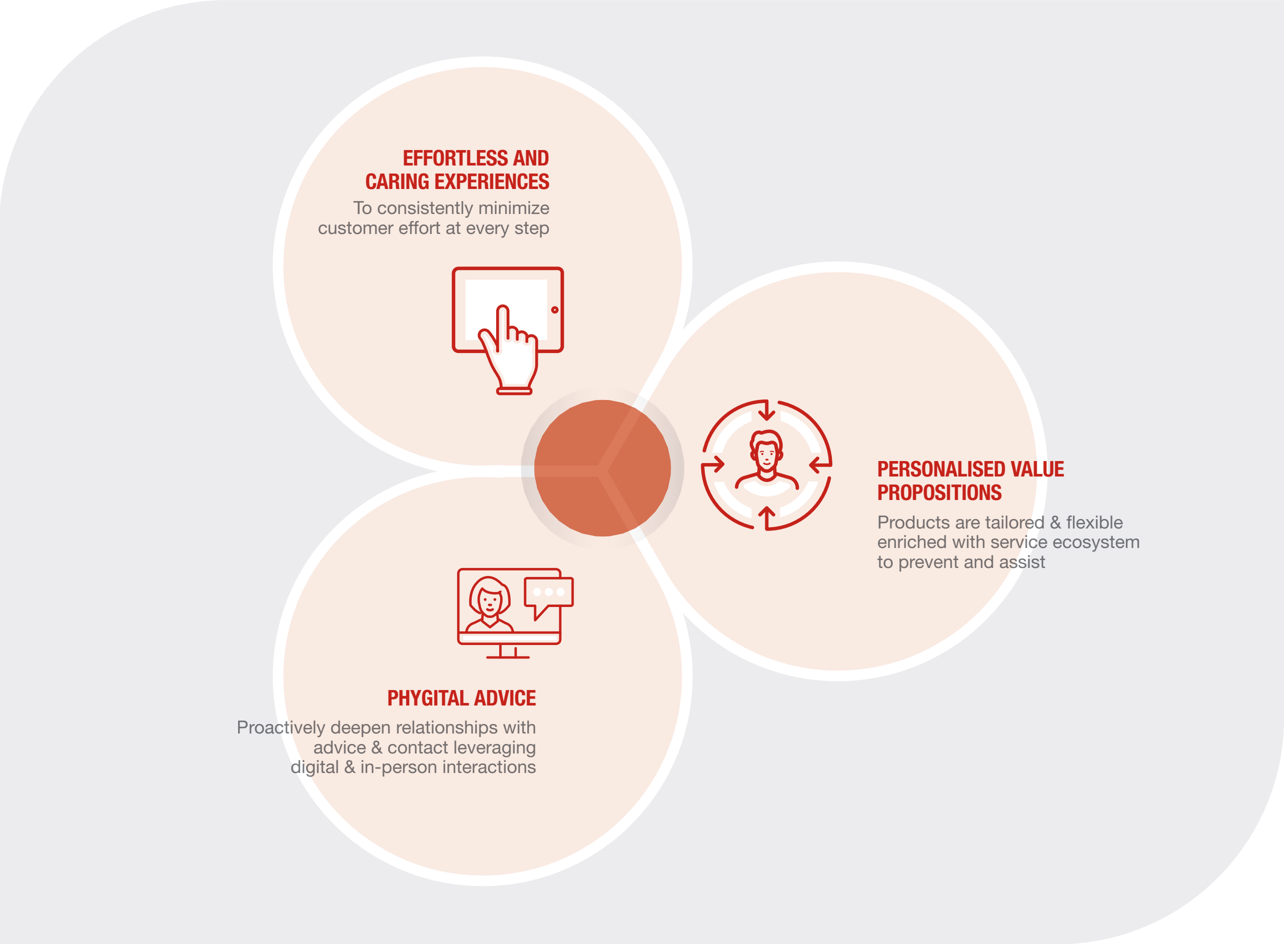
Lifetime Partner

Five years ago, we set out to become Lifetime Partner to our customers. Our ambition was to: deepen relationships with existing customers, attract new customers and become the first-choice brand.
Our Lifetime Partner strategy delivered strong results. Starting with Relationship NPS, we reached our goal to become number one among our European international peers. We also increased customer retention, the average number of policies per customer and brand preference.
With *Lifetime Partner 24: Driving Growth*, we want to further strengthen our customer relationship and grow their value to Generali. Our goal is to become our customers' primary insurer.

Customers[28]

70 mln **+3.3%**

The increase is mainly due to customers of companies acquired in 2022 who were not considered in 2022 and few customer portfolios acquired in 2023.



Our research shows that customers are willing to consolidate their insurance with one provider. At the same time, customer needs and expectations are changing rapidly as they are shaped by their interactions with brands across all sectors and services. Today customers want:

- effortless and caring interactions. Effortless in terms of speed, accessibility and clarity. Caring in terms of the human support, especially for more complex or sensitive issues;
- greater personalization;
- relationship based advice, rather than based on transactions.

These expectations form the basis of our three customer promises to become a trusted Lifetime Partner to many more Generali clients.

28. The number of customers refers to all insurance entities, banks and pension funds.

EFFORTLESS AND CARING EXPERIENCES

To consistently minimize customer effort at every step.

Using the feedback received from millions of our customers, we have created a genuine customer-centric culture and implemented thousands of actions to improve and, in some cases, redesign customer experience.
Thanks to this solid foundation, we are designing effortless and caring experiences that minimize customer effort at every step. We aim to make the entire purchase, service, claims, assistance, and renewal experience consistently effortless and caring. Our guiding principles are: speed, ease, real time, accessible, first time right but always with a human touch, especially for complex matters:

- increase speed and efficiency by using Smart Automation to offer instant claims settlement, pay out and fast quotation;
- offer real-time conversational channels (Whatsapp, Messenger, Chatbot etc.) or chatbots boosting real-time engagement;
- be accessible 24/7 on one's preferred channel, including the agent without bureaucracy. New self-service options on the app and portal will allow to find & do anything customers want easily, will make access easier and drive *first contact resolution* performance;
- continue to offer human support for clients with complex matters empowered by a 360° customer view.

These guiding principles will also ensure we offer a sustainable paperless & accessible experience fulfilling expectations of responsible consumers.
Our goal is to ensure customers interact with Generali in the easiest, fastest and most caring way.

PERSONALISED VALUE PROPOSITIONS

Products are tailored & flexible enriched with service ecosystem to prevent and assist.

We have already strengthened our offer, moving from just selling products to providing solutions enriched with value added services.
As part of the evolution to become Lifetime Partner of our customers, we develop personalised propositions:

- leverage on customer value and insights to drive personalized pricing, flexible coverage and tailored communication enabled by modular solutions. It starts with a deep understanding of our customers' needs, incorporating insights into our products and services. Starting from customer value will also enable us to offer dedicated propositions and advantages to high value customers;
- offer a tailored value added service ecosystem to cover all customer needs and all type of services: information, prevention, protection, assistance. Customers will be able to choose the services most relevant to them and we will monitor the impact in terms of experience and customer engagement. Thanks to our global connected service assets (e.g. Vitality, Jeniot) and our distinctive partnership with Europ Assistance we can create scale and innovate our Health, Mobility, Home & SME propositions;
- propose a personalized packaging communicating clearly what is covered, which services and benefits customers get. We are committed to writing our documents in simple and clear language brought to live with an engaging storytelling.

Our goal is to ensure customers feel the solutions are tailored to their needs and that they get value every day.

NFS

PHYGITAL ADVICE

Proactively deepen relationships with advice & contact leveraging digital & in-person interactions.

Agents[29]

164 thousand +2.0%

As part of our evolution in becoming Lifetime Partner to our customers, phygital advice is a combination between digital and in-person interactions with their trusted advisor. There are three key elements of this customer promise:

- revolutionizing our relationship model through Lifetime Partner Advisory. Personalizing value propositions enables our advisors to tailor solutions to customer needs. Supporting with state of the art advisory processes, training and incentives we can embed a strong advisory culture;
- high focus on post-sales relationship delivers meaningful business impact, by using digital tools and data to connect with all customers across all channels, we can reach more than two thirds of our customers who experience memorable and meaningful contact each year. Annual financial check-ups are delivering a significant impact on customer satisfaction;
- providing an end-2-end digital experience (E2E) which enables our distribution network to service our customers effectively from anywhere and through any channel. We are equipping our agents/advisors with best-in-class digital E2E tools that facilitate remote advisory and selling and increase digital visibility to ensure regular contact with customers. We focus on digital advisory & CRM tools, complemented with trainings to ensure they are empowered to provide a caring customer experience with professional advice. We streamline the advisory process using digitalization to eliminate non-value activities, ensuring our advisors can focus on what matters most, our customers.

The implementation of our three customer promises, in combination with our improvements in terms of digitalization, data & cultural transformation, will create additional value for our customers, strengthening the role of Generali as primary insurer to cover all their needs.
This will allow us to maintain our leadership position for Relationship NPS compared to internationally active European insurance groups and will also result in an increase in the percentage of multi-holding customers.

Relationship NPS[30]

21.5 +3.3

% multi-holding customers[31]

51.3% +0.7 p.p.

29. The number of agents refers to all insurance entities with traditional distribution networks.
30. The indicator spans 23 markets where we operate under the Generali brand: Argentina, Austria, Bulgaria, Croatia, Czech Republic, France, Germany, Greece, Hungary, India, Indonesia, Italy, Malaysia, Poland, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Thailand, Turkey and Vietnam.
31. The indicator measures the percentage of customers with two or more needs covered by Generali. Customers of mono-product companies (companies operating in only one line of business, such as MTPL, travel, pension funds, legal assistance, etc.) and customers who are not directly reachable by Generali (banks, bancassurance companies, white label business and partnerships) are not relevant for this scope, as the indicator is not applicable. The change was calculated on the data at year-end 2022, which was restated mainly following methodological improvements.

NFS

Deliver strong financial performance, best-in-class customer experience and an even greater social and environmental impact, thanks to our empowered people

Sustainability is the originator of our strategy, with the ambition of creating long-term value by promoting financial performance while considering people and the planet. It is about acting for the common good to build a more resilient and just society.
This ambition is aligned with our purpose. Sustainability wants to shape the way all the Group's decisions are taken, leading Generali to be a transformative, generative, and impact-driven company.

In order to create long-term sustainable value, Generali identifies four responsible roles to play as investor, insurer, employer and citizen.

RESPONSIBLE INVESTOR

Aims at fully integrating ESG criteria into the investment activities, reducing greenhouse gas emissions from the investment portfolio to net-zero by 2050, and increasing our new green and sustainable investments, including the Fenice 190 investments to support the EU Recovery.

RESPONSIBLE INSURER

Provides insurance solutions with ESG components, reduces greenhouse gas emissions from the underwriting portfolio to net-zero by 2050, and supports the sustainable transition of small and medium-sized enterprises (SMEs) through the SME EnterPRIZE project.

RESPONSIBLE EMPLOYER

Carries out dedicated actions to foster and promote diversity, equity, and inclusion in our work environment, continuously upskilling our people, nurturing talent in all its forms, and implementing more flexible and sustainable ways of working. In addition to this, Generali commits to measuring, reducing, and reporting the carbon footprint resulting from its own direct operations.

RESPONSIBLE CITIZEN

Acts to transform and better the lives of the most vulnerable through the global initiatives of The Human Safety Net Foundation, a social innovation hub powered by Generali's skills and international network, in order to create a positive impact on society.

NFS

Responsible investor

As a Responsible Investor, in the *Lifetime Partner 24: Driving Growth* strategy, we committed to widely integrating sustainability into our investment activities, setting - among other things - specific goals to achieve by the end of 2024 (and beyond), including the following:

01

We want to reduce greenhouse gas emissions from the investment portfolio to net-zero by 2050, progressively covering all the asset classes in which the Group invests. For direct investments in listed equity and corporate bonds, we set the intermediate goal of reaching a 25% reduction of the carbon footprint of our investments by the end of 2024. As proof of this, Generali is part of the Net-Zero Asset Owner Alliance, whose members are committed to the transition of the investment portfolios to zero greenhouse gas emissions by 2050.

02

We want to make at least € 8.5 - 9.5 billion of new green, social and sustainable bond investments by 2025.

03

We want to invest € 3.5 billion to support the EU Recovery by 2025.

Main targets declared in the *Lifetime Partner 24: Driving Growth* strategy

Indicator	Reference period	Target	31/12/2021	31/12/2022	31/12/2023
Carbon footprint of investment portfolio (EVIC) (*)	2020-2024	-25%	-29.6%	-45.1%(**)	-46.2%
New green and sustainable investments (***)	2021-2025	€ 8.5-9.5 bln (nominal value)	€ 2,537 mln	€ 5,727 mln	€ 9,126 mln
Fenice 190 - investments to support sustainable r ecovery in Europe (***)	2020-2025	€ 3.5 bln of commitments	€ 2,080 mln	€ 2,080 mln	€ 2,666 mln

(*) The indicator refers to the carbon footprint of direct general account investment portfolio of the Group's insurance companies in listed equities and corporate bonds, in terms of carbon intensity (EVIC).
(**) Starting from the end of 2022, the portfolio of Generali China Life Insurance Co. Ltd. has been included in the scope. The data for previous years have not been restated given the low materiality on the carbon footprint of the years prior to 2022, mainly due to a limited coverage of data available from external data providers.
(***) The amounts are cumulative.

Sustainability in the investment process

The inclusion of sustainability within the investment process is a key instrument to allow an insurance group to create long-term sustainable value for its stakeholders. As an institutional investor with € 655.8 billion Assets Under Management, through its investments Generali plays a fundamental role in contributing to achieve Sustainable Development Goals while avoiding financing economic activities that have a negative impact on the environment and society.
In this context, the integration of sustainability factors in the investment process has a dual role: on the one hand, it allows to positively contribute to the development of a more sustainable economy, with a positive impact on the environment and society; on the other, it allows a better management of sustainability risk[32] to which its investments are exposed.
Investing while limiting risks, including those related to sustainability, is a fundamental requirement to respect our commitment to stakeholders.
To confirm its multi-year commitment to sustainability, over the years the Group joined several reference initiatives, such as the United Nations Global Compact in 2007 and the PRI (Principles for Responsible Investment) in 2011. Moreover, in line with the steady commitment in the environmental field, in 2020 the Group joined the Net-Zero Asset Owner Alliance (NZAOA), an initiative sponsored by the United Nations that gathers institutional investors committed to transitioning their investment portfolios to net-zero CO_2 emissions by 2050, with the goal of limiting global warming to 1.5°C.
The integration of sustainability factors in the investment process is based on different elements, such as data availability and quality, ESG research and analysis to shape the decision investment process, the use of solid and largely acknowledged methodologies and instruments, the assessments of the impact on the financial risk/return profile of the portfolios, and the applicable reference regulation.

32. Namely an environmental, social or governance event or condition that, upon its occurrence, could cause an actual or potential negative impact on the value of the investment or on the value of the liability (Delegated Regulation EU 2015/35, Solvency II).

Taking into consideration the constraints mentioned above, the Group defined a framework for the integration of environmental, social and governance sustainability factors in insurance proprietary investments through different approaches for the various portfolios and asset classes managed, with reference to both direct and indirect investments (i.e. through mutual funds). This framework reflects the Group's sustainable investment strategy, set out in the Integration of Sustainability into Investments and Active Ownership Group Guideline (ISIAOGG) and in the Generali Group Strategy on Climate Change - technical note.

www.generali.com/sustainability/responsible-investor/sustainability-into-investments for further details

01 DIRECT INVESTMENTS

a. Negative screening
b. Positive screening
c. Investments with sustainable characteristics
d. Active ownership

02 INDIRECT INVESTMENTS

a. Selection of asset managers and funds
b. Covid-19: commitment to a sustainable economic recovery

03 CLIMATE CHANGE

a. Exclusion from investments of activities harmful to the environment
b. Our commitment to decarbonisation of the investment portfolio
c. Investments in assets as driver of change
d. Integration in the fight to climate change in active ownership policies and practices
e. Inclusion of decarbonisation specific requirements in the criteria of asset manager and fund selection

01 DIRECT INVESTMENTS

a. Negative screening

The negative screening approach aims at excluding[33] from the Group's investable universe those issuers, sectors or activities with poor ESG practices or not aligned with the Group's climate strategy that could potentially impact on their long-term financial performance and/or expose the Group to higher sustainability and reputational risks.
The methodology adopted by the Group is based on three types of negative screening:

1. Screening at activity level:

some economic activities generate a negative impact for the environment and society and, indirectly, also a financial risk. With reference to those activities that damage the climate, they could soon become stranded, meaning without value, in the path of the energy transition. With the goal of limiting investments in companies involved in such sectors, this screening aims at excluding:

- companies operating in the unconventional weapons[34] sector;
- companies operating in / projects dedicated to the thermal coal sector;
- companies operating in / projects dedicated to the unconventional oil and gas sector.

For more details on the exclusion criteria related to thermal coal and unconventional hydrocarbons, as well as the application based on the different asset classes, please refer to the Generali Group Strategy on Climate Change, adopted in 2018 and continuously evolving since then.

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate for further information

33. In the case of issuers already present in the Group's portfolio, positions cannot be increased. Subject to market conditions, liquidity, and economic impacts for the company and policyholders, stocks are sold on the market, and bonds may be sold or held until maturity.
34. The Generali Group's exclusion policy on unconventional weapons is compliant with the requirements of the Italian Law n. 220/2021 on the measures to be adopted to avoid financing manufacturers of anti-personnel mines and/or cluster munitions and submunitions. This law totally prohibits the financing of any companies, whatever their legal form, whether registered in Italy or abroad, which directly, or through their subsidiaries or associates, pursuant to article 2359 of the Civil Code, engage in the manufacture, production, development, assembly, servicing, retention, employment, use, storage, stockpiling, possession, promotion, sale, distribution, import, export, transfer or transport anti-personnel mines, cluster munitions and submunitions, regardless of their nature or composition, or their component parts. It is also prohibited to carry out technological research, manufacture, sale and transfer for any reason, export, import and possession of cluster munitions and submunitions, of any nature or composition, or parts thereof.

2. Screening of controversies:

certain issuers can be responsible for serious violations perpetrated against the environment, the communities or their own employees, thus destroying their human capital, its legitimacy to operate and the ability to create value in the long term. In the face of these high risks, this screening aims at excluding from the investable universe those issuers (both corporate and sovereign) involved in severe controversies linked, among the others:

- for the corporate issuers, to violations of the UN Global Compact and of the OECD Guidelines for Multinational Enterprises;
- for the sovereign issuers, to the criteria that include i) the respect of political rights and civil liberties, ii) the level of corruption in the country, iii) the level of cooperation in the global fight against money laundering and terrorism financing, iv) the level of contribution to deforestation..

3. ESG Laggard:

the corporate responsibility of an issuer and its ability to create long-term value cannot be assessed only with respect to controversies and operations in some economic sectors, but rather require a more global assessment of how the company considers, in its operations, environmental, social and governance issues. For this reason, the ESG scores, aimed at assessing the company's strategy and performance in its three main pillars (environmental, social and governance), play a fundamental role in the investment process. This screening aims at excluding from the investable universe those corporate and sovereign issuers which, based on the result of an ESG analysis carried out by combining information received from independent data providers and from an internal expertise (ESG research team), have been identified as having a particularly low ESG profile (ESG Laggards) compared to the sector to which they belong (corporate) or to the global universe of the asset class (sovereign).

Direct investments by the Group's insurance companies subject to negative screening approach

€ 233,348 mln -0.9%

b. Positive screening

The positive screening is an additional approach to negative screening and provides a further mean of influencing investment choices also on the basis of ESG factors. The approach aims at considering the ESG performance of issuers during the investment selection with the goal of identifying and overweighting in the portfolio those companies that are better placed to seize the opportunities of a growing ESG market while mitigating sustainability risk. This approach allows to integrate elements that may not be considered in the traditional financial analysis. The Group's insurance companies that use this screening invest in issuers or projects selected also for their positive ESG performance compared to their peers (sector, geographical area, etc.) with a best-in-class, best-in-universe and/or best-effort approach deriving from the ESG analysis.

c. Investments with sustainable characteristics

The Group promotes, for the various asset classes, specific investment strategies aimed at supporting economic activities with sustainability characteristics capable of creating long-term value not only for investors but also for society as a whole.

- **Investments in green, social and sustainable bonds**

Investments in green, social and sustainable bonds finance projects and activities having a positive impact on the environment or on society.

Strengthened by the achievement and surpassing of the target set between 2018 and 2021, the Group's commitment has been renewed in 2021 with a new target: € 8.5 - € 9.5 billion of new green, social and sustainable investments by 2025. The target has been defined in relation to net investments in green, social, sustainability-linked bonds, issued by corporates or governments, that meet the reference market standards, namely ICMA (International Capital Market Association) principles, selected according to an internal methodology (screening) defined by the Group with the support of Generali Insurance Asset Management (GIAM)[35] and applied to insurance companies' assets managed by GIAM itself, whose main purpose is to assess the robustness of the sustainability framework of these bond issues and the level of transparency towards the market, as well as to monitor the activities that are financed through these investments.

This approach allows for a greater degree of awareness in relation to this type of investments and aims to exclude issues that may present potential critical situations with respect to the ESG profile of the framework, as well as that of the issuer itself.

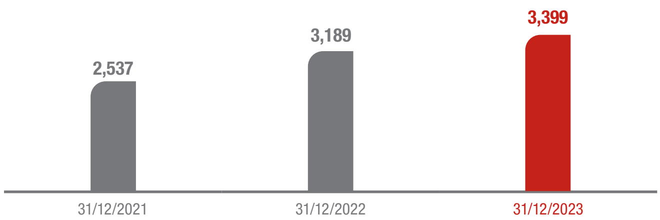
35. On 1 January 2024, the company was renamed Generali Asset Management SGR, following the merger of Generali Insurance Asset Management SGR and Generali Investments Partners SGR.

Considering the insurance companies' assets managed by GIAM, the Group's total exposure to green, social and sustainable bond investments amounts to € 16.1 billion (nominal value) at the end of 2023. Less than € 1 million of these debt instruments can be attributable to sustainability-liked bonds, classified mainly in the item Financial assets at fair value through other comprehensive income.

New green and sustainable investments

€ 3,399 mln **+6.6%**

New green and sustainable investments (€ mln, nominal value)

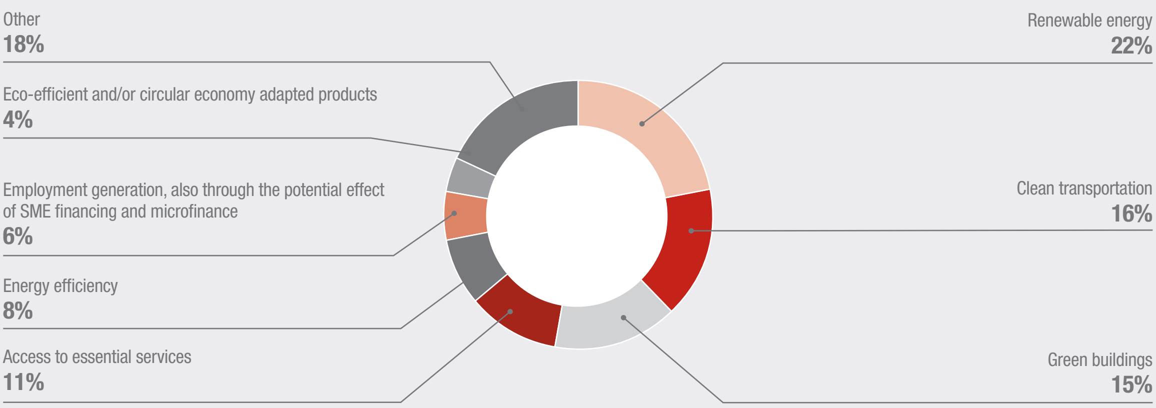


Green, social and sustainable investments contribute to mainly financing projects and initiatives for the development of renewable energies and energy efficiency, but also projects linked to transport solutions with low environmental impact and green buildings. At the end of 2023, the cumulative figure for new green and sustainable investments was equal to € 9,126 million, an amount that positions us well in achieving the upper band of the target.
The progressive growth of investments in these instruments has been accompanied by their increasing penetration, especially green bonds, in the primary market of the Eurozone, particularly in certain sectors and segments that present a risk-return profile particularly suited to the needs of an insurance group.

The Generali Group considers the increasing importance of analysing the positive impact on society and the environment generated by such investments.
To this end, during 2023, the Group analyzed[36] the information published by the issuers in which it invests and estimated the positive impact generated on society and the environment through its investments in green, social, and sustainable bonds. With reference to investments made in the last three years (from 2021 to 2023[37]) and contributing to the achievement of the target set for 2025, the Group mainly financed projects related to renewable energy, green transportation, and green buildings, which contributed to:

- generating 4 mln/MWh of renewable energy;
- avoiding 15 $MtCO_2$ of greenhouse gas emissions;
- saving 0.8 mln/MWh of energy.

Investments allocation towards projects (*)



(*) Classification of projects according to the Green and Social Bond Principles of the International Capital Market Association (ICMA).

- **Real estate investments with high-level sustainability certifications**

Generali is a major investor in real estate assets through the dedicated Group asset manager, Generali Real Estate (GRE). GRE integrates ESG factors both into investment choices through dedicated ESG assessments for portfolio assets and a proprietary methodology for the due diligence during the purchase phase, and into the maintenance and management of portfolio assets and activities.

36. Using data and methodologies of the provider Nasdaq (Nasdaq Sustainable Bond Network - www.nasdaq.com/green-bonds-disclaimer).
37. The positive impact was calculated on the bonds covered by the data provider used for this exercise (Nasdaq) and only on the section of the investments already allocated to the different projects. As a consequence, the positive impact has been calculated on around 77% of the net new investments for the period from 2021 to 2023.

NFS

At the end of 2023, GRE owns € 21.2 billion[38] of real estate assets (over 65% of its total Assets Under Management) with external sustainability certifications (e.g. BREEAM, LEED[39]) or internal sustainability assessments, of which 53% of properties (€ 11.3 billion) holds high-level external certifications[40].
Various projects have also been launched to meet the high market demand for the certification and benchmarking of funds (Global Real Estate Sustainability Benchmark - GRESB - and SRI label[41]) and to comply with European legislation (for example, SFDR and EU Taxonomy Regulation) in terms of integration and disclosure of ESG criteria.
For the management of the real estate assets in its portfolio, GRE is increasing the use of the so-called green leases, namely lease agreements that include additional clauses that provide for the management and improvement of the environmental performance of a building by both the landlord and the tenant. Through these types of agreements, GRE ensures the integration of key ESG metrics into commercial lease agreements, in order to engage with tenants for a sustainable partnership that benefits all parties and to meet demand for data analytics and disclosure. Similarly, the Tenant Survey helps GRE understand the needs and current situation of tenants and improve relationships and communication with them. Since 2021, GRE conducts a yearly digital analysis of its international portfolio, with increasing numbers of lease agreements (over 2,000), including questions on sustainability and innovation.
The founding principles for the responsible management of our real estate investments are contained in the public document Responsible Property Investment Guidelines by GRE.

www.generalirealestate.com/sustainability

• Sustainable infrastructure investments

The infrastructure sector plays a key role in the process of ecological and social transition. Generali is a major investor in infrastructure assets, both as a financier (debt) and as a shareholder (equity) in relation to green and sustainable infrastructure projects.
In the field of financing infrastructure projects, Generali operates predominantly through two specialized Group asset managers, Infranity and Sosteneo.
Infranity developed an investment process able to select projects that can maximize the potential for positive impact on the economy and society of these investments, in order to combine financial and sustainability performance. The infrastructure projects in which the Group invests through Infranity belong to sectors with the potential to contribute to clear social and environmental objectives, such as the development of renewable energies, rail transport, digitalization and environmental services. A particular focus is given to the Sustainable Development Goals (SDGs) of the United Nations that can be effectively addressed through the infrastructural asset classes:

- sustainable and resilient infrastructure (SDG 9);
- energetic transition (through climate action), sustainable mobility, efficient waste and water management (SDGs 6, 7, 11, 12, 13);
- social progress and inclusive economies, through investments in digital transformation and accessibility and investments in social infrastructure in the health and education sectors (SDGs 3, 4, 10, 11).

Investment in renewable energies in France

Infranity signed a partnership - with equity participation - in Groupe IEL, Initiatives et Energies Locales, specialized in wind and solar photovoltaics farms. Thanks to renewable energy generation, such investments contribute to SDGs 7, 9, and 13, as they support climate change mitigation by avoiding CO_2 emissions. Founded in 2004, the IEL Group is the leading independent producer of renewable energies in Western France. It designs, builds, finances, and operates ground-mounted wind and solar farms, and is also involved in the turnkey installation of rooftop solar power plants. The Group currently has a portfolio of 160 MW in operation and construction, and aims at developing an additional capacity of approximately 500 MW by 2030. Infranity's financing directly contributes to the deployment of IEL's portfolio and reinforces its role in financing the energy transition in Europe.

Following the enactment of the SFDR, Infranity has defined what can be considered a sustainable investment for its portfolios. To qualify as sustainable, an infrastructure asset must contribute to an environmental or social objective, as demonstrated by its contribution to the Sustainable Development Goals (SDGs), while exhibiting good governance

38. The figure refers to investments made on behalf of the Group's insurance companies and is expressed in market value and includes buildings held for direct use.
39. BREEAM and LEED certifications set the global benchmark for best practices in the design, construction and management of sustainable buildings.
40. The high-level certifications are: BREEAM Very Good or higher; LEED Gold or higher; the respective levels of other local certifications (e.g. HQE, DGNB).
41. GRESB is the most accredited global rating system for ESG benchmarking and reporting of real estate funds; SRI label is the certification created in 2016 by the French Ministry of Economy and Finance, which aims at identifying real estate investment funds with measurable and concrete results, thanks to a proven socially responsible investment methodology. For details: www.lelabelisr.fr

practices and ensuring that it does not significantly harm any other environmental or social objective, as demonstrated by the analysis carried out in the ESG due diligence phase, based on Infranity's proprietary ESG scoring methodology.
On the basis of the descripted approach, at the end of 2023, Generali holds € 2.8 billion[42] of sustainable infrastructure investments managed by Infranity.

The Group's effort to be a leading player in infrastructure investments linked to the energy transition can also be found in the ambitions of its new asset manager, Sosteneo Infrastructure Partners ("Sosteneo"), launched in September 2023.
Sosteneo is an asset manager specialized in equity investing in greenfield infrastructure projects - i.e. new construction projects - related to the energy transition (renewable energies and infrastructure projects ancillary to energy transition). By investing in greenfield, Sosteneo delivers additionality to the system and makes a direct contribution to the transition from fossil fuel-based energy towards clean energy.
On top of contributing to the energy transition, Sosteneo ensures that sustainability factors are considered in the selection of investments and at every stage of the investment process, from the beginning during the due diligence and acquisition, and into the post-acquisition phase with ongoing monitoring, management, and stakeholder engagement.
The binding elements to which investments must conform are as follows:
- the investments qualify as promoting climate change mitigation at acquisition;
- the investments are subject to the Sustainable Due Diligence prior acquisition, which considers, for instance, the presence of contractual clauses to facilitate effective measurement of the specific sustainability indicators, as well as the presence of minimum governance standards such as sound management structures, employee relations, staff remuneration, and tax compliance;
- no infrastructure investment is involved in violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises or exposed to companies active in the fossil fuel or controversial weapons sectors..

At the end of 2023, Group companies subscribed € 458 million of investment commitments to sustainable infrastructure projects through Sosteneo.

Electricity storage projects - United Kingdom

Sosteneo invested in two battery energy storage system projects (BESS) in the United Kingdom: Richborough Energy Park (REP) and Sheaf Energy Park (SHEAF). Together, the projects total around 350 MW/470 MWh of capacity.
The UK batteries directly contribute to the country's decarbonisation strategy by filling the "intermittency gap", helping to optimise and integrate more intermittent wind generation into the grid as the UK government pursues its ambitious target of increasing offshore wind capacity from around today's 14 GW to 50 GW by 2030. This can only be achieved if the grid operator has sufficient energy storage capacity to be able to handle this intermittency and the disruption it would cause. In conclusion, investments in storage are preparatory to the possibility of having more renewable energy in the electricity system.
Both projects involve the storage of electricity, which - under the EU Taxonomy - provides a positive contribution to climate change mitigation, and are compliant with the above-mentioned binding elements.

d. Active ownership

Through voting at shareholders' meetings and engaging in dialogues with investee companies, the Group's objective is to exert an influence on the business conduct and accountability of companies concerning environmental, governance, and social matters in order to contribute to reaching the sustainability strategic objectives, but also monitor and manage sustainability-related risks connected to the investments.
The core values of the Generali Group, including the objectives linked to sustainability and the related public commitments taken[43], are integrated in the Group's voting policies and in the dialogue plans and programs with investee companies.
During 2023, we have been seeking and/or maintaining dialogues with 64 investee companies, collectively representing a substantial value of financial instruments in the insurance portfolios equal to € 16.1 billion, accounting for approximately 10% of total corporate assets under management.
In respect to the exercise of voting rights, resolutions were voted in more than 92% of the meetings, without making distinctions based on the subject of the vote or the size of the shareholding in the issuers; the detailed metrics are the following:

42. The figure refers to investments made on behalf of the Group's insurance companies. It is expressed in market value and includes buildings held for direct use.
43. For example, the UN Global Compact, the UN Principles for Responsible Investors, and the UN-convened Net-Zero Asset Owner Alliance.

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Shareholders' meetings attended[44]		Resolutions voted[44]		Against votes[44]	
1,599	-3.0%	20,655	-2.8%	12%	+1.0 p.p.

Lastly, over the course of 2023, we undertook significant outreach initiatives in collaboration with our networks, aiming to influence standard setters, policymakers, and other stakeholders. These efforts included open letters directed to investee companies and policymakers, drafting of policies, and collaborations with institutes of higher education.

www.generali.com/sustainability/responsible-investor/sustainability-into-investments for further information on active ownership and the Group Active Ownership Report 2023

Climate risk and proprietary investments decarbonisation

In line with our commitment to tackling climate change by decarbonising the investment portfolio as outlined in the three-year *Lifetime Partner 24: Driving Growth* strategy, active ownership activities in 2023 focused on encouraging the companies we invest in to align with the Group's decarbonisation objectives and to carefully monitor their progress.

Environmental risk and impact on biodiversity

In order to monitor and manage potential negative impacts generated by the investments on the environment, to preserve biodiversity in investments, the Generali Group, in addition to the negative screening strategy, adopts active ownership strategies towards the companies in which it invests. This is done to encourage them to reduce their negative environmental impact and to implement measures to monitor and manage biodiversity risks. In 2023, we focused on identifying companies involved in biodiversity disputes in recent years. We contacted 11 of the most significant companies in our portfolios and initiated a dialogue with 7 of them, addressing sustainability strategies and assessing the alignment of CEO remuneration incentives with environmental goals.

In addition to individual dialogues, we actively participated in collective initiatives such as Nature Action 100 and PRI Spring, facilitating the exchange of efforts, knowledge, and best practices with other investors and stakeholders.

Furthermore, over the course of 2023, we supported all 6 shareholder resolutions encountered, particularly those focused on the disclosure regarding the use of plastic packaging, on the demand for virgin plastic, and on sustainable supply chain practices.

Gender equality

Generali's commitment to gender equality, as outlined in the *Lifetime Partner 24: Driving Growth* plan, is focused on achieving a 40% representation of women in key roles by 2024 and addressing the gender pay gap.

In line with the Group's strategic approach, Generali conducted a thorough review of its investment portfolio in 2022, pinpointing companies with shortcomings in gender equality. The focus was specifically on the gender ratio of boards of directors and management, as well as gender pay practices. A priority list of 15 companies was identified and targeted with letters, initiating a dialogue to encourage positive change. Through ongoing engagement, Generali is actively monitoring these companies' transparency, policies, commitments, and diversity targets. Notably, Generali initiated dialogues with 12 of these companies, actively seeking responses from those that initially did not engage. Additionally, as an escalation measure, Generali reserves the right to express disappointment through the exercise of its voting rights. In 2023 alone, 80 votes have been cast against directors (new nominations or renewals) based on voting principles (updated in January 2023) that specifically target companies with a poor gender ratio on their boards of directors.

44. The meetings related to direct investments of insurance companies were 1,101.
The indicators refer to the Group's assets managed by the following asset managers: Generali Insurance Asset Management (GIAM), Generali Investments Partners (GIP) SGR, Generali Investments CEE (GICEE), Generali Investments, družba za upravljanje, d.o.o. (GI Slovenia).

02 INDIRECT INVESTMENTS

a. Selection of asset managers and funds

We invest not only through dedicated mandates but also through investment funds managed by asset managers that are either internal or external to the Group. In this case, the levers available to the Group to integrate ESG criteria into investments are different and linked to the policies and methodologies already defined by the fund and the selected asset manager. The main lever available to the Group is therefore the introduction of an ESG assessment during the screening and due diligence processes, carried out during the selection of the asset manager/fund, and complemented with an engagement on any key issues identified.
The Group defined a set of screening criteria in order to evaluate the asset manager's ESG strategy and the alignment with some of the commitments made by the Group, such as restrictions on thermal coal, significant controversies and unconventional weapons, transparency and commitment to fighting climate change.
Constant dialogue with the asset managers of the funds in which we invest is a key element that allows us to illustrate and promote the Group's needs on sustainability integration towards them, especially when the assessment of the asset managers' policies identifies some issues which, while not constituting an element of divestment, may represent areas for improvement.

b. Covid-19: commitment to a sustainable economic recovery

The commitment of a large Group such as Generali and the help it can provide are even more evident in times of crisis. The social and economic crisis triggered by the Covid-19 pandemic emphasised the need to strengthen and consolidate the European model from a healthcare, economic and social perspective. To contribute to repairing the economic and social damage caused by the pandemic, the European Commission, the European Parliament and EU leaders have agreed on a recovery plan that will help the EU to emerge from the crisis and lay the foundations for a more modern and sustainable economy.
Generali has undertaken to actively contribute to this recovery: we have joined the European Green Recovery Alliance, launched on the initiative of the Chair of the Environment Committee at the European Parliament, which is based on the belief that the recovery will be an opportunity to rethink society and to develop a new economic model for Europe that is resilient, focused on the protection of the individual, sovereign and inclusive, in which the financial goals and the needs of the planet are aligned. A sustainable recovery is crucial to recreate the economic system damaged by the crisis on a less fragile and socially responsible basis, able to better withstand future shocks.

In 2020 we launched Fenice 190, a € 3.5 billion investment plan to support the recovery of the European economies impacted by Covid-19, starting from Italy, France and Germany and then to target all the European countries in which the Group operates[45].
The program aims to finance, through debt and equity instruments, infrastructure, innovation and digitalization projects, support for SMEs, green housing, health facilities and education.
The investment program therefore pursues both environmental (e.g. energy requalification of existing spaces and infrastructures, reduction of polluting emissions, development of renewable energies) and social (e.g. improvement of people's quality of life, through the support of companies that promote socially responsible labour policies and fairer employment contracts as well as urban redevelopment initiatives for living spaces) objectives.
The investment plan is implemented through various investment vehicles:
- extraordinary initiatives and direct investments in funds, launched in 2020 to immediately deal with the effects of the crisis upon the outbreak of the pandemic, through investments in funds with investment policies aligned with the program's objectives managed by both Group and external companies, for a total amount of commitments undertaken by Group companies equal to € 1,616 million at the end of 2023;;
- through the multi-segment fund of funds incorporated under the Luxembourg law, Fenice 190, established in 2021 and open to both Group companies and third-party investors, managed by Generali Investments Partners (GIP) SGR[46], for a total amount of commitments undertaken by Group companies equal to € 1,050 million at the end of 2023.

Fenice 190 (2020-2023)

€ 2,666 mln

45. Residually, investments in geographic areas outside of European countries or where the Group does not perform significant insurance activities are included..
46. On 1 January 2024, the company was renamed Generali Asset Management SGR, following the merger of Generali Insurance Asset Management SGR and Generali Investments Partners SGR.

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03 CLIMATE CHANGE

Climate change is counted among the most important challenges that the global society is facing. Following an increase of the average temperature by over 1°C compared to the pre-industrial era, the current mix of consumption and production is consistent with a temperature increase trend of 3°C[47] compared to the pre-industrial era.
A temperature increase exceeding 3°C would have a disastrous impact on the environment and the populations, starting with those living in the areas most prone to extreme events. This knock-on effect would also have a major financial impact on the economy and on individual companies, which will have to manage the transition to a low-carbon world as well as extreme weather events resulting from rising temperatures. As for sustainability in a broad sense, fighting climate change is part of our moral duties for a more sustainable future and our risk management duties towards our stakeholders.
In December 2023, the United Nations Climate Change Conference (UN COP 28) was held in Dubai. The conference highlighted that governments' collective commitments are not yet sufficient to address the climate challenge. Despite having signed a compromise agreement that expressly states the need for an ecological transition away from fossil fuels in energy systems in a fair way, in order to reach the goal of carbon neutrality by 2050, the fight against climate change needs to be addressed with greater determination, also in consideration of this historical moment, where the goal of decarbonisation faces the challenge of an unexpected energy crisis, triggered by Russia's invasion of Ukraine.
In this growing uncertainty, it is crucial that institutional investors such as the Generali Group support investment choices capable of making a clear and tangible contribution to the long-term objective of limiting the average global temperature rise to 1.5°C.
In line with this commitment, also in 2023 the Group updated its Climate Change Strategy by focusing on more stringent criteria for the exclusion of activities harmful to the climate (mainly thermal coal) and on increasing ambitions for the financing of activities offering solutions for the reduction of greenhouse gas emissions. The existing restrictions on tar sands were also integrated with restrictions on other hydrocarbons extracted through fracking and extraction in the Arctic, a particularly sensitive area in terms of biodiversity. Compared to the previous version, the latest update has included new restrictions regarding unlisted investments in the infrastructure asset class of thermal coal and unconventional oil and gas assets.

The Group's commitment to the fight against climate change is expressed in several investment strategies linked to:

a. **exclusion from investments of activities harmful to the environment;**
b. **our commitment to investment decarbonisation;**
c. **investments in activities that are drivers of change;**
d. **integration in the fight to climate change in active ownership policies and practices;**
e. **inclusion of decarbonisation specific requirements in the criteria of asset manager and fund selection.**

a. Exclusion from investments of activities harmful to the environment

The fight against climate change requires a holistic approach which aims not only at financing activities offering solutions and at supporting companies committed to the decarbonisation of their own activity and business model, but also at sending important signals to the market and to companies regarding the financing of activities that harm the climate and are in strong opposition to the fight against climate change.
In particular, within the activities included in the negative screening, some sectors have been specifically identified due to their negative impact on climate change. These activities are related to coal and unconventional hydrocarbons.

www.generali.com/sustainability/our-commitment-to-the-environment-and-climate for further details included in the Generali Group Strategy on Climate Change - technical note

1. Coal sector exclusion

Thermal coal is the most polluting source of energy available, emitting twice the level of greenhouse gas emissions compared to natural gas for electricity generation. With such levels of carbon intensity, coal ranks among the main culprits of global pollution and the greatest enemy in the fight against climate change.
Since 2018, the Group has adopted a policy for the exclusion of thermal coal from its investments, which is continuously updated. The thresholds defined for excluding companies active in the extraction and production of electricity from coal have become increasingly stringent over the years, showing how the fight against the use of coal is a constant struggle that requires growing ambition. For companies with an exposure marginally above the defined thresholds, we carry out a qualitative analysis aimed at assessing not only their current exposure but also their coal exit strategies. Companies whose analysis demonstrates a clear coal exit strategy aligned with the Group's objectives continue to be investable.
On top of the exclusion of thermal coal companies from our investments, the Group's exclusion policy aims at a gradual but complete divestment of any activity and/or investment in issuers included in the sector (phase-out) by 2030 for OECD countries and by 2040 for the rest of the world, contributing in this way to the limitation of global warming to 1.5°C.

47. *Emissions Gap Report 2023, United Nations Environmental Program.*

2. Unconventional oil and gas exclusion

The use of gas and oil represents one of the greatest contributors to climate change, calling for reflection on this sector of activity. In particular, unconventional oil and gas are among the most carbon-intensive fossil fuels, due to methane emissions during the extraction and/or due to a particularly energy-intensive extraction process. Their negative impact on the environment is much wider, especially due to water consumption and to the negative impact on local biodiversity. The Group has committed to the reduction of its exposure to unconventional oil and gas in its exploration and production (upstream) activities and some specific midstream activities.
Since 2019, the Group has not made any new investments in projects and issuers related to the exploration and production of oil from tar sands. Starting from 1 January 2023, the Group extends the exclusion policy also to issuers involved in the exploration and production of gas and oil extracted through fracking (shale oil, shale gas, tight oil, tight gas) and to issuers conducting onshore and offshore exploration and production activities within the area bounded by the Arctic Circle.

b. Our commitment to decarbonisation of the investment portfolio

The adoption of a climate strategy is not limited to exclusion activities; it requires a holistic commitment capable of understanding the transition and favoring change.
In 2020, as a member of the Net-Zero Asset Owner Alliance (NZAOA), the Group committed to reducing the net greenhouse gas emissions of its portfolios to zero by 2050, in order to limit the global temperature rise to 1.5°C. This goal will be pursued by working closely with the companies in the portfolio and with regulatory and government bodies in order to push for the adoption of practices and regulations aligned with the commitments of the Paris Agreement, also integrating the strategy with targeted investing.
In accordance with the principles of the NZAOA, the Group set intermediate targets for the decarbonisation of the portfolio by 2024 that reflect our continuous commitment to the achievement of this long-term goal:

- 25% reduction compared to 2019 in the carbon footprint of direct investments in listed equities and corporate bonds, also through dialogue with 20 carbon-intensive investees in our portfolio;
- alignment of at least 30% of the real estate portfolio with the global warming trajectory of 1.5°C.

The ultimate goal of our commitment in the NZAOA is to decarbonise investments in all the asset classes in which the Group is present. However, this is a long-term journey that has to face the fact that, for some asset classes, the methodologies are yet to be defined. We are well aware that our strategy will evolve progressively and, as of today, we aim at decarbonising investments with a major focus on the following three asset classes.

1. Direct investments in listed equities and corporate bonds

As a result of the commitments made in this area, the Group is gradually integrating the carbon footprint in its investment and active shareholding choices, mainly through dialogue with the most carbon-intensive issuers of the portfolio, but also through investment choices in favor of issuers mainly committed to the energy transition.
The carbon footprint of a portfolio can be measured by using several metrics with different calculation methodologies.
With reference to direct investment portfolio of the Group's insurance companies in listed equities and corporate bonds, we report below the metrics monitored by the Group with the respective performance.

Perimeter and metrics[48]

	31/12/2019	31/12/2020[49]	31/12/2021	31/12/2022	31/12/2023	2019-2023 change
Direct investments in listed equities and corporate bonds (€ bln)	117.5	111.5	110.4	91	92	-21.7%
Absolute emissions[48] (mln tCO_2e)	15.4	12.0	10.4	6.8	6.8	-55.8%
Carbon intensity (EVIC)[48] (tCO_2e/€ mln invested)	182	145	128	100[50]	98	-46.2%
Carbon intensity (sales)[48] (tCO_2e/€ mln sales)	277	243	241	188	147	-46.9%
Coverage[51]	71%	74%	73%	75%	75%	4 p.p.

48. To calculate the carbon footprint indicators, the Group relies on MSCI data. Data related to CO_2 emissions and carbon intensity (EVIC and sales) of the companies in the portfolio refer to the last available data at the moment of the calculation of carbon footprint for this reporting (usually January/February of each year) and therefore mainly refer to the previous year as the new data are available in the second semester of the year.
49. 2020 indicators have been recalculated following a change in the methodology and data provider.
50. Starting from year-end 2022, the portfolio of Generali China Life Insurance Co. Ltd. was included in the scope. The data for previous years have not been restated given the low materiality of the carbon footprint of the years prior to 2022, mainly due to a limited coverage of data available from external data providers.
51. The coverage presented in the table refers to the metrics carbon intensity (EVIC) and absolute emissions. The coverage for carbon intensity (sales) is 85% for the years 2019 and 2021, 87% for the year 2020, 88% for the year 2022, and 92% for the year 2023. Our ambition and commitment is to increase the part of our investment portfolio covered by the carbon footprint assessment in order to provide increasingly precise data.

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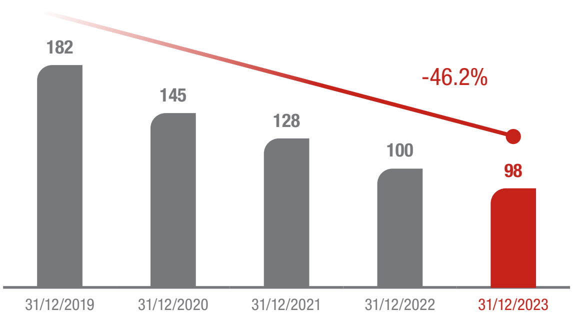
Carbon intensity (EVIC) for sector

Sectors	
Materials	37.5%
Utilities	32.2%
Energy	17.1%
Industrials	5.5%
Communication Services	2.3%
Consumer Discretionary	2.2%
Consumer Staples	1.4%
Health Care	0.6%
Real Estate	0.4%
Financials	0.4%
Information Technology	0.4%

Carbon footprint of investment portfolio (EVIC)

98 tCO_2e/€ mln invested -2.0%

Carbon footprint of investment portfolio (tCO_2e/€ mln invested)



In line with this long-term goal and the commitments made upon our entry into the NZAOA, the Group set a reduction target based on the carbon intensity (EVIC) measured as tonnes of CO_2 equivalent in relation to the Enterprise Value Including Cash (EVIC) of each issuer. The commitment is to reduce this metric of our investment portfolio by 25% between year-end 2019 and year-end 2024. This target covers the direct general account investments of the Group's insurance companies in listed equities and corporate bonds.

The carbon intensity (EVIC) decreased by 46.2% between year-end 2019 and year-end 2023, moving from 182 tCO_2e/€ mln invested to 98 tCO_2e/€ mln invested.

This outcome has been achieved through a focused strategy, centered on investing in companies with clear and robust decarbonisation strategies. However, in the past year, there was a slowdown in the decarbonisation of our portfolio, which can be attributed to various factors, including the war in Ukraine and the subsequent energy crisis. This situation led to the reopening of some coal-fired power plants in countries where the Group is exposed.

In terms of the impact on the Group's carbon footprint, key sectors such as Utilities, Materials, and Energy collectively represent 87% of our total investments. These sectors, being particularly carbon-intensive, play a central role in the energy transition. The careful selection of companies in which we invest not only allows us to convey towards them clear messages in terms of sustainability, but also contributes to mitigating the impact of our investments on climate change.

Direct investments in government bonds

For the Group, investments in government bonds represent a fundamental component of the overall investment strategy. Consistently with the commitments made for a gradual decarbonisation of proprietary investments, the Group started tracking the carbon footprint of its government bond investments, aimed at a gradual integration of these metrics and evaluations into investment decisions. Although measuring CO_2 emissions for this investment category still faces limitations mainly tied to data availability and updates, we believe it's crucial to enhance transparency for stakeholders, recognizing that metrics might evolve over time.

Investing in a country's government bonds means financing its development policies, including its strategy to combat climate change: accurate monitoring of various countries' performances is the starting point for defining a strategy aimed at limiting global warming to 1.5°C.

Below is the carbon footprint of our sovereign bond portfolio[52], based on the emissions produced within a specific country (so-called production-based approach).

52. The source for the carbon footprint is MSCI, who relies on data from the World Bank for GDP information and performs estimations on the level of emissions.

Perimeter (*) and metrics

	31/12/2023
Direct investments in sovereign bonds (€ bln)	94.1
Absolute emissions (production-based approach) - PPP GDP (mln tCO_2e)	12.9
Carbon intensity (production-based approach) - PPP GDP (tCO_2e/€ mln invested)	136.6
Coverage	99.9%

(*) The perimeter includes sovereign bonds only. Sub-sovereigns, supra-nationals, and municipals are excluded.

2. Real estate portfolio

The Group is committed to the gradual alignment of its portfolio of real estate assets with the 1.5°C scenario, according to the Carbon Risk Real Estate Monitor[53] (CRREM) methodology. With regard to these assets, managed by the Group's asset manager, Generali Real Estate (GRE), we committed, in line with the NZAOA initiative, to the development of a strategy for the decarbonisation of our assets by 2050, which envisages the gradual alignment of the real estate portfolio with the emissions intensity targets defined by the CRREM model. This long-term commitment is supported by the intermediate target of aligning at least 30% of the real estate portfolio with the global warming trajectory of 1.5°C by 2024 and is a natural consequence of the efforts already made by the Group over several years for a more sustainable management of its real estate assets.

GRE portfolio aligned to the CRREM pathway

71.4%

At the end of 2023[54], 71.4% of the portfolio is aligned with the CRREM decarbonisation pathway, allowing us to be well positioned in relation to the achievement of the target. Nevertheless, the alignment according to CRREM envisages carbon intensity levels that are more ambitious over the time, therefore a building currently aligned could be no more aligned in the next years.

Given the dynamism of the real estate portfolio, the Group monitors its portfolio and activates all applicable levers to guarantee the achievement of the target by 2024. The aim of the Group is to progressively increase this percentage in order to align almost all its assets to the 1.5°C trajectory.

A dedicated improvement plan for each real estate asset

The objective of aligning the total portfolio with the 1.5°C trajectory is an ambitious long-term plan that requires to understand the peculiarities of each building and to define an improvement plan. Within this scope, since 2022 an energy efficiency plan for the individual properties was defined also through the use of techniques of data analytics, with the aim of identifying the possible improvement actions and potential costs for the alignment of these properties with the decarbonisation target set for 2050 and with the Group's sustainability ambitions. This energy efficiency plan currently consists of € 24 billion and is annually presented and updated on the basis of the collected and estimated data. The suggested actions, which consider the main ways to reduce emissions and increase energy efficiency, range from renovations (light or heavy) to system upgrades, making changes to the energy mix and involving the tenants.

GHG emissions of GRE portfolio

190,824 tCO_2e -35.9%

GHG intensity of GRE portfolio

29.7 $KgCO_2e/m^2$ -26.3%

At the end of 2023[54], the level of greenhouse gas emissions of our real estate assets is 190,824 tCO_2e, equivalent to 29.7 $KgCO_2e/m^2$ of carbon intensity. The data on real estate CO_2e emissions are subject to continuous enhancements, due to coverage increase and improvements in the benchmarking methodologies used for CO_2e data estimation. The underlying data for such calculation derives from reported data, when available, or estimated data in other cases.

Since the availability of data related to real estate can often be a challenge, in order to accurately measure the initial levels of equivalent CO_2 emissions and the concomitant achievement of decarbonisation objectives, in 2019 GRE launched a data analytics project, which currently covers around 400 buildings in 10 countries throughout Europe, representing more than 80% of total Assets Under Management.

For these assets, the consumption data of existing buildings are collected and centralised on a digital platform, which automatically calculates greenhouse gas emissions and monitors their development.

53. A European Union-funded research project providing the real estate industry with science-based pathways for carbon emissions reduction in buildings.
54. The data is partly based on estimates that may vary over time depending on increased availability of actual data received at various times throughout the year.

3. Decarbonisation of infrastructure investments

The Group is a relevant investor in infrastructure projects. Such investments are particularly significant when considering their contribution to the fight against climate change. Indeed, through the construction of new infrastructure with a long life cycle, they can create conditions to better manage emissions in the next decades. Investments in clean energy and green infrastructure will reduce the level of greenhouse gas emissions in the coming years, while investment choices in heavily polluting technologies will generate negative impacts on the climate and the environment, putting the long-term target of limiting the temperature increase to 1.5°C at risk.
We invest in infrastructure projects mainly through Infranity, the Group's asset manager dedicated to this asset class. In line with the Group's commitment to limiting global warming to 1.5°C, Infranity joined the Net-Zero Asset Management Initiative with the objective of reducing its net greenhouse gas emissions to zero by 2050.

c. Investments in assets as driver of change

The Group invests in financial products aimed at directly and effectively supporting the fight against climate change and at creating a positive impact on society and the environment in general.
For this purpose, in 2021 we defined the new green, social and sustainable bond investments target.

Our strategy, Responsible investor, p. 46

d. Integration in the fight to climate change in active ownership policies and practices

In line with our dedication to decarbonise our investment portfolio, in 2023 our active ownership activities focused on encouraging investee companies to align with the Group's decarbonisation objectives and closely monitor their progress.
With regard to our ongoing dialogue initiatives with investee companies, we proceeded with the implementation of the five-year commitment we made in 2021 with the Net-Zero Asset Owner Alliance. This commitment involves engaging in constructive discussions with 20 investee companies whose net greenhouse gas emissions significantly influence our portfolios. So far, we have reached 27 investee companies with formal communications. We are dialoguing with 22 of them directly or through our delegated asset manager (9 individually and 13 collectively with other institutional investors and asset owners) and we are monitoring companies that have not responded to us.
In respect to the exercise of our voting rights, in line with the previous years, we have consistently backed proposals that meet our criteria while expressing concerns about climate plans that lack the necessary ambition, with particular focus to operating in highly polluting sectors (such as oil and gas). Over the course of 2023, we voted 87 climate proposals. We voted 12 climate plans proposed by the management (Say on Climate), opposing to 4 that did not meet our expectations. We supported 71 out of 75 shareholder proposals on climate reporting, climate lobbying, adoption of greenhouse emission targets, fossil fuel lending and underwriting, and just transition.
With regard to outreach initiatives in 2023, our efforts included joint open letters directed at investee companies to consistently include climate change resolutions on the agendas of their shareholders' meetings and the contribution to the drafting of a Net-Zero Asset Owner Alliance position paper detailing our expectations of oil and gas companies and carbon-intensive sectors.

e. Inclusion of decarbonisation specific requirements in the criteria of asset manager and fund selection

The Group included, among the asset and fund managers screening criteria, specific requirements related to decarbonisation, among which information related to one or more metrics of GHG emissions of the target funds and how climate change considerations (including portfolio decarbonisation) are integrated into the investment strategy.

Our strategy, Responsible investor, p. 51 for further information on the criteria of asset manager and fund selection

Generali awarded at the ESG Investment Leader Awards

Generali's commitment to sustainability and corporate social responsibility was recognised at the ESG Investment Leader Awards ceremony held in London on 2 November 2023.
The Group was awarded in the "Best Asset Owner Net-Zero Strategy of the Year" and "Best Asset Owner Social Responsibility, Diversity, and Inclusion Strategy of the Year" categories.

With reference to the first category, the award focused on the strategies for integrating CO_2 emissions reduction targets into investment policies to achieve carbon neutrality by 2050.
In reference to the second category, the award concerned the active ownership initiative that the Group is conducting towards the companies in which it invests, through dialogue and exercise of voting rights, in order to promote greater gender diversity and inclusion.

www.generali.com/media/News/2023/Generali-awarded-at-the-ESG-Investment-Leader-Awards
for further information

Assets managed promoting environmental and social characteristics or with sustainable investment objectives

In line with the Group's ambition, the Asset & Wealth Management (A&WM) business unit actively promotes the integration of sustainability factors into its investment decisions.
Following the entry into force of Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation - SFDR), financial products were evaluated based on their ESG profile and their ability to promote environmental and social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices (ex art. 8 SFDR), or to pursue sustainable investment as their objective (ex art. 9 SFDR).
The asset managers of the A&WM business unit are progressively strengthening the integration of sustainability factors into portfolio management services, also through the launch of financial products disclosed ex art. 8 SFDR or ex art. 9 SFDR.

As of 31 December 2023, the Assets Under Management (AUM) of the Group's multi-affiliate ecosystem, disclosed in accordance with art. 8 and 9 of the SFDR Regulation, totaled € 147.8 billion (34.1% of total Assets Under Management), compared to a value of € 85.2 billion as of 31 December 2022 (20.4% of total Assets Under Management). This increase (+73.4%) reflects both the launch of new financial products and individual portfolio management services with markedly ESG characteristics, and the transformation of part of the already existing product and portfolio offering.

Assets managed ex art. 8/9 SFDR[55]

€ 147.8 bln **+73.4%**

European Taxonomy

The European Union developed an ambitious strategy for sustainable development and the transition to a low-carbon economy, in line with the objectives of the 2015 Paris Agreement on climate, committing to becoming the first net-zero continent by the end of 2050. To achieve such objectives, the European Union is promoting investments in eco-sustainable activities with the use of both public and private resources. In this perspective, the European Commission adopted an initial Sustainable Finance Action Plan in 2018, where it defined a strategy for redirecting capital flows towards sustainable investments, in order to achieve a sustainable and inclusive growth.
In this context, the European Union established a significantly evolving, standardized system of classification of sustainable activities (known as EU Taxonomy), outlined in Regulation EU 2020/852, Delegated Regulation EU 2021/2139, Delegated Regulation EU 2022/1214, and Delegated Regulations EU 2023/2485 and 2023/2486, which define the criteria for determining whether an economic activity can be considered eco-sustainable in order to identify the degree of eco-sustainability of an investment. Activities that contribute to at least one of the following environmental objectives are considered eco-sustainable:
- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition towards a circular economy;
- prevention and control of pollution;
- protection of ecosystems and biodiversity;

provided that they do not cause significant damage to the other objectives (so-called DNSH principle) and that they are carried out in compliance with minimum safeguards in accordance with the art. 18 of Regulation EU 2020/852.

55. The scope of the indicator refers to assets managed by asset managers belonging to A&WM business unit (excluding the Banca Generali group) including both individual portfolio management services and collective investment schemes, disclosed in accordance with art. 8 and 9 of the SFDR Regulation.

According to the EU Taxonomy, insurance companies can contribute to EU climate objectives both by developing and offering insurance coverage to protect against climate change-related perils and by leveraging their role as long-term investors by reorienting capital flows towards eco-sustainable businesses and activities.

The instrument for the classification of economic activities is complemented by a mandatory disclosure regime for financial and non-financial undertakings, which provides for the inclusion of specific indicators regarding their contribution to the EU Taxonomy objectives. In particular, for disclosures relating to 2023, financial undertakings are required to provide for the first time the following EU Taxonomy alignment indicators in line with art. 7 of Delegated Regulation EU 2021/2178, based on the reporting templates of Annex X of the same Delegated Regulation limited to the objectives of climate change mitigation and adaptation, as recommended in the ESMA enforcement priorities of October 2023:

- the alignment indicator relating to non-life insurance economic activities

Aligned non-life insurance economic activities

3.0%

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- the alignment indicator for the proportion of investments aimed at financing or associated with activities aligned with the EU Taxonomy

Exposures in economic activities aligned on the basis of turnover

3.6%

Exposures in economic activities aligned on the basis of capital expenditure

4.9%

The Group has also considered the provisions of the reporting guidelines and communications published by the European Commission in December 2021[56], October 2022, and October 2023[57]. The Group also assessed the draft Commission Notice published on 21 December 2023, and deemed it to be only partly considered for the purposes of this reporting, e.g. the detailed representation of the premiums to cover climate perils within of multi-risk policies (so-called unbundling, FAQ 67).
The Delegated Regulation EU 2021/2178 also requires the reporting of qualitative information for companies in the financial sector, in accordance with Annex XI of the same Delegated Regulation.

Exposures to aligned, non-aligned but eligible, and non-eligible economic activities to the EU Taxonomy

At 31 December 2023 the total assets covered by the EU Taxonomy indicators were calculated as the difference between total assets of the Group[58], amounting to € 511,719 million, and exposures to central governments, central banks and supranational issuers (including cash and cash equivalents), which amounted to € 137,090 million (26.8% of total assets of the Group), as well as the sum of intangible assets, tangible assets (excluding self-used buildings), insurance activities, other financial activities and other assets, which amounted to € 32,693 million (6.4% of total assets of the Group). The assets covered by the EU Taxonomy indicators therefore were equal to € 341,937 million or 66.8% of total assets.

The approach adopted for calculating the indicators in 2023 was based on the following activities:
- we conducted the analysis of alignment with the EU Taxonomy on investments where the Group has direct control, in particular over real estate assets, evaluating, among others, their compliance with the applicable technical screening criteria (activity 7.7. Acquisition and ownership of properties in Annexes I-II of Delegated Regulation EU 2021/2139);
- the collection of data for alignment with the EU Taxonomy concerned also the non-financial undertakings that are counterparties of the Group's direct and indirect investments obliged to publish the Non-Financial Statement (NFS)[59], using the data relating to the EU Taxonomy made available by them during 2023[60] and provided by the data provider MSCI. We were thus able to identify the

56. *FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act?*
57. *Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets.*
58. For reporting purposes pursuant to Delegated Regulation EU 2021/2178, the Group reported performance indicators on balance sheet values, with the exception of real estate investments and instrumental properties for which the market value was considered, as it is more suitable to represent the value of properties connected to their degree of environmental sustainability. In accordance with art. 7.1 of Delegated Regulation EU 2021/2178.
59. Undertakings subject to the disclosure obligations set out in Articles 19a and 29a of Directive 2013/34/EU, including subsidiaries of another parent company fulfilling such obligation.
60. It should be noted that the data relating to the eligibility rate and alignment rate on the basis of turnover and capital expenditure published by the Group's investees refer only to activities in relation to climate change mitigation and adaptation and do not include the activities in relation to the other four environmental objectives described in EU Delegated Regulation 2023/2486 as they were not available at the time of drafting this document.

exposures to the specific aligned, non-aligned but eligible, and non eligible economic activities to the EU Taxonomy and described in Annexes I and II of Delegated Regulation EU 2021/2139[61];
- since public disclosure on alignment by financial issuers was not available, we collected only eligibility data published in accordance with art. 10 of Delegated Regulation EU 2021/2178 with reference to the financial undertakings that are counterparties of the Group's direct and indirect investments obliged to publish the NFS;
- where possible, we assessed the degree of alignment of indirect investments, using look-through data from the funds.

The aligned exposures totalled € 12,210 million (3.6% of total covered assets) on the basis of turnover and € 16,638 million (4.9% of total covered assets) on the basis of capital expenditure. The alignment indicators consist of:
- the value of direct and indirect investments aligned with the EU Taxonomy towards non-financial undertakings subject to the obligation to publish non-financial information, weighted by the share of turnover attributable to economic activities aligned with the EU Taxonomy of the companies benefiting from the investments for € 8,847 million, or
- the value of direct and indirect investments aligned with the EU Taxonomy towards non-financial undertakings subject to the obligation to publish non-financial information, weighted by the share of capital expenditure attributable to economic activities aligned with the EU Taxonomy of the companies benefiting from the investments for € 13,275 million

to which is added the value of real estate and infrastructural investments aligned with the EU Taxonomy for € 3,363 million.

Real estate portfolio

The Group leveraged the property management activities of Generali Real Estate (GRE) to analyze the compliance of properties with the technical screening criteria defined for activity 7.7 *Acquisition and ownership of properties* of Annex I-II of Delegated Regulation EU 2021/2139.

Substantial contribution to climate change mitigation

The presence of class A energy performance certificates (EPC) was considered or, alternatively, the inclusion of the property in the first 15% of the national building stock in terms of primary energy demand, comparing the performance of the property with those of the comparable national building stock built before 31 December 2020.
To this end, GRE compared property performance to the thresholds defined by property type and country developed by an external data analytics provider[62]. Furthermore, in the case of a large non-residential property, the presence of energy performance contracts or automation and control systems was verified.

Do No Significant Harm (DNSH principle)

With reference to the assessment of compliance with the principle of not causing significant damage to the objective of adaptation to climate change (Appendix A of Delegated Regulation EU 2021/2139), the Group estimated the financial impacts of physical phenomena (flood, storm, hail, and subsidence) on the value of properties and considering specific climate scenarios (RCP 4.5 and 8.5).

Challenges and opportunities of the market context, p. 26 for information on the Clim@risk model for assessing the impact of the risk deriving from climate change on the Group's real estate portfolio

For properties for which a material impact of climate factors was estimated, the Group has identified the most suitable adaptation measures to reduce such risks.

Minimum safeguard guarantees

The Group verified compliance with the requirements of the minimum safeguards in carrying out its activities, with particular reference to companies exercising ownership over properties.

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We considered among the exposures in economic activities eligible but not aligned with the EU Taxonomy real estate investments not aligned with the technical screening criteria, mortgage loans guaranteed by residential property and the eligible and non-aligned share of turnover and capital account communicated by non-financial issuers. Furthermore, the eligibility quota communicated by financial issuers was classified as eligible but not aligned within the reporting template required by the regulation, since public disclosure on alignment by financial issuers was not available.

61. It is Delegated Regulation on climate objectives: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, by establishing the technical screening criteria for determining under which conditions an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
62. The benchmark is publicly available on Deepki's website (index-esg.com/) for further details.

In line with Delegated Regulation EU 2021/2178, we considered among the exposures in economic activities not eligible for the EU Taxonomy investments in active derivative instruments, cash and cash equivalents (excluding those with central banks) and investments in undertakings not subject to the obligation to publish non-financial information.
Active derivatives, which amount to € 1.041, represent 0.3% of total covered assets, while cash and cash equivalents (excluding those with central banks), which amount to € 6.492, represent 1.9% of total covered assets. To date, these exposures cannot be assessed for eligibility in line with Delegated Regulation EU 2021/2178 and the communication of the European Commission of October 2022.
With regard to exposures in undertakings not subject to the obligation to publish non-financial information, as an official data source at community level that allows to identify such companies is not yet available, we used the indication provided by MSCI based on a reference perimeter defined by the Centre for European Policy Studies (CEPS). In particular, also on the basis of the information provided by the data provider, undertakings not obliged to publish non-financial information include European undertakings excluded from the scope of application of articles 19a and 29a of Directive 2013/34/EU which did not provide data relating to EU Taxonomy eligibility, issuers belonging to third countries, and alternative investments, mainly private equity, as they are towards unlisted issuers.
Such assets amounted to € 86,378 million (25.3% of total covered assets).

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		**The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:**	
Turnover-based (%)	3.6%	Turnover-based (€ million)	12,210
Capital expenditures-based (%)	4.9%	Capital expenditures-based (€ million)	16,638
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		**The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.**	
Coverage ratio (%)	66.8%	Coverage (€ million)	341,937

Additional, complementary disclosures: breakdown of denominator of the KPI

The percentage of derivatives relative to total assets covered by the KPI.		**The value in monetary amounts of derivatives.**	
Percentage of derivatives relative to total assets covered by the KPI (%)	0.3%	Monetary amount (€ million)	1,041
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		**Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings (%)	17.7%	For non-financial undertakings (€ million)	60,396
For financial undertakings (%)	7.6%	For financial undertakings (€ million)	25,981
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		**Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings (%)	15.2%	For non-financial undertakings (€ million)	52,086
For financial undertakings (%)	5.6%	For financial undertakings (€ million)	19,175
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		**Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings (%)	24.2%	For non-financial undertakings (€ million)	82,705
For financial undertakings (%)	11.3%	For financial undertakings (€ million)	38,520
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		**Value of exposures to other counterparties and assets:**	
Percentage (%)	13.8%	Monetary amount (€ million)	47,096
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities (*):		**Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities (*):**	
Percentage (%)	48.6%	Monetary amount (€ million)	166,158
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI (**):		**Value of all the investments that are funding economic activities that are not Taxonomy-eligible (**):**	
Percentage (%)	80.2%	Monetary amount (€ million)	274,167
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI (**):		**Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned (**):**	
Percentage (%)	15.9%	Monetary amount (€ million)	53,335

(*) In line with the draft Commission Communication of 21 December 2023, the Group considered the value and share of financial investments, identifiable in the systems used, as different from financial investments held in relation to life insurance contracts in which the investment risk is borne by the policyholder.

(**) In accordance with ESMA recommendations which require not to edit the regulatory template, the values represent an arithmetic average of the indicators based on turnover and capital expenditure.
Investments in economic activities that are not Taxonomy-eligible amount to € 270,925 million (79.2% of covered assets) on the basis of capital expenditure and € 277,409 million (81.1% of covered assets) on the basis of turnover.
Investments in Taxonomy-eligible economic activities, but not Taxonomy-aligned amount to € 54,363 million (15.9% of covered assets) on the basis of capital expenditure and € 52,307 million (15.3% of covered assets) on the basis of turnover.

Additional, complementary disclosures: breakdown of numerator of the KPI

The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		**Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
Turnover-based (%) for non-financial undertakings	2.6%	Turnover-based (€ million) for non-financial undertakings	8,847
Capital expenditures-based (%) for non-financial undertakings	3.9%	Capital expenditures-based (€ million) for non-financial undertakings	13,275
Turnover-based (%) for financial undertakings	0.0%	Turnover-based (€ million) for financial undertakings	-
Capital expenditures-based (%) for financial undertakings	0.0%	Capital expenditures-based (€ million) for financial undertakings	-
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		**Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:**	
Turnover-based (%)	2.4%	Turnover-based (€ million)	8,323
Capital expenditures-based (%)	3.6%	Capital expenditures-based (€ million)	12,334
The proportion of Taxonomy-aligned exposures to other counterparties and activities in over total assets covered by the KPI:		**Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:**	
Turnover-based (%)	1.0%	Turnover-based (€ million)	3,363
Capital expenditures-based (%)	1.0%	Capital expenditures-based (€ million)	3,363

Breakdown of the numerator of the KPI per environmental objective

Taxonomy-aligned activities - provided "do-not-significant-harm" (DNSH) and social safeguards positive assessment:

Climate change mitigation	
Turnover-based (%)	3.6%
Capital expenditures-based (%)	4.8%
Transitional activities (Turnover %)	0.0%
Transitional activities (CapEx %)	0.1%
Enabling activities (Turnover %)	0.7%
Enabling activities (CapEx %)	1.3%
Climate change adaptation	
Turnover-based (%)	0.0%
Capital expenditures-based (%)	0.1%
Enabling activities (Turnover %)	0.0%
Enabling activities (CapEx %)	0.0%

The Group has established and monitored the process of implementing the latest European legislative provisions, particularly with regard to the requirements introduced by Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector (known as Disclosure Regulation) and Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investments (known as EU Taxonomy Regulation).

The Group has also updated the framework for the integration of sustainability factors into the investment policies as asset owner, in line with the commitments described in the Generali Group Strategy on Climate Change updated in June 2022 and to encourage the investments necessary to achieve the objectives of the European Green Deal of net-zero GHG emissions by 2050, committing to making the investment portfolio net-zero by 2050.

The adoption of the EU Taxonomy represents an important step to ensure the transparency of investments in activities considered as environmentally sustainable. In order to increasingly integrate information from the EU Taxonomy into its framework for the incorporation of ESG criteria into investments, the Group is carefully assessing the availability and quality of the data retrievable on the market. Once issuers make available the information about their sustainable activities in line with the six environmental objectives outlined by the EU Taxonomy, this will provide a comprehensive overview of their sustainability strategy in both current terms (revenues from sustainable activities) and prospective terms (capital expenditure from sustainable activities). Consequently, the Group will be able to enhance its investment and product strategies with such information.

Exposures to economic activities related to nuclear and fossil gas

In line with Delegated Regulation EU 2022/1214, we report the share of exposures to economic activities in certain energy sectors (gas and nuclear) according to Annex XII of the aforementioned Regulation.

Template 1 - Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) - CAPEX-based						Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Turnover-based					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4	0.0%	4	0.1%	0	0.0%	8	0.0%	8	0.2%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	1	0.0%	1	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**16,633**	**4.9%**	**15,603**	**4.6%**	**253**	**0.1%**	**12,201**	**3.6%**	**11,530**	**3.4%**	**35**	**0.0%**
8	**Total applicable KPI**	**341,937**	**100%**	**0**		**0**		**341,937**	**100%**	**0**		**0**	

Template 3 - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) - CAPEX-based						Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Turnover-based					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4	0.0%	4	0.0%	0	0.0%	10	0.1%	10	8.3%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**16,633**	**100%**	**15,603**	**0.0%**	**253**	**100%**	**12,201**	**99.9%**	**11,530**	**91.7%**	**35**	**100%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI (*)**	**16,638**	**100%**	**16,047**	**100%**	**253**	**100%**	**12,210**	**100%**	**12,567**	**100%**	**35**	**100%**

(*) The indicators may differ from the aligned total reported in *Template - The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments*, as the exposures have been weighted on indicators on the numerator of the alignment KPIs.

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) - CAPEX-based						Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Turnover-based					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%	Amount (€ million)	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of taxonomy-eligibile but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	1	0.0%	0	0.0%	1	0.0%	1	0.0%	0	0.0%
4	Amount and proportion of taxonomy-eligibile but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19	0.0%	19	0.5%	0	0.0%	42	0.0%	42	1.2%	0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	40	0.0%	40	1.2%	0	0.0%	57	0.0%	57	1.7%	0	0.0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	5	0.0%	5	0.2%	0	0.0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**54,304**	**15.9%**	**0**	**0.0%**	**0**	**0.0%**	**52,201**	**15.3%**	**0**	**0.0%**	**0**	**0.0%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**54,363**	**15.9%**	**0**	**0.0%**	**0**	**0.0%**	**52,307**	**15.3%**	**0**	**0.0%**	**0**	**0.0%**

Template 5 - Taxonomy non-eligible economic activities

Riga	Attività economiche	Amount CAPEX-based (€ million)	Percentage CAPEX-based	Amount Turnover-based (€ million)	Percentage Turnover-based
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	1	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.0%	6	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	2	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**274,160**	**80.2%**	**274,160**	**80.2%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**274,167**	**80.2%**	**274,167**	**80.2%**

NFS

Responsible insurer

As a responsible insurer, we committed on three main goals:

01

Increasing gross direct written premiums by 5-7% CAGR by 2024 in relation to the insurance solutions with ESG components: social sphere - aimed at targeted clients or promoting responsible behaviour and healthy lifestyle - and environmental sphere - for instance promoting mobility with reduced environmental impact, offering protection against climate events, and supporting the energy efficiency of buildings.

02

Gradually decarbonising the insurance portfolio to reach net-zero GHG emissions by 2050.

03

Strengthening the focus on SMEs through the SME EnterPRIZE project and the integration of sustainability into our customer value proposition.

01 Insurance solutions with ESG components

Insurance solutions, by their very nature, have a high social and environmental value, as they concretely respond to customers' pension and protection needs and to the growing requirements of society, contributing to make it more resilient in relation to changes and adversities.
Coherently with its commitment as a responsible insurer, the Group developed an internal framework to identify those existing insurance solutions that, more than others, have environmental and/or social components, contributing to create shared value with all the stakeholders. These insurance solutions offer coverage and services to clients with habits, behaviours or activities that respect the environment, as well as any specific needs for support, protection and/or inclusion, also from a social perspective. In the meantime, we also developed insurance solutions with investment components with the aim of positively contributing to environmental and/or social dimensions..

Group's performance, p. 106 for further information on premiums

Contributing to facing climate change, respecting ecosystems, integrating welfare systems are just some of the topics we want to answer to. Whenever possible, we do it by encouraging habits and behaviours towards healthier and more aware lifestyles, favouring risk prevention and reduction rather than focusing solely on the compensation.

To provide transparency to our stakeholders, we report on the amount of premiums deriving from insurance solutions with ESG components and are progressively moving our definitions towards those of national and supranational regulators, thus taking into account the regulatory changes that are currently underway.

Within the *Lifetime Partner 24: Driving Growth* strategy, the Group confirms its commitment to developing insurance solutions with ESG components, as defined by our internal framework, increasing our premiums by a 5-7% CAGR (2021-2023) increase.

Premiums from insurance solutions with ESG components[63]

€ 20,815 mln +7.4% (CAGR 2021-2023)

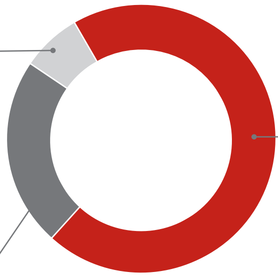
Premiums from insurance solutions with ESG components - social sphere[63]

€ 18,228 mln +6.9% (CAGR 2021-2023)

Premiums from insurance solutions with ESG components - environmental sphere[63]

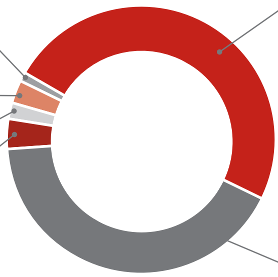
€ 2,587 mln +11.9% (CAGR 2021-2023)

Premiums from insurance solutions with ESG components - social sphere



- **Products aimed at targeted clients/events:** products aimed at enabling and enhancing social inclusion, focusing on the disadvantaged and vulnerable sector of the population, like the young, the elderly, the disabled, the migrants. To this category also belong those products that respond to specific negative life events, such as disability, loss of independency, unemployment, dread diseases, etc., or to different lifestyle needs subsequently, for instance, to the termination of the employment relationship.
- **Health products providing pay-out or services:** products that integrate or supplement the public health service, designed to help manage the costs of treatment and assistance, as well as the reduction in earnings of customers in the event of serious illnesses or the loss of self-sufficiency.
- **Products promoting responsible behaviours or investing also in ESG components:** products that promote responsible and healthy lifestyles, leveraging on the opportunities provided by new technologies, the importance of preventive healthcare or other virtuous behaviours of policyholders. To this category also belong those Life investment products that allow customers to invest insurance premiums into financial assets also with ESG components.

Premiums from insurance solutions with ESG components - environmental sphere



- **Mobility:** products offering coverages and services dedicated to sustainable mobility and/or with reduced environmental impact, including coverages offered to customers that, thanks to their driving style, can contribute to reducing CO_2 emissions. This category includes insurance products dedicated to electric and hybrid vehicles, and those rewarding low annual mileage and responsible driving behaviour, also thanks to the use of telematics, or those designed for other means of transport, such as bikes, scooters, etc..
- **Risk reduction:** products specifically designed to answer to coverage needs against natural and climate risks. Risk prevention and reduction represent a key factor in these cases.
- **Renewable energies:** products covering risks connected with the production of renewable energies. These kinds of products are designed to cover equipment for the production of renewable energy, to guarantee reimbursement of damage caused by atmospheric events to solar and photovoltaic panels, or similar systems, which can be integrated with guarantees to protect against loss of profit deriving from the interruption or decrease of the production of electricity.
- **Pollution liability/Own damages:** products targeting sudden and accidental pollution, such as third party liability policies. These solutions, for instance, provide reimbursement of expenses for urgent and temporary interventions aimed at preventing or limiting the recoverable damage. In some countries, the restoration of the polluted site is guaranteed in order to protect environment and biodiversity.
- **Energy efficiency:** products supporting the certified measures taken to improve the energy efficiency of buildings. In some cases, consultancy is provided to customers to identify possible solutions for optimizing energy consumption, thus reducing the environmental impact.
- **Circular economy:** products supporting companies dealing with materials recovery/recycling and/or start-ups that manage shared services platforms, etc..

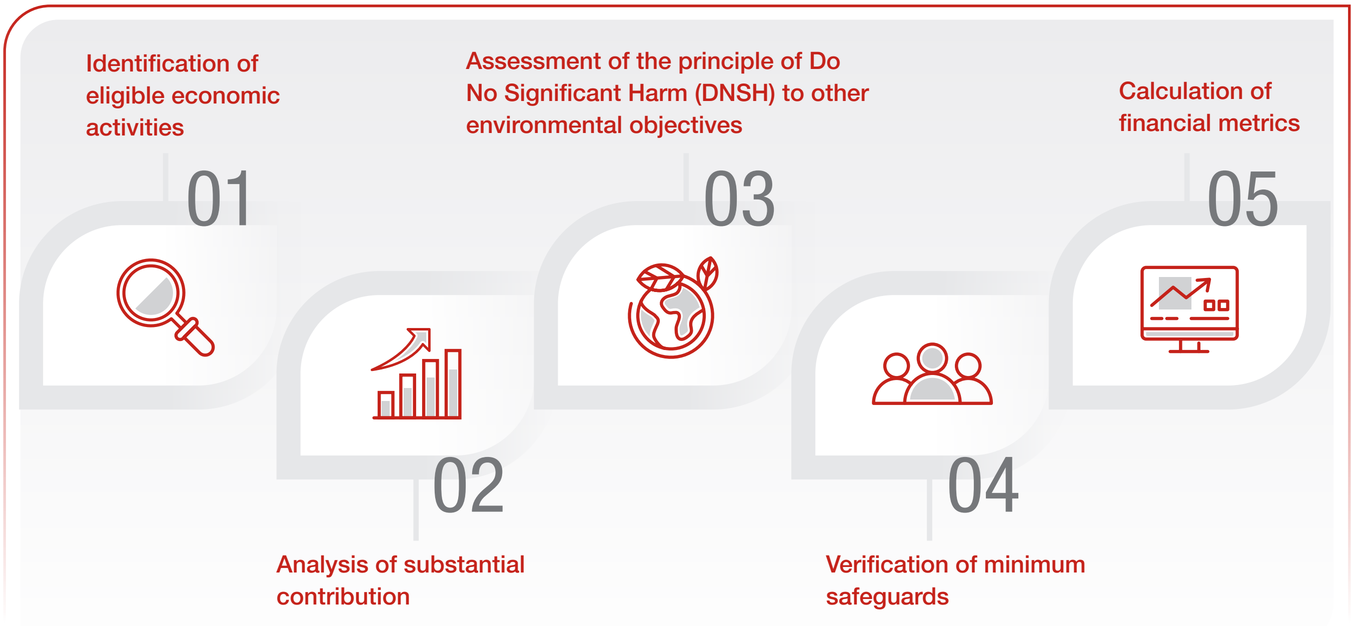
63. *Insurance solutions with ESG components* is a definition used for internal identification purposes. Premiums from insurance solutions with ESG components - social sphere and environmental sphere refer to consolidated companies representing 96.2% of the Group's total gross direct written premiums, excluding the corporate & commercial business. The change was on equivalent terms, i.e. at constant exchange rates and consolidation scope.
As for premiums from insurance solutions with ESG components - environmental sphere, the premium from multi-risk policies covering NATCAT events only refers to the NATCAT guarantee. If the premium cannot be split into green-related component and other components, only the premium from the policies which are predominantly providing a green coverage or service is reported.

European Taxonomy

The European Union has established a significantly evolving, standardized system of classification of sustainable activities (known as EU Taxonomy), outlined in Regulation EU 2020/852 and its related Delegated Regulations, which define the criteria for determining whether an economic activity can be considered environmentally sustainable in order to identify the degree of eco-sustainability of an investment.

Our strategy, Responsible investor, p. 57 for further details

Pursuant to art. 7 of Delegated Regulation EU 2021/2178 of the European Commission[64], we reported the indicator linked to non-life insurance activities below.



01. Identification of eligible economic activities

EU Taxonomy-aligned non-life insurance business refers to the provision of insurance products, within certain lines of business[65], covering climate-related perils and compliant with the technical screening criteria defined for the activity 10.1 *Non-life insurance: underwriting of climate-related perils* of Annex II of Delegated Regulation EU 2021/2139 of the European Commission[66], by Group companies compliant with the minimum safeguards.

In line with Delegated Regulation EU 2021/2178, we report the gross premiums of the P&C segment - limited to the eligible lines of business - connected to insurance policies in line with the EU Taxonomy and collected by Group companies compliant with minimum safeguards. In consideration of the provisions of the reporting guidelines and communications published by the European Commission in December 2021[67], October 2022 and October 2023[68], the Group considered eligible premiums as the total gross written premiums attributable to the lines of business, among the eight lines listed in Delegated Regulation EU 2021/2139 of the European Commission, which includes at least a policy explicitly providing coverage of climate-related perils defined by the EU Taxonomy. For the purpose of this report, the identification of such policy was based on the assessment of policy terms and/or conditions relating to catastrophe risk coverage[69]. The lines of business included were: other motor insurance; marine, aviation and transport insurance; fire insurance and other damage to property insurance.

64. It is the Delegated Regulation on disclosure pursuant to the EU Taxonomy: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, specifying the content and presentation of information to be disclosed by undertakings subject to Article 19a or Article 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, as well as specifying the methodology to comply with this disclosure obligation..
65. Annex II of Delegated Regulation EU 2021/2139 of the European Commission identifies the following lines of business: medical expense insurance; income protection insurance; workers' compensation insurance; motor vehicle liability insurance; other motor insurance; marine, aviation and transport insurance; fire insurance and other damage to property insurance; and assistance.
66. It is Delegated Regulation on climate objectives: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, by establishing the technical screening criteria for determining under which conditions an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
67. *FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act?*
68. Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (first and second Commission Notice). Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that substantially contribute to climate change mitigation or climate change adaptation and do no significant harm to any other environmental objective.
69. Although the coverage of catastrophe risks concerns both climate-related perils and other catastrophe events, the risk of considering eligible the premiums attributable to policies that only cover other catastrophe events is limited, in light of the features of the Group's products.

02. Analysis of substantial contribution

a. Leadership in modelling and pricing of climate risks

The Group launched a pricing initiative to improve climate risk modelling.
Several methodologies have been identified and described in the Natural Catastrophe Technical Pricing Blueprint released to all companies. They are based on extensive use of external NAT CAT models, which are enriched with historical company data when needed. If such data were not available, internal models are used whenever possible (e.g. for atmospheric events considering daily Copernicus meteorological data).
These methodologies adequately reflect the risk deriving from climate change, as they do not only use historical losses, but also forward-looking scenarios.

Challenges and opportunities of the market context, p. 26 and Notes, Information about climate change for further detail on how we integrate climate change into our models

b. Product design

The Group encourages the adoption of adaptation measures and preventive actions by the insured, reflecting the reduction of climate risks at the level of policy terms and conditions. Preventive actions can be defined as structural measures and services implemented ex-ante by the insured in the event of a loss, which reduce the insured's physical exposure to climate risks by reducing the probability or severity of a climate-related loss. The use of adaptation measures is currently more widespread for corporate customers, leveraging risk assessment activities and insurance contracts that are typically customized compared to business towards private individuals and small and medium-sized enterprises, which is more standardized.

c. Innovative insurance coverage solutions

We offer modular solutions that cover climate-related risks based on customer needs. The insured's needs for climate-related risk coverage and how the insurance product responds to such demand are documented at the product level in the product development process.

d. Data sharing

The Group makes a significant part of the data on losses related to climate risks available to public authorities in order to improve research and policies for adaptation to climate change by providing a level of granularity of information sufficient for the use declared by the respective institutions.

www.generali.com/sustainability/responsible-insurer for the request of data about losses related to climate risks

e. High level of service in post-disaster situation

Group companies are required to activate adequate claims flow management systems in the event of catastrophic events (e.g. Generali Italia's *Generali Qui per Voi* service)[70], in compliance with the Claims Management Group Guideline for Extremely Large Losses (ELLs), which also includes NAT CAT events.

03. Assessment of the principle of Do No Significant Harm (DNSH) to other environmental objectives

The assessment ensures that the insurance does not cover the extraction, storage, transportation or production of fossil fuels nor the insurance of vehicles, property, or other assets used for such purposes.
With reference to fossil fuel-related activities, since 2018 the Group has been applying restrictions to clients for coal-related activities, avoiding new underwriting and reducing the existing exposures.
Moreover, the Group does not insure clients for both conventional and unconventional oil and gas upstream activities. With regard to the unconventional tar sands and fracking oil and gas sectors, the exclusions also apply to the midstream segment.

Our strategy, Responsible insurer, p. 72 for further details

04. Verification of minimum safeguards

The minimum safeguards are introduced by the articles 3 and 18 of Regulation EU 2020/852 to ensure that companies carrying out environmentally sustainable activities in accordance with the technical screening criteria of the EU Taxonomy respect certain minimum governance standards and do not violate social norms.
To ensure compliance with regulatory requirements, companies are required to conduct their activities consistently with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and

70. During the flood event in Emilia-Romagna and Marche, Generali, together with the companies of Country Italy, launched extraordinary measures to support customers and agents. In particular, for the speedy management of claims, the interventions envisaged by the *Qui per voi* catastrophe event management model were activated immediately.

rights established by the eight fundamental conventions identified in the International Labor Organization Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. In implementing these procedures, companies are also required to respect the principle of not causing significant damage (DNSH) referred to in art. 2, point 17), of Regulation EU 2019/2088 (Sustainable Finance Disclosure Regulation).

The Group conducted an in-depth analysis of its activities with particular reference to issues relating to human rights, corruption, competition, taxation, and exposure to the controversial weapons sector. To ensure compliance with the minimum safeguards, on the one hand, it has been verified that the policies and guidelines adopted by the Group companies comply with the requirements of the regulatory frameworks and reflect the Group's commitment to the issues mentioned above and, on the other hand, that a process of risk assessment and identification of remediation procedures is carried out if significant risks are identified.

Our rules for running business with integrity, p. 86 for further information on the relevant policies and procedures

05. Calculation of financial metrics

Considering the draft Commission Notice published on 21 December 2023[71], in the case of multi-risk insurance contracts, the Group reported only the portion of premiums relating to the coverage of climate-related risks, adopting a specific methodology to calculate the key indicator.

The Group estimated the reinsured and retroceded component of aligned premiums, identifying the climate component of retroceded premium within the gross premiums, based on the catastrophe models used.

EU Taxonomy-aligned non-life insurance activities

3.0%

Template: The underwriting KPI for non-life insurance and reinsurance undertakings

	Substantial contribution to climate change adaptation				DNSH (Do No Significant Harm)					
	Economic activities	Absolute premiums, year t	Proportion of premiums, year t	Proportion of premiums, year t-1	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
		Currency (€ million)	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1	**Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)**	**929**	**3.0%**	**n.a.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
A.1.1	Of which reinsured	174	0.6%	n.a.	Y	Y	Y	Y	Y	Y
A.1.2	Of which stemming from reinsurance activity	4	0.0%	n.a.	Y	Y	Y	Y	Y	Y
A.1.2.1	Of which reinsured (retrocession)	1	0.0%	n.a.	Y	Y	Y	Y	Y	Y
A.2	**Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**	**12,482**	**40.1%**	**n.a.**						
B.	**Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities**	**17,708**	**56.9%**	**n.a.**						
Total (A.1 + A.2 + B)		**31,120**	**100%**	**n.a.**						

71. *Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy eligible and Taxonomy-aligned economic activities and assets (approved in principle).*

In the recent edition of the Group's Non-Life Underwriting and Reservation Policy and related guidelines, as well as in the Group's Product Control and Governance Policy, the obligation to comply with the technical screening criteria was introduced for all newly issued products relating to the eligible lines of business (other car insurance; marine, aeronautical and transport insurance; fire and other property damage insurance) and which provide guarantees/coverage for climate-related perils.

In continuity with the previous year, we also confirm our participation to the working groups promoted at national and European level for a continuous and fruitful discussion on issues connected not only to the processes of integration of the EU Taxonomy in product development, but also to the sharing of best practices (for example, risk prevention and reduction actions) for a correct assessment of the alignment of the insurance business with the provisions of the regulation.

Generali and the United Nations Development Program (UNDP) launched a partnership to reduce the protection gap for communities around the world living in vulnerable contexts, through access to insurance and risk financing.
The aim is to increase visibility on these issues and establish how the insurance sector can promote the safety of SMEs in developing countries. They are developing loss prevention guidelines dedicated to SMEs operating in vulnerable contexts, exploiting the potential of data, knowledge, and understanding of risks.
Generali and UNDP are developing loss prevention guidelines dedicated to SMEs operating in vulnerable contexts, exploiting the potential of data, knowledge and understanding of risks.
Through their collaboration, Generali and UNDP align themselves with the objectives of the InsuResilience Vision 2025, which plans to reach 500 million vulnerable people, offering coverage against climate shocks and natural disasters, to cover 150 million vulnerable people through microinsurance solutions, and to place insurance innovation at the center of the Sustainable Development Goals and the United Nations 2030 Agenda.
In the coming months, UNDP and Generali will present the first guidelines on parametric insurance aligned with the criteria of the SDG Agenda, which will be followed by Generali's commitment to supporting parametric solutions in support of the United Nations Sustainable Development Goals.
The loss prevention guidelines, which will be presented in the coming months, will be hosted by an online platform that will offer businesses advice on how to protect their business in the face of climate challenges.

In addition to contributing to the climate change adaptation objective, the Group's insurance underwriting activities also aim to contribute to its mitigation. In fact, in line with the *Lifetime Partner 24: Driving Growth* strategy, in which sustainability represents one of its characterizing elements, Generali is committed to playing a leading role in the transition process towards zero greenhouse gas emissions even through the development of renewable energy sources. Within the Group, we developed and shared a best practice which, together with a technical risk assessment and loss prevention tool, will be used to underwrite the specific risks of the renewable energy sector (photovoltaic panels) for the SME segment. This best practice is added to those aimed at supporting the energy efficiency of buildings or those aimed at promoting sustainable mobility.

Our strategy, Responsible insurer, p. 66

NFS

02 Insurance exposure to fossil fuel sector

The Group has individually undertaken a stringent exclusion policy towards companies operating in the fossil fuel sector, with the ambition to bring greenhouse gas emissions attributable to the insurance portfolio to net-zero by 2050.

www.generali.com/sustainability/our-commitment-to-the-environment-and-climate for further details included in the Generali Group Strategy on Climate Change - technical note

Since 2018, the Group has adopted specific restrictions on the underwriting of coal-related activities to support its commitment to removing its already minimal insurance exposure towards this sector; the phase-out will be reached by 2030 for clients located in OECD countries and by 2038 in the rest of the world. In relation to this goal, since January 2022, we made the exclusion criteria even stricter by lowering the technical thresholds for defining coal-related clients. Furthermore, regardless of these exclusion thresholds, we have committed to no longer offering insurance coverage for the construction of new coal mines or new coal-fired thermal power plants and new coal-dedicated transport infrastructure. In the coming years, we will gradually lower the exclusion thresholds until our insurance exposure to this energy sector will be zero.

The exclusion rules are applied to both new and existing clients in the portfolio. Clients who exceed exclusion thresholds and were already in the portfolio before their implementation are subject to assessment in order to evaluate their decarbonisation and coal phase-out policies. If these policies are not in line with Generali's strategy, in agreement with the clients themselves, insurance exposures to these coal assets are not renewed.
On a like-for-like basis, insurance exposure to the fossil fuel sector is decreasing compared to last year. Even considering the inclusion in scope of the recent acquisitions in India and Malaysia, the downward trend compared to 2018 is confirmed: insurance exposure to the fossil fuel sector at the end of 2023 amounts to less than 0.1% of premiums related to the P&C portfolio.

Residual insurance exposure to coal-related business[72]

< 0.1% of the P&C portfolio

Historically, the Group does not provide insurance coverage to its clients for risks associated with both conventional and unconventional oil and gas exploration and production activities, including their expansion.
In relation to the unconventional sectors of tar sands and oil and gas extracted through fracking, restrictions also apply to the midstream supply chain.
Therefore, we have no material exposure to this sector.

Insurance exposure to oil and gas-related business[73]

0.0% of the P&C portfolio

72. The indicator refers to direct premiums from property, engineering and marine coverage of coal assets related to companies of the coal sector.
73. The indicator refers to direct premiums from underwriting risks related to oil and gas (conventional and unconventional) exploration/extraction (upstream segment) and midstream infrastructure of oil and gas extracted through fracking and/or from tar sands, if not marginal to the client's core business (less than 10% of the value of covered assets).

03 SME EnterPRIZE

Launched in 2019, the aim of the project is to support European Small and Medium Enterprises (SMEs) in their transition to a socially and environmentally sustainable business model, and it is a concrete display of Generali's intent to promote and strengthen the public and private debate on two main topics:

- the key role of sustainability in supporting the real economy, facilitating SMEs' long-term success as well a quicker recovery during crisis;
- the essential need to involve SMEs in the process of sustainable transition in Europe. SMEs represent 99%[74] of European businesses and employ two thirds of all private sector employees: supporting their sustainable transformation means helping Europe create a greener, more inclusive and more resilient economy. In recent years, the massive impacts on the real economy, caused first by the Covid-19 crisis and more recently by the conflict in Ukraine, with the resulting energy crisis, inflation and increasing cost of living, have required an even bigger effort from public institutions and the private sector.

With the aim of showcasing and increasing awareness regarding these topics, Generali has renewed its commitment to promoting the SME EnterPRIZE initiative also within its *Lifetime Partner 24: Driving Growth* strategy, pursuing these goals also in 2023 by creating a dedicated international event, during which the most successful stories of sustainability integration in the business models of European SMEs were presented. They were drawn from over 7,600 SMEs from the ten countries involved in the project (+1 compared to 2022)[75].
The event was held at the end of November in Brussels attended by representatives of the European Commission and Parliament, and also this year it contributed to promote the key elements of the SME EnterPRIZE project:

Sustainability Heroes

These are ten European SMEs selected on a local level and belonging to different economic sectors[76], which have more successfully integrated sustainability into their business models, in the two categories envisaged by the project (Environment and Social). Furthermore, two out of the ten Heroes received a special mention by an international Advisory Board[77], which awarded them for their innovative business models. The presentation of these enterprises at the event in Brussels allowed the spread of good business practices, as well as being a source of inspiration for other European entrepreneurs involved in the sustainable transition.

White Paper

Generali sponsored research conducted by SDA Bocconi (Milan), which in 2023 examined SMEs' strategic approach to sustainability, taking into account the current context, the availability of financial instruments necessary to facilitate the transition, the main obstacles they face to integrate sustainable practices into their business models, as well as their expectations towards institutions. Furthermore, the paper includes elements aimed at supporting European institutions in defining their policies on sustainability. In 2023, all these topics were delved into from the SMEs' perspective, thanks to a survey carried out by Bocconi University on about 1,200 European SMEs in nine European countries.

Participation of institutions

The involvement of members of the European Parliament and Commission and representatives of the academic world and private sector in the project, helping to promote the need to join forces to support the sustainable transition of European SMEs, is an important milestone for us. The initiative is also supported by a partnership between Generali and CEA-PME, a confederation of voluntarily associated small and medium-sized enterprises (SMEs), representing 2.4 million SMEs in Europe.

www.sme-enterprize.com for further information

www.sme-enterprize.com/white-paper to consult the document

74. *European Commission Executive Agency for Small and Medium-sized Enterprises (EASME) Annual Report on European SMEs 2018/2019 Research & Development and Innovation by SMEs November 2019 on Eurostat's Structural Business Statistics (SBS) data.*
75. Austria, Croatia, Czech Republic, France, Germany, Hungary, Italy, Portugal, Slovenia and Spain.
76. Agrifood (1); Construction (1); Food (1); Geoinformatics (1); Manufacturing (1); Services (3); Social businesses (1); Telecommunications (1); Textile (2).
77. Comprised by 4 members, including representatives from the European institutions, NGOs, and the academic world.

Responsible employer

For Generali, being a Responsible employer means embedding sustainability within all people processes, enabled by a Group People Strategy focused on enhancing a Lifetime Partner, sustainable and meritocratic culture, building a diverse, equitable and inclusive work environment, continuing to invest in upgrading the skills of our employees, and enabling an effective organization that embraces sustainable hybrid work models.

This will also be achieved through a change management program targeting all organizational levels, because the success of Generali's sustainable path depends on its people.

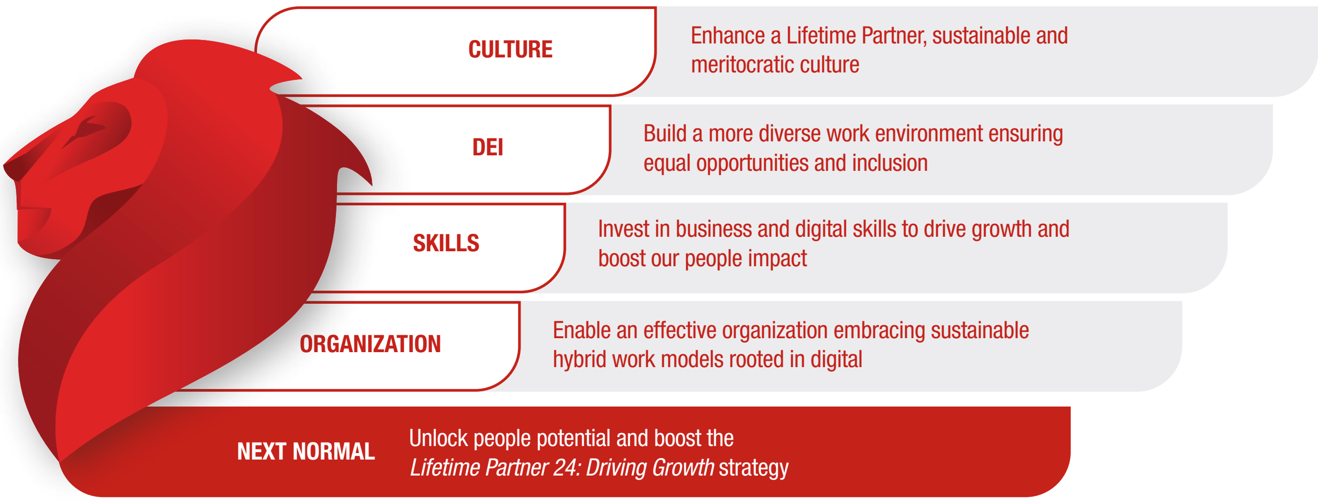
Our people
81,879 -0.2%

Women
41,800 +0.9%

Men
40,079 -1.4%

GPeople24 - Ready for the Next

Consistently with the Group's strategic plan, we have developed the Generali People Strategy, GPeople24 - Ready for the Next, which guides key priorities and initiatives for the period 2022-2024. GPeople24 has been defined through a co-creation process which, through a blended virtual and in-person approach, involved hundreds of colleagues around the world, at different organizational levels and from all business units.
With the goal of unlocking the potential of our people and boosting the *Lifetime Partner 24: Driving Growth* strategy through the implementation of the Next Normal, four priorities have been defined, supported by dedicated global and local initiatives, along with clear and continuously monitored indicators and ambitions.



The Group has a framework for assessing and managing operational risks inspired by international best practices and adhering to the provisions of the Solvency II directive. As part of the assessment conducted annually by Group companies, risks that may impact on the area pertaining to our people have been identified and punctually analyzed, and the initiatives implemented with the aim of mitigating these risks have been evaluated. In particular, the areas of analysis have covered the following categories:

- employment relationships, with a particular focus on key people and business ethics;
- occupational safety;
- discrimination, diversity and inclusion;
- new skills and competencies necessary for the realization of the Group's strategy.

The assessment was confirmed as satisfactory, also in light of the initiatives implemented under *GPeople 2024 - Ready for the Next* and the centrality of our people in the Group's strategy.

Enhance a Lifetime Partner, sustainable and meritocratic culture

Generali wants to be a sustainable Group in which everyone feels valued, included and ready to better face the future, cultivating responsible and motivated talents and leaders. To do so, we aim to develop an environment that values sustainability, reinforces a customer-centric Lifetime Partner mindset, and promotes a meritocratic culture.
Our cultural framework, based on Lifetime Partner Behaviours, together with our values and purpose will continue to be our pillar in the Next Normal and will lead us to support the *Lifetime Partner 24: Driving Growth* strategic plan in a sustainable way.

www.generali.com/who-we-are/our-culture for further information on our culture

GENERAL GLOBAL ENGAGEMENT SURVEY AND GLOBAL PULSE SURVEY

To measure and promote the engagement of our people, in 2021 we carried out the fourth edition of the Generali Global Engagement Survey. Starting from those results, each business unit has addressed the improvement opportunities emerged, identifying 428 local engagement actions. As of January 2024, 93% of these actions have been launched, with the ambition to implement 100% of them by the end of 2024.

As part of *GPeople24 - Ready for the Next*, we decided to enhance our employees listening approach with a more active and regular interaction, increasing the moments to stay in touch with and receive input from our people. For this reason, in 2022 we introduced the Global Pulse Survey, conducted on an annual basis in the period between each edition of the Global Engagement Survey, which takes place every three years. Therefore, in 2023 we ran the second edition of the Global Pulse Survey.

GLOBAL PULSE SURVEY 2023

- ~ **72,000** INVITED EMPLOYEES
- ~ **170** ORGANIZATIONAL ENTITIES
- ~ **63,000** RESPONDENTS
- \+ **50,000** OPEN COMMENTS RECEIVED

Engagement rate[78]

83%

-1 p.p. compared to 2022

-1 p.p. compared to the market benchmark

MANAGERIAL ACCELERATION PROGRAM (MAP) AND MAP2THENEW

To ensure that all people managers are equipped with essential skills to effectively lead their teams, global managerial training programs have been launched and successfully completed by all 8,000 people managers within the Group. The Managerial Acceleration Program and MAP2TheNew programs are based on Lifetime Partner Behaviours and GEM principles, emphasizing trust, ownership, meritocracy, and accountability, and are also available at local level for the new people managers.
The current need to adapt to dynamic contexts and challenges, embrace innovation and new technologies, and foster sustainability and inclusion has increased. This is why we are developing a new managerial program set to launch in 2024.

WE SHARE 2.0

In order to promote a meritocratic environment that fosters alignment with strategic goals and people's participation in the value creation process, since 2019 Generali developed and launched We SHARE, the first share plan of its kind for Group employees.
Based on the high employee participation in the first edition of the plan and to further promote our culture of ownership, in April 2023 the Shareholders' Meeting approved a new share plan.
In continuity with the previous edition, the new We SHARE 2.0 plan provides employees with the opportunity to purchase Assicurazioni Generali shares at favourable conditions within a protected framework, awarding them additional free shares in case of share price appreciation.

78. It is a measure that summarizes people's belief in company goals and objectives (rational connection), their sense of pride (emotional connection) and their willingness to go the extra mile to support success (behavioral connection). It is an index composed by the average result of six specific questions included in the Group Engagement Surveys. The index refers to the Group companies that decided to join the Global Pulse Survey 2023, representing 87.6% of total employees. The market benchmark refers to Willis Towers Watson's European HQ Financial Services Norm.

NFS

In this new edition, with the aim to embed the Group's climate strategy objectives and to make the new plan more effective with respect to the current market context, some enhancements have been introduced:
- the introduction of an ESG goal connected to the CO_2 emissions reduction;
- the allocation of additional free shares linked also to the new ESG goal;
- the broadening of the exercise period, assessing the share price appreciation condition up to 3 times instead of 1;
- the allocation, in case of share price depreciation, of free additional shares linked to the dividends distributed, if the Net Holding Cash Flow goal is reached.

The We SHARE 2.0 plan, having a duration of indicatively 3 years, was launched in June 2023 and over 23,400 Group employees from more than 30 countries joined it.
Also in this new edition, Generali renewed its support to The Human Safety Net Foundation by making a donation for each employee joining the plan, with the opportunity for participants to do the same. This is a demonstration of the Group's commitment towards the shared purpose of enabling people to shape a safer and more sustainable future by caring for their lives and dreams.
We SHARE 2.0 is a tangible sign of Generali's drive to promote across the Group employee engagement towards the achievement of strategic objectives, a culture of ownership and empowerment, and their participation in Group sustainable value creation.

TALENTS' GROWTH

To drive Generali's growth in today's increasingly challenging economic and geopolitical scenario, there's a need for effective leaders and promising talents, which is why we continuously invest in their development. Being a role model for the Group, talents require the necessary technical and managerial skills and right mindset to successfully implement business transformation, incorporate sustainability, and act swiftly to drive innovation, DEI, and cultural evolution in the Next Normal.
Therefore, we always strive to provide development opportunities to our talents, which include both new generations and senior leaders, to support them in leading people and organizations, ensuring our business results for long-term competitiveness. In July 2023, an intensive external and internal listening activity was completed involving all the business units: in order to effectively respond to current business needs and future priorities, a strong convergence emerged about the need to evolve the way we define, identify and develop talents. To enhance the potential of our people and concretely support their careers, we continued to promote and strengthen our global internal mobility platform (We GROW).
The goal of We GROW is to accelerate the growth of our Group talents as future leaders of Generali through diversified international and cross-functional professional experiences, empowering them to take responsibility for their own career development.
Moreover, we have continued to strengthen our leadership development proposals for our leaders, through the launch of:
- 360° feedback survey: a leadership development tool to further develop leaders' self-awareness within the Group, enhance their decision-making abilities in uncertain situations, and encourage them to act as role models, promoting an inclusive work environment.
- Leadership Program 2023: a 5-day program in partnership with MIT to explore the challenges and opportunities of the new macroeconomic context, embrace innovative work paradigms, and delve into relevant topics such as sustainability, Generative AI, and new technologies through a mix of interactive lectures and visits to leading companies in the Boston and Cambridge business hub.

Build a more diverse work environment ensuring equal opportunities and inclusion

Diversity, Equity and Inclusion (DEI) are fundamental for our Group to promote a welcoming, respectful, safe and supportive environment where people feel free to express their best selves and unleash their potential. For this reason, DEI is an integral part of the way we work and do business every day and is supported by a structured governance and an annual monitoring process designed to support countries and business units in assessing the progress and impact of specific actions needed to achieve the Group's ambitions.

DIVERSITY

In terms of our commitment to fostering an increasingly diverse work environment, we focused on two main areas: gender diversity and generational diversity.

With regard to gender, we aim to maintain a balanced distribution within the Group. In addition, we have a clear ambition to increase the presence of women in strategic positions, reaching 40% at Group level by the end of 2024, and to increase the presence of women in managerial roles.

NFS

Women in strategic positions[79]

34.8% +5.4 p.p.

We continue to be committed both at Group and local level to a series of concrete initiatives in order to reach our ambition.
Thanks to the two editions of our programs targeting senior women managers (Lioness Acceleration Program) and managers (Elevate), we supported more than 50 women through training, coaching, and formalized mentoring and sponsorship programs, fostering their development and career progression to nurture the Group's leadership pipeline. In 2023 we launched TOGETHER, our first global Women & Allies network aimed at fostering an equitable culture across the organization and increasing awareness around gender equality. The network, open to all employees and accessible on We LEARN, aims at creating space and opportunities for women, allies and colleagues to learn and encourage the advancement of skills and growth as professionals and human beings. It seeks to increase collaboration, build relationships, recognize achievements, and enhance interpersonal and organizational understanding and awareness. The main objective of the network is to ensure that diverse perspectives are considered and shared: the pivotal role of allies stands as an indispensable cornerstone in our pursuit of gender equality, recognizing and celebrating the valuable contributions of both women and their allies to realize our ambitions.
TOGETHER hosted a series of events on several topics (e.g. allyship, limiting beliefs, personal brand, key role of gender equality in sustainability) and trainings (speak-up, negotiation for women & allies), involving people from all over the Group, Generali CEOs and leaders, who shared their views and experiences.
In addition to these Group initiatives, approximately 100 actions were implemented locally, including women mentoring programs, development acceleration and return-to-work after maternity leave initiatives, development activities with external partners (Valore D, PWN, Capital Filles, FinŽeny), scholarships and job orientation events dedicated to female students in STEM subjects.

Regarding generational diversity, we aim to ensure balance and coexistence among the different generations in the Group, promoting the exchange of expertise at all levels to attract, retain and engage our people. For this reason, we celebrated at Group level the closure of the first edition of our Reciprocal Mentoring Program, involving more than 400 employees with different levels of experience, aimed at enhancing the know-how of our people and promoting intergenerational dialogue and an international mindset.
The Future Owners program, targeting talents from all over the world with a maximum of 7 years of professional experience, continued to provide training, mentoring, networking initiatives, as well as international cross-functional projects until June 2023, when more than 200 participants came together with senior leaders in a virtual event to celebrate achievements and discuss future challenges.
These programs are complemented by more than 50 locally launched actions, including generational awareness workshops, cross-generation cooperation initiatives, reverse mentoring programs, employer branding activities for talents and programs focused on more experienced colleagues.

www.generali.com/sustainability/responsible-employer/diversity-and-inclusion for further details

EQUITY

We are committed to having fair processes in order to ensure access to equal opportunities for all Group employees throughout their work experience. In addition, we work to ensure that there is no discrimination and that any institutional barriers or unconscious biases are eliminated to enhance the potential of each person so that they can fully contribute to the success of our Group.
Together with our European Works Council (EWC), the body representing more than 60,000 employees within the EU perimeter of the Group, we signed the Joint Declaration on Diversity, Equity & Inclusion, representing the follow-up of the former Joint Declaration on D&I of 2019.
The new document acknowledges and promotes diversity, equity and inclusion within our Group to foster a workplace that values and respects equal opportunities and cultivates people's sense of belonging. We aligned the document with our new DEI strategy's priorities, introducing the concept of equity to highlight the importance of fair processes and opportunities for all. Furthermore, we reaffirmed our commitment to fostering a speak-up culture, where our people are encouraged to voice their concerns and report any instances of inappropriate behaviour. Lastly, we decided to dedicate a mention to the existence and the value of Employee Resource Groups (ERGs), our employee-led groups whose aim is to foster a diverse and inclusive workplace aligned with the organizations they serve.

79. The indicator refers to women in Group Management Committee (GMC) and Generali Leadership Group positions and their first reporting lines. The delta was calculated on data at year-end 2022, which was restated due to the inclusion of positions in companies previously excluded.

NFS

To accelerate the pace of transformation, we have launched the DEI Engagement Program, a change management program which engages multiple stakeholders - GMCs, CEOs, GLGs, the whole Group DEI Council and our HR Community - to reflect on diversity, equity & inclusion. The program focused on leveraging neuroscience research findings to explain why DEI matters and how unconscious bias impacts decisions across multiple processes, as well as on sharing practical examples of impactful best practices.
All the above-mentioned initiatives carried out at Group level are complemented by more than 50 local actions aimed at promoting equity in the workplace.

Gender balance and pay equity

In order to promote a culture based on gender balance and pay equity, since 2020 specific analyses have been conducted at local level by applying a common methodology for the Group, focusing on equity in terms of the gender pay gap for same work or work of equal value (equal pay gap) and across the entire organization, regardless of roles (gender pay gap).
In 2023, we consolidated our advanced data analytics model based on multiple regression and worked to further improve the results in terms of equal pay gap, continuing to monitor the results of gender pay gap and accessibility gap to variable remuneration.

Equal pay gap[80]
0.9% -0.7 p.p.

Gender pay gap[80]
14.5% +2.0 p.p.

Accessibility gap to variable remuneration between males and females[80]
2.0% +0.3 p.p.

Compared to 2022, the equal pay gap result has improved, i.e. the difference between males' and females' base salary for the same work or work of equal value decreased by 0,7 p.p.. The result of gender pay gap and the accessibility gap to variable remuneration increased respectively by 2.0 p.p. and 0.3 p.p., due to the inclusion of new companies in the analysis.

Report on remuneration policy and payments for further details

Based on the results of the analyses, all countries and business units will continue to develop specific actions at local level, with the aim of structurally reducing the gender pay gap and supporting our ambition to achieve an equal pay gap towards zero in the strategic cycle 2022-2024. These actions include initiatives aimed at having a positive impact on gender balance and pay equity, both locally and in relation to the Group's diversity, equity and inclusion strategy.
In order to support countries and business units on this path, an annual recurring monitoring process is in place in order to assess improvements throughout the entire organization and the impact of the actions taken and to prevent the gaps from arising in the future.

INCLUSION

We promote mindsets, behaviours, processes and practices that fully embrace all the diverse identities in our organization: genders, sexual orientations, ages, abilities, cultures, ethnicities, opinions, personal characteristics, to create an environment where everyone can unleash their full potential and feel valued, respected and able to contribute their talents to the innovation, growth and success of our business.
This goal is achieved through a series of initiatives and actions aimed at strengthening an increasingly inclusive corporate culture. The areas of intervention concern awareness raising initiatives, communication campaigns and trainings, as well as concrete projects aimed at accompanying the evolution of our Group.

Our communities and Employee Resource Groups (ERGs) play a fundamental role in raising awareness and fostering dialogue. Our Group Diversity, Equity, and Inclusion Community of Practice (CoP), which comprises over 300 members, aims to bridge the gaps between functions and geographies. Through its activity, the community raises awareness about DEI topics, shares internal and external best practices, scales up local projects, and co-creates innovative initiatives. This year, the CoP organized multiple events covering topics such as gender equality, inclusive language, and disability inclusion. Additionally, it facilitated various listening sessions to promote dialogue, identify employee needs and desires, and create moments of mutual support.

80. The indicators refer to all consolidated line-by-line companies or aggregated business units with more than 200 employees, excluding a few exceptions due to business or local context peculiarities.

NFS

Our Group benefits from two global ERGs: TOGETHER - our Women & Allies network - and WeProud - the LGBTQI+ ERG established in 2020, which now boasts about 1000 members. WeProud continues to raise awareness on inclusion topics and advocate for LGBTQI+ rights. This year, with their support, Generali participated in the 2023 Pride Month celebrations, joining for the first time the Milano Pride Parade. Together with numerous local initiatives launched across the Group, this commitment demonstrated our dedication to raising awareness and advocating for inclusion in our workplace, recognizing and valuing our diverse identities and uniqueness.
In addition to the two global ERGs, there are over 20 local ERGs focused on DEI topics, including gender, LGBTQI+, cultures, parenthood, and disability. These ERGs serve as vital platforms, fostering a sense of belonging and community among employees who share similar backgrounds or identities. Within these groups, employees find a supportive environment that encourages networking, facilitating valuable connections and collaborations across different departments, ultimately making ERGs a precious source of constant inputs to foster innovation.

An important role is played by the Beboldforinclusion and Disability Week campaigns. These initiatives are orchestrated at Group level and consist of internal and external communication campaigns as well as a simultaneous organization of events in all business units attended by the respective CEOs. At Group level, our Beboldforinclusion campaign valued all Generali DEI ERGs and communities to celebrate our people's commitment towards networking and inclusion, while we celebrated the International Day of Persons with Disabilities, sharing our public pledge to promote disability inclusion both within our organization and across the broader business community. We also organized a dedicated session for our Diversity, Equity and Inclusion Community of Practice, promoting reflections on the broad spectrum of disabilities and providing inspiring best practices in disability management.
We continued to support the inclusion of the diverse abilities of our employees, promoting workplace accessibility and inclusive practices so that persons with disabilities feel able to contribute their talents on an equal footing with their colleagues. In this regard, we proudly created our Accessibility Manifesto, a guide that establishes the leading principles to provide our stakeholders with accessible digital products, and we carried out an accessibility assessment of our global digital assets to comply with regulatory requirements. Since 2022, the Group is also member of Valuable 500, a global collective of 500 CEOs, whose mission is to use the power of global business to drive lasting change for all people living with a disability. Thanks to the international reach, network and best practices of Valuable 500, we participated in Generation Valuable, a program aimed to address the gap in disability talent at all levels by creating an opportunity for leaders to support future executives with disabilities. In addition, all business units have implemented a series of actions on disability at local level, including initiatives to improve accessibility, specific training projects, as well as the establishment of partnerships with companies and associations aimed at identifying persons with disabilities to be involved in job shadowing programs and training internships.

In 2023 we organized a second edition of our DEI Talk, an event open to all employees with the aim of establishing an open dialogue with the leadership specifically on strategy, ambitions and actions related to diversity, equity and inclusion.
The Group's initiatives are complemented by more than 300 locally organized inclusion actions, including communication campaigns on unconscious bias, awareness raising programs, corporate wellness activities, numerous collaborations with LGBTQI+ associations and disability associations.

Invest in business and digital skills to drive growth and boost our people impact

We provide our people with the knowledge and tools to continue to grow and support strategic business priorities in a sustainable way, enabling them to define their own customized training path based on their specific needs.

Considering the total training available to Group employees, all of them were involved in at least one training program.

Average training hours per capita[81]

34.4 +7.3%

Training investment[81]

€ 61.7 mln +2.0%

The average training hours per capita increased due to the launch of new training programs at a global level (e.g. Strategic Learning Campaign on Sustainability) and locally in different geographies.
Total training investment increased mainly due to a growth in in-person learning, which is more expensive than digital training, as well as the launch of new training programs both at a global and a local level.

81. The indicators refer to consolidated line-by-line companies, excluding a few limited exceptions due to business or local context peculiarities. They represent 98.4% of total employees.

NFS

The sustainable ambition to become a Lifetime Partner to our customers, the ever-changing external environment and the accelerating path of diffusion of new technologies require us to continue to invest in building and evolving core competencies for transformation through innovative approaches.
We will continue to invest, providing our people with cutting-edge skills to drive growth and transformation and make a difference in the new digital era, enabling us to thrive in the Next Normal and increase the impact and employability of our people.

We launched and implemented an upskilling journey that in three years time will reach 70% of our employees on a new catalogue of skills, competencies, and behaviours - with a renewed focus on sustainability and data-driven innovation.

Upskilled employees[82]

68% +33 p.p.

The Group's extensive upskilling program aims to equip our people with the new business, digital and behavioural skills needed to continue to grow in the digital age, succeed in the future market environment and support the Group's strategic priorities. It is based on the following components, whose content is constantly evolving:

- strategic workforce planning: improve the approach to strategic workforce planning to gain a clearer understanding of the new roles and capabilities needed to successfully execute the Group Strategy and activate consistent HR action plans to drive upskilling, sourcing, and reskilling;
- upskilling: provide our employees with the latest and most relevant skills to perform best in their current or new role by launching new courses and adopting a new skills assessment solution;
- Global Strategic Learning Campaign: spread awareness of the Group Strategy, strengthen a customer-centric mindset, promote sustainability at the core of everything we do, and spread the adoption of new ways of working;
- professional learning ecosystem: expand our learning ecosystem through the creation of collaborations with highly specialized partners, such as the Data Science & Artificial Intelligence Institute, with the aim of conducting research initiatives and fostering increased knowledge and contamination in machine learning, data science and artificial intelligence;
- Learning Organization culture: build a learning organization culture in which people feel responsible for their upskilling journey, taking advantage of the enhanced features of the We LEARN platform, new devices such as the mobile app, and benefiting from a hybrid approach to learning, both virtually and gradually physically.

These training initiatives arise from a strong collaboration between the Group Academy and the Group's business units. They also draw on a network of more than 500 internal experts involved in providing content, developing learning objects (e.g. videos and interviews), and conducting classes, in addition to collaborating with key external suppliers. The We LEARN Champions, which are ambassadors spread across 50 countries and business units, support participation and engagement in training through activation initiatives and Group learning sessions.

To ensure a common learning experience, the We LEARN platform - successfully implemented in more than 40 countries - is based on the best cloud technology solutions and aims to provide employees with Group-designed content, enabling comprehensive coverage of different types of training and emerging technologies (e.g. playlists, communities, and external and customized digital training offerings). We LEARN is key to meet the Group's upskilling ambitions, but it is also an open strategic setup to meet country-specific training needs.

In the current context of Next Normal and continuous change, training on digital and transformation skills is even more strategic and a priority for the Group; therefore, the training effort through We LEARN has been accelerated and the scope of employees involved in each course has been higher compared to the previous strategic cycle. The focus on innovation and digital transformation taking place in the current environment has led to a profound renewal of the Group's training activities. Training has been focused on digital transformation skills and reorganized, particularly through virtual classes and digital modules, coupled with a return to in-person training where appropriate.

82. Participation in the program derives from a managerial choice of each Group company. The indicator, therefore, refers to 75.4% of total employees.

NFS

Enable an effective organization embracing sustainable hybrid work models rooted in digital

In line with its vision and with the principles inspiring the strategic plan, Generali is continuing to optimize its organizational assets with the ultimate goal of maintaining and strengthening its ability to adapt and evolve, seizing emerging opportunities through an agile, effective, and digitally-enabled organization.
In this context, Generali is continuously fine-tuning its Next Normal, based on hybrid, flexible, and sustainable work models, enhancing the potential of our people, boosting the ambition of the business strategy, and delivering benefits to all the stakeholders involved.
Our Next Normal Manifesto and its seven Group key principles, which outline our vision and incorporate our Lifetime Partner Behaviours, are successfully guiding Generali in shaping the future of our ways of working across all relevant dimensions.
The ambition to have 100% of our Group's organizational entities implementing hybrid work models inspired by the Group's principles, already achieved in 2022, was confirmed in 2023.

Entities working hybrid[83]

100% 0.0 p.p.

The Generali Global Pulse Survey 2023 confirmed Generali's people's positive attitudes towards hybrid work models in the Next Normal, with an overall favourable score of 84% in the relative Next Normal survey section; furthermore, 97% of respondents affirmed that the team's performance and the company's ability to innovate increased or remained stable while working hybrid.

During 2023 there was a total resumption of in-person work while maintaining the possibility of benefiting from the technological capabilities made available by the Group and its subsidiaries to carry out remote connections and hybrid meetings. This allowed social dialogue to remain at a high level of interlocution.
We held seven meetings with the European Works Council at the permanent forum dedicated to social dialogue. Confirming the centrality of people in our strategy and in line with the path undertaken during and after the pandemic, which led to the rethinking of the organization of work to adapt to a new normal context, in February 2023, a Joint Declaration on the new sustainable way of working in a Next Normal scenario was co-signed with the EWC. This declaration contains a series of principles aimed at promoting, among others, sustainable ways of working based on trust and empowerment as well as work-life balance and enhanced Group performance. Finally, in November 2023, a further Joint Declaration on Diversity, Equity & Inclusion was defined, integrating the previous declaration on D&I signed in 2019.

Our strategy, Responsible employer, p. 77 for further information on the Joint Declaration on Diversity, Equity & Inclusion

www.generali.com/our-responsibilities/Generali-people-strategy/social-dialogue for further details

Our commitment to the decarbonisation of our operations

As a responsible employer, the Group is working to measure and reduce the carbon footprint of its operations, demonstrating consistency with what is also required to insured and financed companies.
Looking at best market practices based on climate science, we are committed to reducing scope 1, 2 and 3 GHG emissions related to Group offices, data centers and corporate mobility by at least 35% by 2025 compared to levels measured in 2019, using the GHG Protocol in the market-based approach for scope 2. This reduction will be pursued through innovation and space optimisation projects related to workplaces, improving energy efficiency and leveraging the purchase of 100% electricity generated from renewable sources, where available. Finally, the share of hybrid and electric vehicles in the company car fleet will be increased.

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83. The indicator refers to consolidated line-by-line companies, excluding a few limited exceptions due to business or local context peculiarities.

NFS

BUILDINGS

PURCHASE OF RENEWABLE ELECTRICITY

SPACE OPTIMIZATION AND BUILDING EFFICIENCY

HYBRID WORK

MOBILITY

ELECTRIFICATION OF THE COMPANY CAR FLEET

REDUCE BUSINESS TRAVEL

INCREASE TRAIN TRAVEL OVER FLIGHTS AND PRIVATE CARS

PAPER

ENHANCE DIGITALIZATION AND PAPERLESS SOLUTIONS

REDUCE PAPER CONSUMPTION

In the medium and long term, the Group will continue with the reduction of residual emissions, setting the ambitious goal of reaching net-zero status by 2040 through carbon removal projects aligned with the most reliable protocols, the emerging regulations, and the latest scientific information.

GHG emissions from Group operations (Scope 1, Scope 2 and Scope 3)[84]

90,366 tCO_2e **-33.4% vs 2019 (baseline)**

GHG emissions from Group operations[84]

Key Performance Indicator (tCO_2e)	Definition	2019 (baseline)	2023	Change 2019/2023
Scope 1 (A)	Scope 1 emissions are direct GHG emissions that occur from sources controlled or owned by Generali (for example, emissions associated with combustion in heaters and company fleet vehicles).	47,977	36,052	-24.9%
Scope 2 (market-based) (B)	Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling. These emissions are generated by the energy suppliers of the Generali. The difference between market-based and location-based emissions is that the former is based on the electricity that Generali has chosen to purchase, while the latter is based on the carbon intensity of the local electricity grid.	21,858	13,597	-37.8%
Scope 2 (location-based)		75,172	54,991	-26.8%
Scope 3 (*) (C)	Scope 3 emissions are all indirect GHG emissions (not included in Scope 2) that occur in Generali's value chain, including upstream and downstream emissions.	65,855	40,717	-38.2%
TOTAL (A + B + C)		**135,690**	**90,366**	**-33.4%**

(*) Including the following categories from the GHG Protocol: Category 1 *Purchased Goods and Services*, Category 3 *Fuel- and energy-related activities*, Category 5 *Waste generated in operations*, Category 6 *Business Travel*. Category 15 *Investments is accounted in Our strategy, Responsible investor*.

www.generali.com/sustainability/our-commitment-to-the-environment-and-climate for further details and updates

Electricity purchased from renewable sources[85]

87.1% **+5.0 p.p. vs 2019 (baseline)**

Electricity purchased from renewable sources[85]

Key Performance Indicator	2019 (baseline)	2023	Change 2019/2023
Electricity purchased from renewable sources (MWhel)	119,936	87,415	-27.1%
Renewable electricity out of total purchased electricity (%)	82.1%	87.1%	+5.0 p.p.

The Group pursues its commitment to convert all its electricity supply contracts to certified renewable energy. The trend shown in the table documents the reduction in energy use and the simultaneous increase in the share of renewable energy, which in 2023 is the 87.1% of the total, up 5.0 p.p. from the baseline.

84. GHG emissions are calculated in accordance with the GHG Protocol - Corporate Accounting and Reporting Standard and represent 100% of the Group's workforce linked to emission sources in operational control (85.8% measured and 14.2% extrapolated). The measured data represent the following organisational units: Argentina, Austria, Bulgaria, Banca Generali, Chile, Croatia, Czech Republic, Europ Assistance, France, Germany, Greece, Hungary, India, Italy, Poland, Portugal, Romania, Slovakia, Slovenia, Serbia, Spain and Switzerland. The GHG emissions of organisational units not included in this list have been extrapolated. The growth of the reporting perimeter (+6.8% in terms of the Group's workforce compared to 2022) made it necessary to restate the entire trend from 2019. The gases included in the calculation are CO_2, CH_4 and N_2O for combustion processes and all climate-altering gases reported in the IPCC AR4 for other emissions (long-lived greenhouse gases - LLGHGs).
85. Electricity purchased from renewable sources accounts for 85.8% of the Group's workforce, referring to the same measured organisational units for GHG emissions. The growth of the reporting scope made it necessary to restate the entire trend starting in 2019.

NFS

Responsible citizen

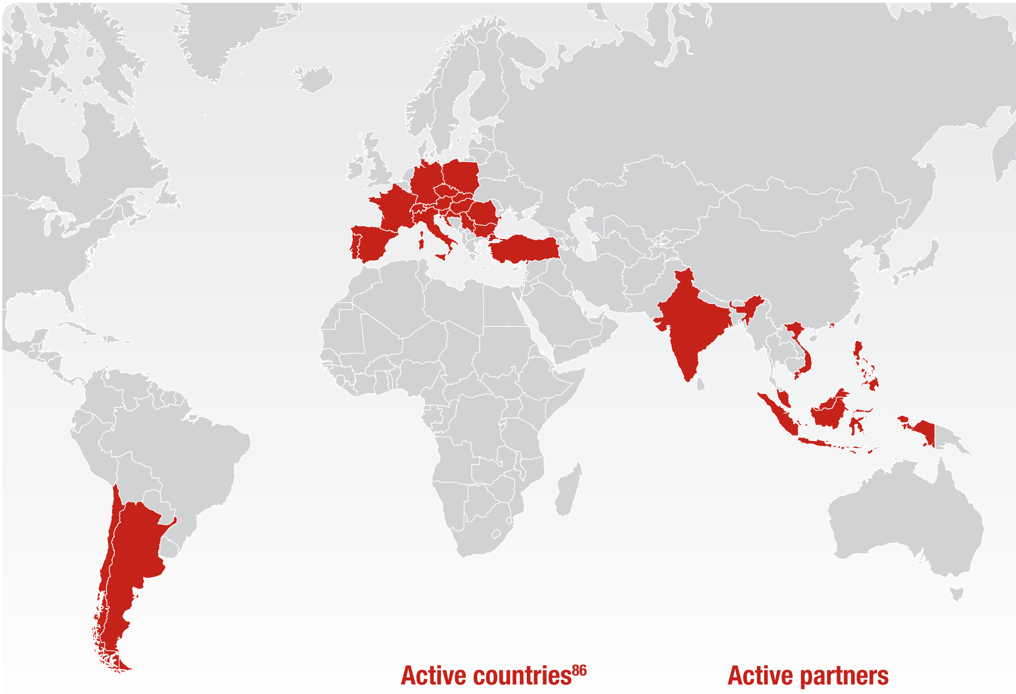
As a responsible citizen, we want to further enhance the activities of The Human Safety Net by working with our people and promoting voluntary activities..

The Human Safety Net is a social innovation hub for the community dedicated to unlocking the potential of people living in vulnerable conditions, improving their lives and those of their families and communities. Since 2017 it brings together most of the Group's social impact activities and is connected to our purpose by extending it beyond our customers to the most vulnerable in our communities.
It is a vital component of Generali's commitment to sustainability and to the achievement of the Sustainable Development Goals. To support more people and impact their lives, The Human Safety Net mobilises Generali's network of employees and agents, activating their expertise and their financial and technical resources towards common goals. Its two programmes support families with young children (0-6 years) and contribute to including refugees through employment and entrepreneurship. It also works with a network of NGOs and social enterprises that share the same mission.
To support the transition of these organisations on a national or regional scale, replicating models with the most significant social impact, since 2020 The Human Safety Net implements Scale-Up Impact, a multi-year initiative that, in partnership with other actors of public, private and social sectors, promotes the development of high-impact and replicable projects.
Given the intention to build an open network with global actors, The Human Safety Net continues to carry out its activities in collaboration with numerous co-funding partners, including, but not limited to, VISA Foundation, Fondazione Italiana Accenture, JPMorgan Chase Foundation, Hogan Lovells, helping to amplify the impact of our programmes through financial contributions, in-kind contributions, and pro-bono consultancy.
The Human Safety Net aims to impact one million lives by 2027. The goal of generating a long-lasting transformation in people's lives is the guiding star that steers all the activities within The Human Safety Net's community. The aim is to forge deep partnerships, based on co-creation and extending beyond grant-making, by mobilising the resources and capabilities of organizations, as well as by promoting public private partnerships. This is also done by exploring innovative ways corporations can leverage their core business for social impact.

Following internal guidelines, each Group company can activate one or both programmes by carefully selecting its partner through a thorough due diligence process. All activities and impacts achieved are monitored within a shared measurement framework which tracks collective results and triggers mutual learning based on the Business for Societal Impact (B4SI) international standards.

NFS

- ARGENTINA
- AUSTRIA
- BULGARIA
- CHILE
- CROATIA
- CZECH REPUBLIC
- FRANCE
- GERMANY
- HONG KONG
- HUNGARY
- INDIA
- INDONESIA
- ITALY
- LUXEMBOURG
- MALAYSIA
- PHILIPPINES
- POLAND
- PORTUGAL
- ROMANIA
- SERBIA
- SLOVAKIA
- SLOVENIA
- SPAIN
- SWITZERLAND
- TURKEY
- VIETNAM



Active countries[86]

26 +8.3%

Active partners

77 0.0%

For Families

We support parents living in vulnerable contexts during the first six years of their children's lives to build a solid foundation for their future.

For Refugees

We support the inclusion of refugees in host countries through employment and entrepreneurship.

After a thorough restoration work supported by Generali, the Procuratie Vecchie in Piazza San Marco, Venice, opened its doors to the public for the first time in its 500 years' history. The third floor hosts the Home of The Human Safety Net.
In 2023, the Home of The Human Safety Net has been involved in over 100 international events to meet and discuss social impact issues with some of the biggest names of the social impact world, such as Porticus, European Venture Philanthropy Association (EVPA), UNICEF, and Vital Voices, positioning itself as a hub for unique events and bringing together the worlds of art, social impact, activism, and philanthropy. The restored Procuratie Vecchie, open six days a week, is becoming an important centre for the local community where partners deliver workshops, meetings, and activities for children.

Over the next years, we aim to further extend the impact and reach of The Human Safety Net in communities. We will accelerate our impact on several fronts by:
- engaging Generali employees, particularly through the role played by nearly 500 The Human Safety Net Ambassadors in the countries;
- launching the new official role of Generali Engaged Agent for the Community, a first step in making The Human Safety Net part of Generali's value proposition for clients, and a medium to the engagement of customers in the movement;
- strengthening the open net concept, increasing the number of collaborations with organisations that share our mission;
- further strengthening the measurement of the social impact of our projects, contributing to the development of the social sector;
- maintaining our role as a thought leader in the social sector, also thanks to the amplifying role of the Home of The Human Safety Net in Venice..

www.thehumansafetynet.org for further information on the initiative and read the stories of parents, children and refugees supported by The Human Safety Net

86. The indicator also includes countries in which we operate through companies other than consolidated line-by-line.

NFS

Financial education in the For Families programme

The Human Safety Net, together with Aflatoun, published a study in 2021 that provides the evidence for the importance of financial education in early childhood parenting programmes and addressed some gaps in the delivery mechanisms. In 2022 The Human Safety Net, in partnership with UNICEF and Aflatoun, implemented the *Enhancing Parenting Support with Financial Literacy* pilot project in Indonesia and Italy. In 2023 The Human Safety Net was able to enhance its commitment to the *Financial Education for Families* project by further growing the programme in Italy and expanding it to five new countries (Germany, France, Spain, India, and Poland), allowing parents to improve their ability to set priorities for the family budget and engage in long-term planning for their children's future. The project was made possible and funded through the generous contributions of the Group's employee share plan, We SHARE 2.0.

Our strategy, Responsible employer, p. 75 for further information on We SHARE 2.0

OUR RULES FOR RUNNING BUSINESS WITH INTEGRITY

We run our business in compliance with the law and regulations, internal codes, and principles of professional ethics. We are continuously monitoring the developments of the national and international regulatory system, also by talking with legislators and the institutions, in order to assess both new business opportunities and our exposure to the non-compliance risk and to identify and implement prompt measures to adequately manage it. We have a governance, management and reporting system that guarantees compliance with the principles of sustainability and their actual and continuous integration in corporate decision-making processes.

In line with the applicable European and Italian regulation, the Group manages the non-compliance risk by implementing an effective internal control and risk management system.
We define the non-compliance risk as the risk of facing sanctions, economic losses or reputational damages as a consequence of breaching laws, regulations, provisions issued by supervisory authorities or self-regulating norms.
In this context, the main non-compliance risks are monitored by specific compliance programs, which include internal regulatory measures, specific control measures, training programs, monitoring of specific indicators, the adoption of specific policies, the definition of control activities, as well as the identification and implementation of proper risk mitigation measures aimed at minimizing potential reputational and economic damages deriving from non-compliance with applicable regulatory provisions.
Special attention is paid to conduct risk (correctness of relationships with clients) and to market integrity.
The constant monitoring of both national and supranational legislation highlighted in 2023 the continuous issuance of customer protection rules, with particular reference to the proper definition and monitoring of the insurance product value for the customer (value for money), the publication of the proposals relating to the so-called *Retail Investment Strategy*, the wide review proposal of Solvency II regulation, the proposal of *Corporate Sustainability Due Diligence Directive*, and the increasing requirements on IT security and ICT (information and communication technology) governance, with the introduction, among others, of EU Regulation 2022/2554 (*Digital Operational Resilience Act*). Moreover, it is noted the proposal of European regulation on artificial intelligence and the ongoing definition of the ESG requirements applicable to financial operators' corporate processes.
In this respect, the Group has established and monitored the process of implementing the European legislative provisions, in particular those introduced by EU Directive 2022/2464 on corporate sustainability reporting, by Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector (known as Disclosure Regulation), by Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (known as EU Taxonomy Regulation), by the integration into Solvency II of sustainability risks, and by the integration into the Insurance Distribution Directive (IDD) of sustainability factors, risks, and preferences.

We have a structured Group's internal regulatory system, regulated by the Generali Internal Regulation System (GIRS) Group Policy that aims to promote a solid, efficient governance and coherent implementation of the Group's internal regulations at local level. The Group Policy defines the hierarchy of Group internal regulations and the roles and responsibilities within the process governing the relevant life cycle, including the responsibility of Group functions in monitoring their implementation and the responsibility of Group legal entities in providing data on their local approval and implementation status.
The Group regulations are consistent with the values and the Code of Conduct of the Group, and are organized in 3 levels as detailed below:

Group Policy	They introduce and discipline principles pursued to implement the Group's fundamental objectives and/or provisions related to the Group system of governance. They are issued to fulfill specific regulatory requirements or discipline matters falling withinthe Board of Directors' field of competence.
Group Guideline	They discipline matters falling within the powers delegated to the Group CEO or the Group heads of Key Functions.
Group Technical Measure	They outline operational provisions with a cross-functional impact, including those further disciplining matters introduced by a Group Policy or a Group Guideline. They are issued by the head of the Group functions in line with the Group system of governance.

Corporate Governance and Share Ownership Report 2023, p. 36

Within the broader framework of the GIRS Group Policy, in which all the policies and guidelines are made available internally, a set of documents that support our operations in a sustainable and responsible manner is made public.

www.generali.com/sustainability/our-rules

GROUP SUSTAINABILITY POLICY

It defines how sustainability is managed through the Group Sustainability Framework; in particular: the direction Generali wants sustainability to evolve into and the underlying principles driving the strategic choices and their execution; the identification and prioritisation of sustainability matters through a materiality assessment and their integration into key business processes; the underpinning elements necessary to enable sustainability integration.

POLICY FOR ENGAGEMENT WITH INVESTORS AND OTHER RELEVANT STAKEHOLDERS

It regulates engagement between the Board of Directors and representatives of investors and other relevant stakeholders on issues within the Board's purview, and defines the rules for engagement by identifying interlocutors, discussion topics, timing and channels.

SECURITY GROUP POLICY

It defines the processes and activities suitable for the purpose of guaranteeing the protection of corporate assets.

CODE OF CONDUCT

It defines the basic behavioural principles which all the personnel of the Group are required to comply with. These principles are outlined in specific internal regulations that refer, for example, to the promotion of diversity, equity and inclusion, fair competition and antitrust, conflicts of interest, bribery and corruption prevention, money laundering, terrorist financing and international sanctions violations, as well as personal data protection.

Compliance Week

The 2023 edition of our annual Compliance Week, addressed to all the employees of the Group, was aimed at focusing on the risks and opportunities related to data management with a special Group event that was endorsed by the top managers and saw the participation of the Chairman, the Group CEO and the General Manager, along with other leaders. They all shared their views and insights on how the Group can leverage the potential of data while embracing its ethical responsibilities to protect its customers and stakeholders in an increasingly data-driven world.
During the week from 25 to 29 September 2023, awareness initiatives and events were organized by the local Compliance functions to spread the messages and values of compliance.

The Code of Conduct constitutes the foundation of the Group's cultural identity and sets out the fundamental conduct rules that must be adopted. The Group encourages not only its employees, but also third parties who interact with the Group itself to report possible violations of the Code of Conduct or situations even potentially in breach of the Code of Conduct. We pursue a rigorous policy that does not tolerate any form of retaliation and that guarantees confidentiality of allegations. People can choose different ways to report a concern, including the Generali Group Whistleblowing Helpline, a secure and confidential web platform active 24/7. The internal whistleblowing channel ensures an objective and independent management of whistleblowing reports of behaviours or actions which may potentially violate the law, the Code of Conduct, the internal rules or other corporate rules, in accordance with the process on managing reported concerns and the anti-retaliation policy, in force since many years..

www.generali.com/sustainability/our-rules/code-of-conduct for further information on the Code of Conduct, communication channels and the process on managing reported concerns

www.youtube.com/watch?v=J-m_VSwkSTI

Whistleblowing reports on the Group Code of Conduct

194 +67.2%

The gradual increase in the number of reports received in the Group in the last two years is reasonably due to the renewed training and communication initiatives widely adopted by the Group entities, also due to the progressive entry into force of the local implementing regulations of the European Whistleblowing Directive.

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The allegations received in 2023 concern: business conduct issues such as ethical and sustainable culture (62), discrimination, harassment and retaliation (49), internal fraud of administrative personnel or intermediaries (24), conflicts of interest (19), external fraud (13), distribution (9), customer relationship (4), HR administration (6), bribery and corruption (2), assets and business data protection (2), money laundering (2), remuneration (2). In 2023, there were no allegations related to other topics beyond those listed.
170 allegations were closed in 2023, of which 57 substantiated leading to the adoption of the following main measures: dismissal or termination of the contract (18) and warnings (25).
The monetary value of damages stemming from the above cases is considered non-material.

We are committed to making our training system increasingly effective, continuously working on activities for creating awareness and training on the different themes of the Group Code of Conduct.
We continue to provide the e-learning courses on the Group Code of Conduct: one to introduce the topic and addressed to new colleagues and one as a refresher course for those who had already attended the introductory one.

Employees who completed the training course on the Code of Conduct[87]

73,048 +11.6%

ETHICAL CODE FOR SUPPLIERS

It highlights the general principles for the correct and profitable management of relations with contractual partners.

INTEGRATION OF SUSTAINABILITY INTO INVESTMENTS AND ACTIVE OWNERSHIP GROUP GUIDELINE

It codifies the responsible investment activities at Group level and defines the principles, main activities and responsibilities that guide the Group's role as active owner.

RESPONSIBLE UNDERWRITING GROUP GUIDELINE

It outlines principles and rules aimed at factoring-in clients'/companies' sustainability matters within the P&C underwriting process.

The Code of Conduct, the Ethical Code for suppliers, the Integration of Sustainability into Investments and Active Ownership Group Guideline, and the Responsible Underwriting Group Guideline contribute also to ensuring respect for human rights in all their forms throughout the entire value chain. In line with the most important international principles and tools, including the United Nations Universal Declaration of Human Rights, the core international standards of the International Labour Organisation and the UN Guiding Principles on Business and Human Rights, the tools already implemented on this topic regarding indirect risks are already monitored by the human rights criteria included in the Group guidelines on investment and underwriting activities. For example, the Integration of Sustainability into Investments and Active Ownership Group Guideline filter allows us each year to identify and exclude from our investments those companies that produce unconventional weapons or that, regardless of the sector to which they belong, have committed serious human rights violations. Similarly, the Responsible Underwriting Group Guideline establishes monitoring mechanisms to avoid P&C insurance coverage to companies that commit serious human rights violations, with a specific monitoring of sensitive sectors.
Regarding the potential risk of violating human rights of our employees, customers and suppliers (known as direct risk), the main human rights that could potentially be impacted by the Group's operations in the various businesses, such as equal opportunities and non-discrimination (including equal pay), transfer of workers (for example, migrant workers), freedom of association and collective bargaining, are protected by tools implemented to mitigate risks in line with our positioning and practices common to the sector.
The Group will keep up its ongoing monitoring action to guarantee a more and more virtuous and responsible behaviour in all of its businesses.

www.generali.com/sustainability/our-rules/respecting-human-rights for further information

87.The trained employees represent 98.4% of the total, excluding a few limited exceptions due to business or local context peculiarities.

GREEN, SOCIAL & SUSTAINABILITY BOND FRAMEWORK

It defines rules and processes for the use of proceeds from the issuance of green bonds, social bonds and sustainability bonds, as well as recommendations for disclosure.

GREEN INSURANCE-LINKED SECURITIES FRAMEWORK

It defines the guidelines for integrating ESG aspects in alternative mechanisms for the transfer of insurance risk to institutional investors, as well as recommendations for disclosure.

Sustainable finance

19 September 2019
We issued the first Tier 2 green bond of € 750 million maturing in 2030 that represented the first issuance of such a bond by a European insurance company. The issuance attracted investors with order in excess of 3.6 times the offer.

14 July 2020
We issued the second Tier 2 green bond of € 600 million maturing in 2031. The issuance was highly appreciated by investors, too: it attracted an orderbook of more than 7 times the offer.

24 June 2021
We issued our first sustainability Tier 2 bond of € 500 million maturing in 2032, which attracted an orderbook of € 2.2 billion during the placement phase.

25 June 2021
We returned to the Insurance-Linked Securities (ILS) market with a € 200 million cat bond exposed to windstorms in Europe and earthquakes in Italy. It is the first ever ILS issuance that embeds innovative green features.

29 June 2022
We issued the third Tier 2 green bond of € 500 million maturing in 2032. The issuance was highly appreciated by investors, attracting an orderbook of 2 times the offer.

13 April 2023
We issued the fourth Tier 2 green bond of € 500 million due in April 2033. The notes attracted an order book of € 3.9 billion, more than 7 times the offered amount.

5 September 2023
We issued the fifth Tier 2 green bond of € 500 million due in September 2033. The notes attracted an order book of € 1.1 billion, more than 2 times the offered amount.

8 January 2024
We issued the sixth and seventh green bonds for a total amount of € 1.250 million due in January 2029 and in January 2034, respectively. The notes attracted an order book in excess of € 2 billion.

Through the issuance of green bonds and a sustainability bond, we confirmed our focus and innovation on sustainability, that is part of our business model, as well as our commitment towards the achievement of environmental and sustainability targets. These bonds were allocated for a significant amount to investors dedicated to the green and sustainable bond market or to highly diversified institutional investors willing to implement green and sustainable investment plans.
We illustrated the allocation of proceeds from the bond issuances and presented an overview on the related impacts in the Group's Green Bond Report and Sustainability Bond Report, whose contents are in line with the Sustainability Bond Framework.
In 2023 we published our Green, Social & Sustainability Framework, updating the Sustainability Bond Framework with the requirements of the European Taxonomy, aiming to structure a more effective transition path towards the new principles of the European Union for bond issuers wishing to use the *EU Green Bond Standard* designation.

www.generali.com/investors/debt-ratings/sustainability-bond-framework

Through the sponsorship of Lion III Re, the first catastrophe bond embedding innovative green features in accordance with our Green Insurance Linked Securities (ILS) Framework, we integrated sustainability principles in the implementation of alternative solutions for risk transfer, thus further underlining our commitment in promoting green finance solutions.
The catastrophe bond presents a twofold application of the Green ILS Framework: by the allocation of the freed-up capital to sustainable initiatives and by the investment of collateral in assets with positive environmental impact.
In September 2022, we published our first Green Insurance-Linked Securities (ILS) Report, containing the details on the allocation of Lion III Re freed-up capital, including the impact evaluation, in line with the principles described in our Green ILS Framework.

www.generali.com/sustainability/sustainable-financial-management/green-insurance-linked-securities

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GENERALI GROUP STRATEGY ON CLIMATE CHANGE

It defines the rules by which we intend to foster a just transition towards a low-GHG economy through our investments, underwriting activities and our direct operations.

GROUP TAX STRATEGY

It is an essential part of the tax risk control system, and defines sound and prudent taxation management methods for all of the Group's companies.

Group Tax Strategy

We have defined the Group Tax Strategy. It ensures the correct application of tax regulations, guided by the principles of honesty, integrity and transparency in the relationship with tax authorities, and combines value creation for all stakeholders with long-term protection of our reputation. In order to promptly fulfill our tax obligations in maximum transparency with regard to tax authorities, we commit ourselves to acting in full compliance with the applicable tax regulations in the countries where we operate and to interpreting them in such a way as to responsibly manage tax risk, ensuring consistency between the place of value production and the place of taxation.

The Group Tax Strategy defines some detailed guidelines aiming at ensuring the implementation of the following tax principles:

- tax compliance in terms of:
  - proper application of the local tax regulation in the countries where the Group operates;
  - reasonable interpretation of the applicable tax regulation in the event of any interpretation issues with the competent tax authorities, even in litigation context (so-called agree to disagree);
- tax risk management in terms of:
  - design and implementation of an internal regulatory procedural framework (Tax Control Framework - TCF) that aims to properly identify, measure, manage, and control tax risks in line with the OECD guidelines on the cooperative compliance regime, as transposed by the Italian Tax Authority;
  - progressive deployment of the TCF to key entities in the different jurisdictions where the Group operates in a way that encompasses organizational commitments and safeguards compliance with any local tax regulations, ensuring the delivery of sustainable tax outcomes in terms of timeliness and correctness of the collection of taxes.

Since 2016, a TCF has been implemented for detecting, measuring, managing, and controlling tax risks.

www.generali.com/sustainability/our-rules/tax-payments for further information

Tax Transparency

In line with international best practices, we publish our Tax Transparency Report, which not only describes the pillars of Generali sustainable tax outcomes but also details the Group Total Tax Contribution, that is, the contribution of our companies to the jurisdictions in which they operate in terms of taxes borne and collected which, as a whole for 2022, amounted to € 10.0 billion. The Report outlines the strength of the link with the jurisdiction in which the Group produces profits and pays taxes.

www.generali.com/sustainability/our-rules/tax-transparency-report for further information

FINANCIAL CRIME COMPLIANCE DECLARATION

It outlines Generali Group's commitment to fighting financial crimes.

The Code of Conduct includes principles also in relation to anti-money laundering and counter terrorism financing, anti-bribery and corruption and international sanctions, which are defined in specific policies and guidelines in line with the principles stated in the Group Risk Appetite Framework and coherently with the European high legal requirements and standards (e.g. the AML/CTF directive or other regulations in force). The Group has a zero-tolerance approach towards financial crimes, across all Group entities and businesses. To this aim, Group standards require them to comply with the more stringent requirements applicable to the Group, related to the prevention of money laundering, counter terrorism financing, anti-bribery and corruption as well as the financial sanctions requirements of the United Nation, European Union and United States (not in violation of, or conflict with, applicable EU legislation).

All entities belonging to the Group are prohibited from conducting any business dealings with countries or territories subject to restrictions defined in the context of international sanctions programs and with subjects on financial sanctions lists. They are also prohibited from financing any companies, whatever their legal form, whether registered in Italy or abroad, which directly or through their subsidiaries or associates, engage in the manufacture, production, development, assembly, servicing, retention, employment, use, storage, stockpiling, possession, promotion, sale, distribution, import, export, transfer or transport of anti-personnel mines, cluster munitions and submunitions, regardless of their nature or composition, or their component parts. Each Group entity exposed to anti-money laundering risks is required to apply the necessary presidia and guarantee the assessment of the risks to which the customer or the transaction are exposed in line with the Group standards, the execution of enhanced controls in case of exposure to higher risks of money laundering, and the implementation of an ongoing monitoring of the relationships to ensure that any potential suspicious transaction is timely report to the local Intelligence Unit.
All Group entities are prohibited from putting in place any activity that could incur into scheme of corruption, bribery, embezzlement, and extortion.
It is also forbidden to promise, give or offer, directly or indirectly, any undue advantage in order to exercise an improper influence on the decision-making process of any person referring to local public officials and/or officials of international organizations, whether the undue advantage is for themselves or for anyone else; as well as request, receive or accept the offer or promise of this advantage.
Numerous Group companies have been subject to Supervisory inspections over the past few years. The establishment of the Anti-Money Laundering European Authority (AMLA) enhances the cooperation of the Authorities and increases the focus on the adoption of harmonized AML/CTF rules across the European countries.

We are also acutely aware of complying with the measures adopted by countries or organisations with a view to restricting business with specific sanctioned countries, sectors and/or individuals.
Our business operations are particularly exposed to the risk of sanctions given the geographical distribution of the companies and of the products and services offered (for example, marine insurance policies). With a view to mitigating the risk of sanctions, we have drawn up a global framework on international sanctions, after defining the minimum common rules that all Group companies have to obey. We have also substantially increased controls relating to customers and/or transactions exposed to a high risk of sanctions, following the higher restrictions imposed by the regulators in terms of international sanctions.

We condemn and combat all forms of corruption. Such commitment is expressed in compliance with the international regulations and local laws of the jurisdictions in which the Group operates. Each employee has an obligation to guarantee high standards of ethics and honesty in their work. In this regard, the Group bans the receipt from or offer of cash to public officials or commercial partners for improper purposes, and establishes control measures (for example, limitations regarding gifts and contributions to trade unions and to charity organisations) to be incorporated and implemented in each individual company.
The Group is responsible for the ethical conduct of other parties with whom it carries out business hence, when a business relationship with a counterparty occurs, the Group is committed to performing timely and accurate anti-bribery and corruption risk-based due diligence, which takes place prior to the engagement and persists up to its termination on an ongoing basis. Finally, at local level, senior management fully commits to raise awareness on anti-bribery and corruption matters in its management and staff members through training, which occurs both at the onboarding and on a periodic basis in order to ensure an effective application of the anti-bribery and corruption regulatory requirements and Group anti-bribery and corruption standards. In particular, the training outlines laws and regulations, internal regulations and procedures, and case studies and practical examples, including potential scenarios that employees may face; it also raises awareness on the available channels to seek advice, and on how to report any concerns or suspicions of bribery and corruption.

OUR GOVERNANCE AND REMUNERATION POLICY

Our governance

Within a challenging economic and financial environment, we are convinced that our governance - which complies with the best international practices - effectively supports our strategy. In line with the principles and recommendations of the Corporate Governance Code, it then assists the sustainable success of the Company, which consists of creating value for all shareholders in the long term, taking into account the interests of other stakeholders relevant to the Company.

Corporate Governance and Share Ownership Report 2023 for further information on governance

NFS

Corporate Governance Code

The Corporate Governance Code, which Generali has been adopting since October 2020, follows four main drivers.

- Sustainability. The Code fosters listed companies to adopt strategies more and more oriented towards a sustainable business: the objective that guides the actions of the Board of Directors is to pursue a sustainable company success, which consists of creating long-term value for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the company.
- Engagement. The Code recommends to listed companies to manage the dialogue with the market through the adoption of engagement policies, complementary to those of institutional investors and asset managers.
- Proportionality. The application of the Code is based on principles of flexibility and proportionality in order to favour small and medium companies and those with concentrated ownership to become listed.
- Simplification. The Code presents a streamlined structure, based on principles which define the objectives of good governance and on *comply or explain* recommendations.

The revision of the Code was the occasion to strengthen existing recommendations, promote the effective enactment of best practices that were hoped in the previous editions, and align the Italian self-regulatory framework with international best practices (the possibility to qualify the Chairman of the Board of Directors as independent, the recognition of the role of the Board Secretary and the importance to consider international experience in the definition of remuneration policies).

Of special note is the recommendation to issuers to adopt a policy for managing dialogue with all shareholders, taking into account the engagement policies adopted by institutional investors and asset managers. Assicurazioni Generali is among the first issuers in Italy to get this document adopted since November 2020, including the engagement of the members of the Board of Directors with investors and proxy advisors. Therefore, in 2023 the Board of Directors further evolved its approach to dialogue management, expanding the scope of the policy to include dialogue with other relevant stakeholders. The new policy replaced the previous one with effect from 1 January 2024.

www.generali.com/governance/engagement for further information on engagement

Relations with stakeholders

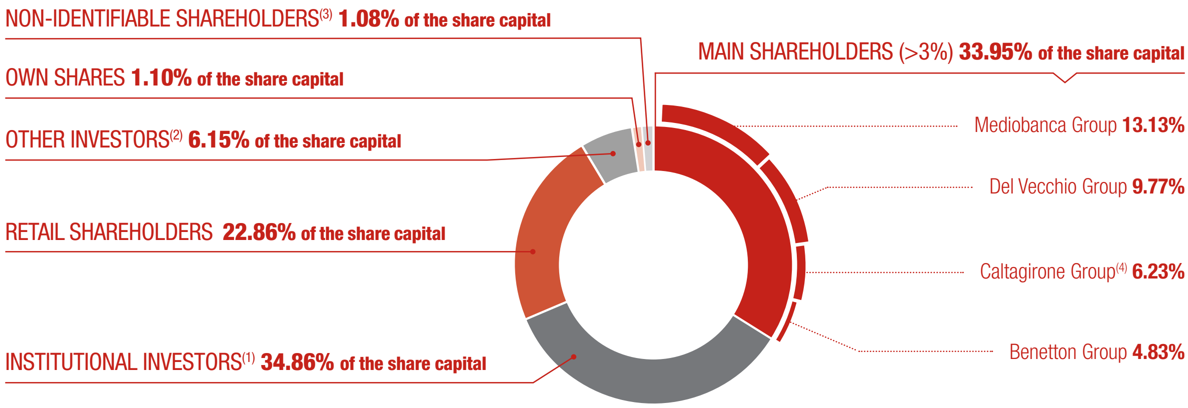
In addition to the dialogue that directly concerns the members of the Board of Directors, which is regulated by the Policy for engagement with investors and other relevant stakeholders, the management maintains ongoing relations with all stakeholders relevant to the Company, including institutional investors, proxy advisors, rating agencies, financial analysts and retail shareholders. Our intense activity of relation consists of various types of interactions with individual stakeholders or groups, as part of roadshows and sector conferences, as well as ad hoc occasions for the discussion of specific topics, ranging from business, financial and performance matters to corporate governance, remuneration and sustainability topics relevant to the various financial community representatives. Some of the main recurring occasions for interaction with the Company's top management are the Shareholders' Meeting, events dedicated to investors and analysts, as well as the main presentations of the financial results.

We successfully continued our dialogue with relevant stakeholders both via virtual platforms and during physical events.

Understanding the specific needs and priorities of our stakeholders is an important prerequisite for defining an effective strategy and directing subsequent business decisions. In this perspective, we consider it fundamental to define and use the most effective communication channels to promote dialogue and constantly monitor the expectations, needs, and opinions of our stakeholders, as this is a fundamental prerequisite for setting up and carrying out a profitable engagement process that allows us to anticipate risks and pursue business opportunities.

Notes to the Management Report, p. 188 for further information on stakeholder relations

Share ownership



The data are updated to 28 February 2024 in line with the Shareholder's Register, mainly on the basis of the dividend pay-out dated 24 May 2023, with the integration of information pursuant to art. 120 of TUF and other available information.

(1) The category includes asset managers, sovereign funds, pension funds, life insurance companies.

(2) The category includes corporate entities such as foundations, trust companies, religious and charitable institutes.

(3) Data not yet transmitted by mainly foreign intermediaries.

(4) Data that includes 0.06% of the share capital held by a subsidiary company.

Share performance, p. 146 for further information on the share

NFS

As of today, there is no employee shareholding system according to the provisions of the Consolidated Law on Financial Intermediation (CLFI). Nonetheless, it should be noted that We SHARE 2.0, the new share plan for Group employees (except for members of Group Management Committee and Global Leadership Group) is in progress. The plan was approved by the Shareholders' Meeting in April 2023 and it's functional to support the achievement of strategic objectives, a culture of ownership and empowerment, and the participation of employees in the Group's sustainable value creation. The plan provides employees with the opportunity to purchase Generali shares at favourable conditions within a protected framework, awarding them additional free shares in case of share price appreciation. The end of the plan and the assignment of free shares are expected in 2026. The plan will not provide for any limitation or modification of the voting right or its exercise for the shareholders.

Our strategy, Responsible employer, p. 75 for further information on We SHARE 2.0

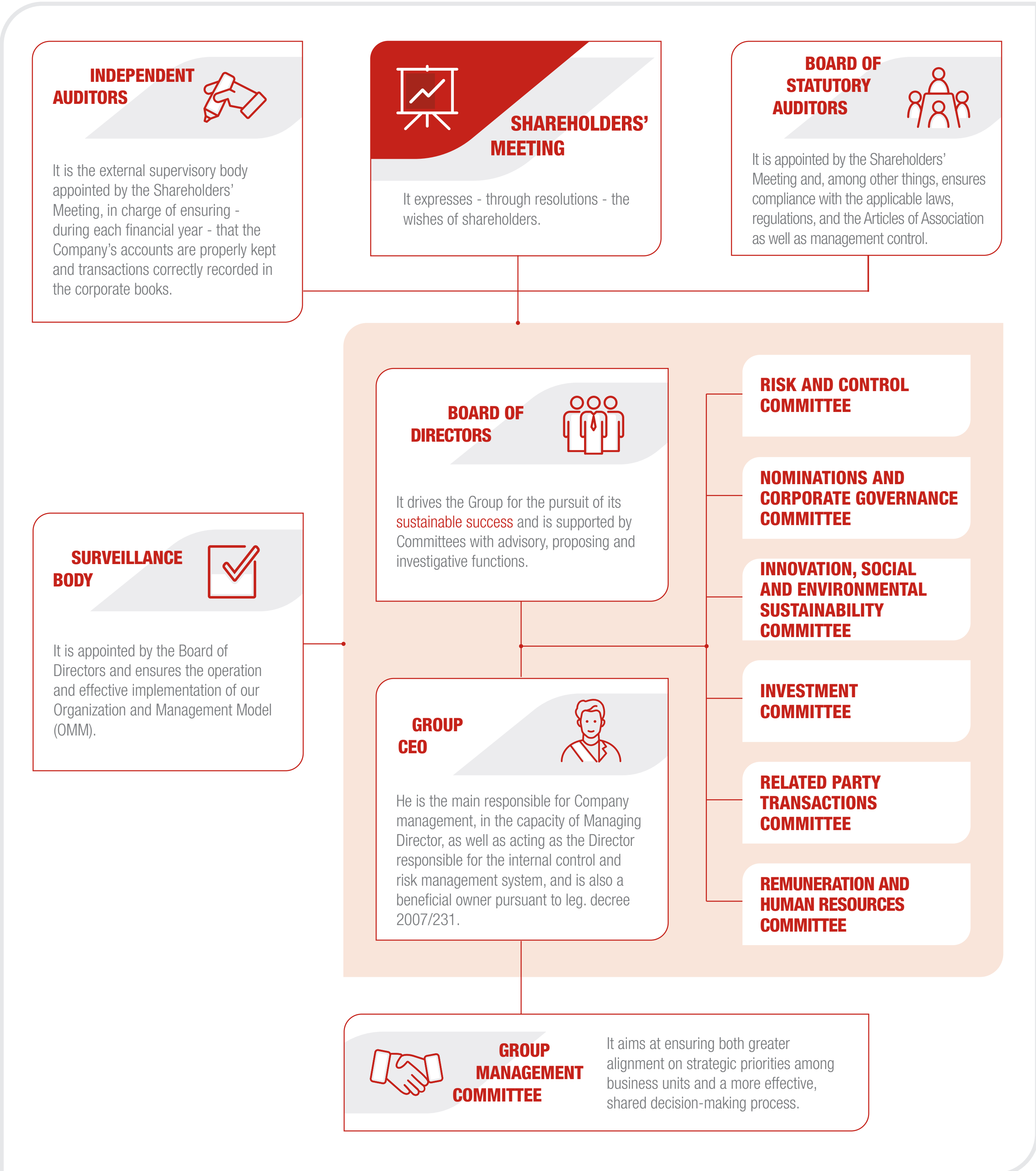
We also facilitate participation in shareholders' meetings for beneficiaries of long-term incentive (LTI) plans - based on Generali shares - by providing them the services of the designated representative.

Corporate governance players

Generali adopts the traditional Italian corporate governance system, which includes:

- Shareholders' Meeting;
- Board of Statutory Auditors;
- Board of Directors.

The Board of Directors has structured its own organization also through the establishment of specific Board Committees, in a manner consistent with the need to define strategic planning in line with the purpose, values and culture of the Group and, at the same time, to monitor its pursuit with a view to sustainable value creation in the medium to long term. Our integrated governance also leverages the varied and in-depth professional skills present in the Board and ensures effective oversight of management's activities.



Innovation, Social and Environmental Sustainability Committee

The Innovation, Social and Environmental Sustainability Committee is invested with advisory, recommendatory, and preparatory functions towards the Board of Directors on technological innovation and social and environmental sustainability. Therefore, the Committee is responsible for assessing the updates on the progress of the Group's projects in the areas of innovation, digital, and cybersecurity; for supporting the Board on decisions concerning the identification of IT technologies and resources, as well as those relating to digital innovation, cybersecurity, the governance of information and communication technologies, and investments focused on the world of innovation, digital and sustainability. The Committee also examines the impact of technological innovation on the Group's business, as well as the risks that may arise from it, in agreement with the Risk and Control Committee.
With regard to social and environmental sustainability, in particular, the Committee is called upon to express its opinion on decisions concerning the Non-Financial Statement (NFS), the Charter of Sustainability Commitments, the other elements of the Environmental Management System, and any other issue concerning the vision of sustainability. It provides support to the Board in integrating sustainability into business strategies, with specific attention to the analysis of issues relevant to the long-term value generation of the Company and the Group, and examines and assesses the sustainability policy aimed at guiding, directing and pursuing the sustainable success of the Company and the Group. It oversees the implementation of the sustainability strategy related to the Company and the Group's business operations, also with reference to the sustainable transformation of the key processes and the interaction dynamics with relevant stakeholders, and formulates opinions on the methodology for reporting non-financial information and on material performance indicators, in collaboration with the Risk and Control Committee as far as relevant to the Internal Control and Risk Management System (ICRMS), as well as on other decisions to be taken in the areas of innovation, technology, and social and environmental sustainability falling within the responsibility of the Board of Directors.

Governance monitoring climate change management

The Group governance is structured in such a way as to favour effective management of the risks and opportunities tied to climate change, which is considered one of the ESG factors most material for the Group, for our value chain and for the stakeholders.

Board of Directors' role

The Board of Directors ensures that the Group organisation and management system is complete, functional and effective in monitoring climate change-related impacts. In 2018, it therefore approved the Generali Group Strategy on Climate Change, which has been updated and further developed yearly since 2020, outlining a plan for investment, underwriting and stakeholder engagement activities to mitigate climate risks and facilitate the just transition to a low-carbon economy. The Board of Directors also monitors the implementation of this strategy and the results achieved through the Innovation, Social and Environmental Sustainability Committee. In 2023, these elements were analysed during 2 meetings of the Committee.

Management's role

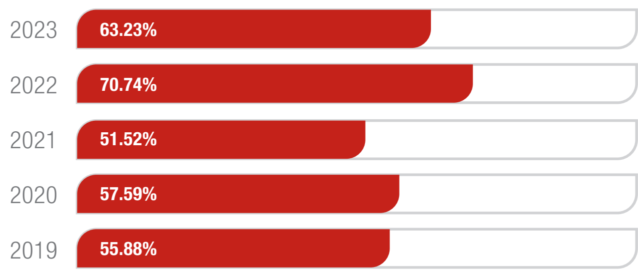
Climate change may have pervasive impacts across the entire organization. For this reason, the decisions on how to integrate the assessment and effective management of climate change impacts into the different business processes are guided by the Group Management Committee. A component of the variable remuneration of the Group CEO and top management depends on the results achieved in the implementation of the Generali Group Strategy on Climate Change.
This cross-functional approach is also reflected in a work group that pools together the functions of Group Chief Investment Officer, Group P&C Retail Insurance & Technical Control, Group P&C Corporate & Commercial, Group Chief Life & Health Insurance, Group Integrated Reporting, Group Enterprise Risk Management, and Group Chief Sustainability Officer. The goal of this work group is to guarantee the management of the risks and opportunities tied to climate change in compliance with the strategy defined by the Board and to ensure the reporting on these aspects both to internal competent bodies and to external stakeholders, in line with the TCFD recommendations.

www.generali.com/sustainability/our-commitment-to-the-environment-and-climate for further information on the Generali Group Strategy on Climate Change

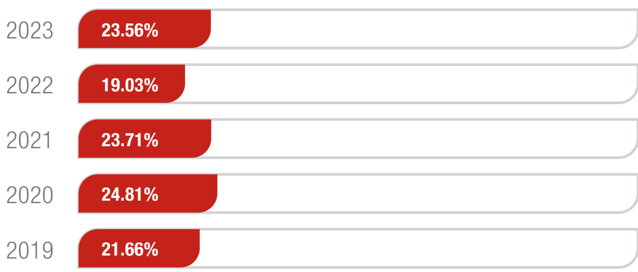
Focus on the 2023 Shareholders’ Meeting

The 2023 Shareholders’ Meeting was held on 28 April 2023 and was convened without the physical participation of shareholders and exclusively through the Designated Representative, taking advantage of the option introduced by art. 106 of Decree-Law of 17 March 2020, no. 18, converted by Law of 24 April 2020, no. 27, the effects of which were extended by Decree-Law of 29 December 2022, no. 198, converted by Law of 24 February 2023, no. 14. Shareholders were therefore able to express their vote exclusively by granting proxy to the Designated Representative, also through the special online platform.
An audio and video streaming in Italian with simultaneous translation in English, French, German, Spanish and Italian Sign Language (LIS) was available to all shareholders legitimated to participate in the Shareholders’ Meeting as to let them follow live the event, without the right to intervene and vote. Indeed, the Shareholders’ Meeting was held with the sole presence of the Designated Representative to whom all shareholders had conferred proxy; no virtual or hybrid form were adopted. All the services planned under the Shareholders Meeting Extended Inclusion (SMEI) program were adapted to the virtual event, with particular attention to making the video streaming service accessible to all our shareholders.

Percentage of share capital represented in the Shareholders’ Meeting over the last five years



Percentage of share capital represented by institutional investors in the Shareholders’ Meeting over the last five years



The 2023 Shareholders’ Meeting appointed the Board of Statutory Auditors for the three-year period 2023-2025. Two lists were submitted:
- the list presented by several UCITS under the aegis of Assogestioni (majority list), which obtained 88.78% of votes;
- the list presented by the shareholder VM 2006 (minority list), which obtained 5.06% of votes.

Paolo Ratti and Sara Landini were elected Permanent Auditors from the majority list. Carlo Schiavone was elected from the minority list. Carlo Schiavone was elected Chairman of the Board of Statutory Auditors as Permanent Auditor from the minority List.
The Shareholders’ Meeting also approved the appointment of Stefano Marsaglia as a member of the Board of Directors until the expiration of the term of office of the other directors currently in office and, therefore, until the date of the Shareholders’ Meeting called to approve the financial statements as of 31 December 2024.

Focus on the Board of Statutory Auditors in office until shareholders' meeting to approve the financial statements for the 2025 financial year

Carlo Schiavone
Chairman
Age 63
In office since 28/04/2023
Nationality Italian

Sara Landini
Permanent Statutory Auditor
Age 51
In office since 28/04/2023
Nationality Italian

Paolo Ratti
Permanent Statutory Auditor
Age 63
In office since 28/04/2023
Nationality Italian

FEMALE AUDITORS	33.33%*
AVERAGE AGE	59**
MEETINGS	32***
AVERAGE ATTENDANCE AT MEETINGS	98.96%***
AVERAGE ATTENDANCE AT BOARD OF DIRECTORS MEETINGS	98.15%***

* 20% including also alternate auditors.
** 58 including also alternate auditors.
*** Data covering the entire year of 2023. Up to the 2023 Shareholders' Meeting, the previous Board of Statutory Auditors held 14 meetings, with an average attendance of 100% and an average attendance at Board of Directors' meetings of 95.24%. Since its appointment, the new Board of Statutory Auditors has held 18 meetings, with an attendance of 98.15% and an average attendance at Board of Directors' meetings of 100%.

The Board of Statutory Auditors attends the same training sessions held for the Board of Directors.

Giuseppe Melis
Alternate Auditor
Age 52
In office since 28/04/2023
Nationality Italian

Michele Pizzo
Alternate Auditor
Age 61
In office since 28/04/2023
Nationality Italian

Considerations of the outgoing Board of Statutory Auditors

On the occasion of the 2023 Shareholders' Meeting, called to resolve not only on the appointment but also on the determination of the remuneration of the Board of Statutory Auditors, the outgoing Statutory Auditors, in line with the *Rules of Conduct for the Board of Statutory Auditors of Listed Companies* of the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC) of 26 April 2018 (Q.1.2 and Q.1.6), prepared, before the expiration of their term of office and for the benefit of the shareholders, their own considerations on the issues of the composition of the Board of Statutory Auditors to be appointed. In this document they also deemed appropriate to summarise the activities carried out by the Board of Statutory Auditors during its mandate, specifying the number of the Board of Statutory Auditors' meetings, their average duration, the time required to carry out each activity, and the professional resources involved, in order to make their experience - developed during their three-year mandate - available to the interested parties to make a considered assessment of the professional skills required and the adequacy of the remuneration proposed for the performance of the office. Before being made available to the shareholders, the document prepared by the Board of Statutory Auditors was sent to the Chairman of the Board of Directors to be brought to the attention of the Board for the relevant assessments.

www.generali.com/info/download-center/governance/assemblee/2023 for further information

Corporate Governance and Share Ownership Report 2023, p. 92 for further information on the diversity of administration, management and control bodies

Focus on the Board of Directors
in office until the 2025 Shareholders' Meeting

Andrea Sironi
Chairman

Age 59

In office since 28/02/2022*
02/05/2022**

Independent[88]

Committees ● P

Skills

Experience

* As director ** As Chairman

Philippe Donnet
Managing Director
and Group CEO

Age 63

In office since 17/03/2016

Executive

Committees -

Skills

Experience

Marina Brogi
Director

Age 56

In office since 29/04/2022

Independent[88]

Committees ● ● ○

Skills

Experience

Umberto Malesci
Director

Age 42

In office since 29/04/2022

Independent[88]

Committees ● ● P

Skills

Experience

Skills and experience of the Board of Directors

Skills

Financial and actuarial	92%	Audit & Risk Management	69%
Insurance and financial markets	92%	Legal	15%
Regulatory framework and compliance rules	92%	ESG and Sustainability	53%
Corporate governance	100%	Digital, IT and cybersecurity	38%
Business model and Strategy	92%	Internationalism	100%

Experience

Managerial and/or Entrepreneurial	69%
Institutional	30%
Consultancy	15%
Academic	23%

Antonella Mei-Pochtler
Director

Age 65

In office since 07/05/2019

Independent[88]

Committees ● ● ● P

Skills

Experience

Diva Moriani
Director

Age 55

In office since 28/04/2016

Independent[88]

Committees ○ P ● ●

Skills

Experience

Lorenzo Pellicioli
Director

Age 72

In office since 28/04/2007

Committees ○ ●

Skills

Experience

88. As defined in the listed companies' Corporate Governance Code.

Flavio Cattaneo

Director

Age 60

In office since 29/04/2022

Independent[88]

Committees P

Skills

Experience

Alessia Falsarone

Director

Age 47

In office since 28/02/2022

Independent[88]

Committees

Skills

Experience

Clara Furse

Director

Age 66

In office since 29/04/2022

Independent[88]

Committees

Skills

Experience

FEMALE DIRECTORS	46%
AVERAGE AGE	60
INDEPENDENT DIRECTORS	77%
MEETINGS	18
AVERAGE ATTENDANCE AT MEETINGS	94%

In 2023, the Board was provided with eight training sessions on:

- ALM and international sanctions;
- structure of Life liabilities;
- the Group's technology and data landscape;
- direct P&C insurance business;
- ORSA Report 2022;
- impact of rising interest rates on Life business;
- Product Oversight Governance and the global insurance landscape;
- Directors' responsibility and sustainability challenges (climate change, greenwashing, and OECD principles).

Stefano Marsaglia

Director

Age 68

In office since 15/07/2022

Independent[88]

Committees

Skills

Experience

Clemente Rebecchini

Director

Age 59

In office since 11/05/2012

Committees

Skills

Experience

Luisa Torchia

Director

Age 66

In office since 28/02/2022

Independent[88]

Committees P

Skills

Experience

Corporate Governance and Share Ownership Report 2023, p. 58 for further information on the diversity of administration, management and control bodies

KEY

- Risk and Control Committee
- Nominations and Corporate Governance Committee
- Innovation and Sustainability Committee
- Investment Committee
- Related-Party Transactions Committee
- Remuneration and Human Resources Committee
- C Committee Chair

Our remuneration policy

The remuneration Policy is based on clear, globally shared and consistent principles, expressed in the form of remuneration programs compliant with regulatory requirements and local laws.

Every intervention to the remuneration policies can be traced back to these inspiring principles that underlie all the decisions taken:

EQUITY AND CONSISTENCY of remuneration in terms of responsibilities assigned and capabilities demonstrated

+

ALIGNMENT WITH THE STRATEGY AND LONG TERM SUSTAINABLE VALUE CREATION for all stakeholders

+

COMPETITIVENESS with respect to market trends and practices

+

MERIT AND PERFORMANCE-BASED REWARD in terms of sustainable results, behaviours and Group values

+

CLEAR GOVERNANCE AND COMPLIANCE with the regulatory framework

We are convinced that by drawing inspiration from these principles, our remuneration systems can be a key element for attracting, developing and retaining talents and key people with critical skills and high potential as well as engaging all employees, thereby promoting a correct approach in aligning their performance with results and building the premises for solid and sustainable results over time.

Remuneration policy for directors who do not have executive powers

The remuneration policy related to all directors without executive powers - with the exception of the Chairman, whose remuneration is detailed below - provides that the remuneration is composed of three elements: a fixed annual fee, an attendance fee for each meeting of the Board of Directors where they participate, as well as reimbursement of expenses incurred for attending the meetings. Directors who are also members of Board Committees are paid fees that are additional to those already received as members of the Board of Directors, with the exception of those who are also executives of the Generali Group. The remuneration is established by the Board pursuant to Article 2389, paragraph 3 of the Italian Civil Code according to both the powers assigned to these Committees and the commitment required for participation in their work in terms of number of meetings and preparatory activities. Furthermore, in line with regulatory legislation and best international market practices, no variable remuneration is expected. The remuneration policy for the Chairman provides for the payment of a fixed annual remuneration determined based on comparative analyses with similar national and international figures.

Like all directors without executive powers, the Chairman does not participate in the short and medium-long term incentive plans. For this figure, the remuneration policy of Assicurazioni Generali also provides for the allocation of some benefits such as, for example, insurance coverage for death and total permanent disability from injury or illness, as well as healthcare and the availability of a company car with driver for both private and business use.

Remuneration policy for the Managing Director/Group CEO, the managers with strategic responsibilities and the other relevant personnel not belonging to Key Functions

The Managing Director/Group CEO, sole executive director, the managers with strategic responsibilities and the other relevant personnel not belonging to Key Functions[89] are recipients of an overall remuneration package consisting of a fixed remuneration and a variable remuneration (annual in cash and deferred in shares) subject to malus and clawback mechanisms, and benefits.

Total target remuneration components[90]

FIXED	VARIABLE	
	ANNUAL	DEFERRED
FIXED REMUNERATION	+ **ANNUAL** (on a yearly basis)	+ **DEFERRED** (on a multi-year basis)

The remuneration package so composed is structured in such a way as to ensure a proper balance between its various components. Generali regularly performs structural analyses of the remuneration systems, in order to ensure a fair equilibrium of the various components and to foster the persons' commitment to achieving sustainable results.

Remuneration components

Components	Purpose and characteristics
Fixed remuneration	It is determined and adjusted over time taking into consideration the duties, the responsibilities assigned and the roles held as well as the individual experience and skills and is set with particular reference to the levels and practices of market peers in terms of attractiveness, competitiveness and retention..
Variable remuneration	It is defined through annual cash and deferred incentive plans aimed at motivating management to achieve sustainable business goals through the direct link between incentives and goals set at Group, business unit, country, function and individuals level, both financial (risk-adjusted), economic and operational, and non-financial/ESG.
Benefits	They represent an additional component of the remuneration package - in a Total Reward approach - as an integrative remuneration element to cash and share payments. Benefits differ based on the category of recipients, in line with Group policy.

The variable component of the remuneration is based on a meritocratic approach and on a multi-year horizon, including an annual cash component and a deferred component in shares, based on the achievement of a combination of sustainable business goals and the direct link between incentives and results set at Group, business unit, country, function and individual level, both financial (risk-adjusted), economic and operational, as well as non-financial/ESG, which include specific performance indicators linked to internal and measurable ESG factors.

NFS

89. Head of Group Audit, Group Chief Risk Officer, Group Head of Actuarial Function, Group Compliance Officer and their first reporting managers. The Group Head of Anti-Financial Crime Function is assimilated to the Key Functions for the application of the remuneration and incentive rules. The specific provisions provided for the Heads of the Key Functions also apply to the Group Chief Risk Officer, even if a member of the Group Management Committee (GMC).
90. It is applied to the entire population described, excluding Key Functions for which a specific remuneration policy and regulations are applied..

NFS

Structure of variable remuneration

Components	Characteristics	Criteria and Parameters
Annual cash component - Group Short Term Incentive (STI)	Annual cash bonus set within predefined maximum caps	• Group funding pool, linked to the results achieved in terms of Group normalised adjusted net profit and Group operating result after verification of the achievement of the Regulatory Solvency Ratio threshold; • Achievement of financial (risk-adjusted), economic and operational, and internal non-financial/ESG goals defined in the individual balanced scorecards in terms of sustainable value creation, risk-adjusted profitability, and implementation of Business Development & Transformation and internal ESG goals (Sustainability Commitment and People Value).
Deferred component in shares - Group Long Term Incentive (LTI)	Multi-year plan, based on Assicurazioni Generali shares, subject to Shareholders' approval, with allocations over a period of 6-7 years within predefined maximum caps	• Overall three-year performance with goals linked to Group strategy and business priorities after verification of the achievement of the Regulatory Solvency Ratio threshold; • Performance indicators referring to relative TSR[91] with payment starting from the median, Net Holding Cash Flow[92], and internal and measurable ESG goals; • Allocation of shares with deferral and lock-up periods over a time frame of 6-7 years, depending on the reference population; • Maximum cap on the deferred share component compared to the fixed remuneration equal to 200% for the Managing Director/Group CEO and the members of the Group Management Committee and equal to 175% for other managers with strategic responsibilities, the remaining relevant personnel, and other members of the Global Leadership Group (GLG).

Integration of sustainability into incentives system

The integration of sustainability into management remuneration is a key step to ensuring an even stronger link between company/ individual performance and business sustainability. This is made possible by drawing on a panel of strategic sustainability goals that reflect the priorities of the *Lifetime Partner 24: Driving Growth* strategy.
Moreover, the alignment with the strategy and the creation of sustainable value is the founding principle of our remuneration policy to ensure sustainable performance in the short, medium and long term in the interests of all stakeholders.

Sustainability is synonymous with a wide-ranging activity that is an element of market competitiveness in terms of attracting, motivating and retaining talent. It aims to go beyond economic and financial returns to become an integral part of the way we conduct business, to have a positive impact on the environment, the community, social inclusion, and staff, through initiatives aimed at improving working conditions, fairness, and wage equality.

The Group's 2023 incentive system aims to achieve real and long-lasting results, by setting an adequate risk assumption that is proportionate to the level of influence an individual has on the Group's results, while respecting stakeholders' interests, market best practices, and regulatory requirements. This system includes in the variable remuneration an annual cash component with ESG goals as well as a deferred share component with ESG goals and, as a whole, it:
- is made up of at least 50% shares in alignment with strategic goals and stakeholder interests;
- is structured according to percentages with deferral and lock-up periods over a time frame of 6-7 years, depending on the reference population, in alignment with long-term sustainable value creation.

91. Total return on investment to the shareholder calculated as a change in the market price of the shares, including dividend distributions or dividends reinvested in shares.
92. Net cash flows available at the Parent Company level over a given period, after holding expenses and interest costs. Its main components, considered from a cash point of view, are: remittances from subsidiaries; the result of centralised (re)insurance; interest on financial debt; expenses and taxes paid or reimbursed at Parent Company level.

Group incentives system with ESG goals

	ESG goals
Annual cash component	Sustainability Commitment Priority on Group/local initiatives with focus on the percentage of gross direct written premiums from insurance solutions with ESG components on Group total gross direct written premiums. This metric evolved from the previously used “sustainable solutions gross direct written premiums’ annual growth” to enhance the steering and monitoring of the entire Group insurance portfolio’s rotation towards solutions with ESG components while also considering the overall insurance markets’ dynamic and expectations. People Value Priority on quality and solidity of the succession plan and focus on digital skills and diversity (percentage of upskilled employees; percentage of women in strategic positions).
Deferred component in shares	Climate Change and People & Diversity CO_2 emissions reduction target for Group operations; percentage of women managers

Moreover, the remuneration policy adopts an approach aimed at ensuring that remuneration and incentive mechanisms are coherent with the integration of the sustainability risks already included in the Group’s internal regulation system, for example those regarding risk management system, investment, and underwriting processes.

Finally, through the remuneration policy, Generali supports diversity, equity and inclusion, carrying out initiatives aimed at reducing the gender pay gap and promoting equity, continuing education, and the improvement of the skills of its employees through both upskilling activities and large-scale projects for the recognition of our people, such as the new share plan for the Generali Group employees.

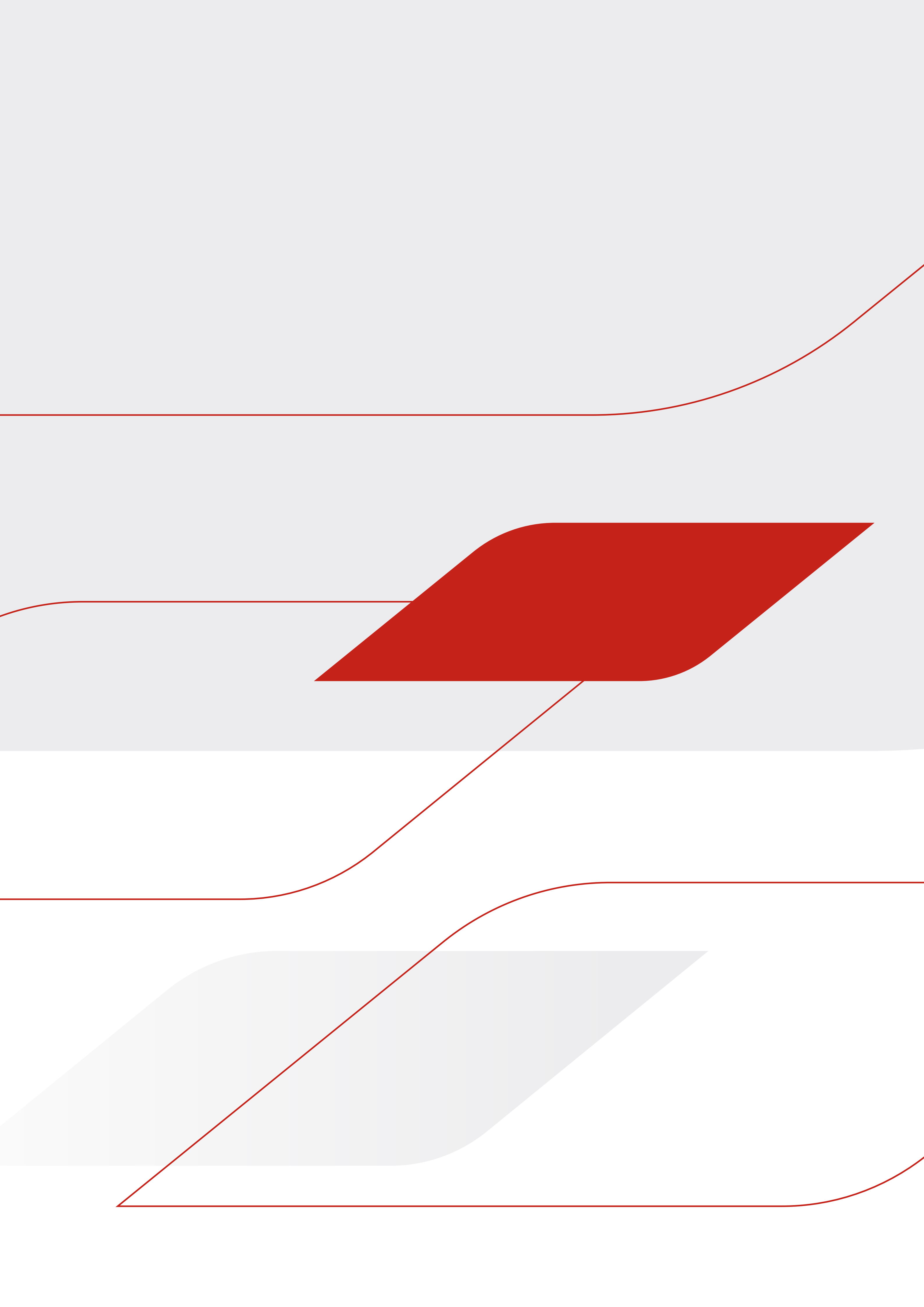
Governance of ESG Goals

The Group incentives system includes a corporate governance system, compliant with international best practices, carefully monitors all activities and ensures compliance with sustainability parameters and their tangible integration into daily decisions in every aspect of the business, in line with the goal of promoting sustainable development of the business and of generating long-lasting value for the real economy. Finally, a reporting system is used to monitor activities and ensure that they are properly

The governance of the incentives system relating to ESG goals includes a rigorous internal control process carried out by the Board of Directors upon the proposal of the Remuneration and Human Resources Committee and involving the Key Functions. It comprises for each ESG goal:
- identification of the strategic priorities and the annual and three-year ambitions, defined in line with the strategic plan and set with the support of the relevant and responsible corporate Functions;
- approval within the individual (STI) balanced scorecards (BSC) and the Group Long Term Incentive plan (LTI) of predefined ESG goals and related levels of ambition, in line with the Group’s remuneration policy;
- the constant and continuous monitoring of the performance of ESG goals;
- overall assessment and reporting on the extent to which the ESG goals have been achieved (using a Missed, Met, Exceeded scale) based on the actual results of predefined KPIs rated against the ambitions set, whose measurability has been further enhanced by determining new specific performance ranges to support their evaluation;
- determination of the remuneration to be paid to beneficiaries;
- verification of the Company’s financial and economic position for the allocation of the remuneration accrued, in compliance with the regulatory provisions and the Group’s Risk Appetite Framework;
- ex-post monitoring of the sustainability of performance over time for the payout of the deferred components of variable remuneration;
- verification that no conditions of malus, clawback, and hedging exist.

www.generali.com/governance/remuneration for further information on remuneration policy and the Report on remuneration policy and payments, also including information about remuneration

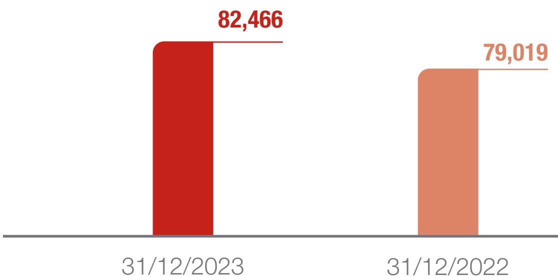
Notes, Additional information for further information on pension benefits of the Group employees



OUR FINANCIAL PERFORMANCE

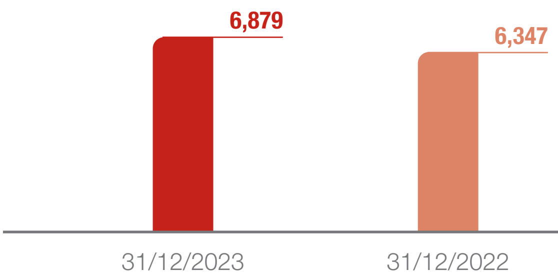
GROUP'S PERFORMANCE[1]

GROSS WRITTEN PREMIUMS (€ mln)



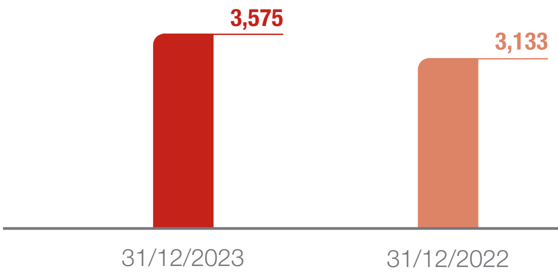
Gross written premiums increased to € 82.5 billion (+5.6%) driven by the performance of P&C growth (+12.0%). Life net inflows at € -1.3 billion entirely focused on the unit-linked and protection lines.

OPERATING RESULT (€ mln)



Operating result increased to € 6.9 billion (+7.9%), thanks to positive contribution from all segments.

ADJUSTED NET RESULT (€ mln)



Adjusted net result of the period[2] at € 3,575 million (+14.1%). Net result growth to € 3,747 million (+67.7%).

1. Starting from the first quarter 2023 the bancassurance JVs of Cattolica (Vera and BCC companies) are considered a disposal group held for sale under IFRS 5 and therefore their results are reclassified in the Result of discontinued operations. Consequently, the 2022 yearly results of the Group presented last year have been restated. The Result of discontinued operations amounted to € 84 million at 31 December 2023 (€ -93 million at 31 December 2022).
Changes in premiums, Life net inflows and new business were presented on equivalent terms (at constant exchange rates and consolidation scope).
The amounts were rounded and may not add up to the rounded total in all cases. The percentages presented can be affected by the rounding.
2. Adjusted net result includes adjustments for 1) profit or loss on assets at fair value through profit or loss (FVTPL) on non-participating business and shareholders' funds, 2) hyperinflation effect under IAS 29, 3) amortisation of intangibles related to M&A, if material 4) impact of gains and losses from acquisitions and disposals, if material.

Operating result

Total operating result by segment

(€ million)	31/12/2023	31/12/2022	Change
Total operating result	**6,879**	**6,374**	**7.9%**
Life	3,735	3,672	1.7%
Property & Casualty	2,902	2,507	15.8%
Asset & Wealth Management	1,001	954	4.9%
Holding and other businesses	-320	-339	-5.7%
Consolidation adjustments	-439	-420	4.5%

Operating result grew by 7.9%, standing at € 6,879 million (€ 6,374 million at 31 December 2022) thanks to the positive contribution from all business segments.
The operating result of the Life segment was up to € 3,735 million (+1.7%), supported by the improvement in the operating result of insurance services led by an increase in the contractual services margin (CSM) release. The operating investment result remained stable.
Strong increase of the operating result of the P&C segment, amounting to € 2,902 million (+15.8%). The growth was driven by the improvement in the combined ratio, which stood at 94.0% (-1.4 p.p.), benefiting from both a lower current year loss ratio undiscounted (excluding Nat Cat) and a higher discounting effect, partially offset by the significant impact from natural catastrophe claims.
The operating result of the Asset & Wealth Management segment stood at € 1,001 million (+4.9%). The improvement in Banca Generali group result, equal to € 441 million (+39.6%), reflects the positive contribution of the interest margin and the diversification of the business. The Asset Management result was down, amounting to € 559 million (-12.3%), mainly reflecting the market effects on average AUM and lower performance fees.
The operating result of the Holding and other businesses segment improved to € -320 million (€ -339 million at 31 December 2022) thanks to the positive result of Other businesses.
Lastly, the change in the consolidation adjustments (+4.5%) was due to higher intragroup transactions, mainly relating to dividends.

Non-operating result

Non-operating result

(€ million)	31/12/2023	31/12/2022	Change
Consolidated non-operating result	**-1,262**	**-2,434**	**-48.1%**
Non-operating investment result	64	-1,015	n.m.
Net non-operating gains from investments at FVTPL and gains and losses on foreign currency	-115	-881	-86.9%
Net non-operating realized gains on other investments	421	55	n.m.
Net non-operating ECL and impairment losses on other investments	-241	-189	27.4%
Net other non-operating expenses	-683	-788	-13.3%
Non-operating holding expenses	-644	-631	2.0%
Interest expenses on financial debt	-447	-470	-5.0%
Other non-operating holding expenses	-197	-161	22.1%

The non-operating result amounted to € -1,262 million (€ -2,434 million at 31 December 2022). In particular:

- net non-operating gains from investments at FVTPL and gains and losses on foreign currencies improved to € -115 million compared to € -881 million at 31 December 2022, mainly thanks to the performance of the financial markets;
- net non-operating realized gains on other investments amounted to € 421 million (€ 55 million at 31 December 2022). The increase is mainly due to the disposal of a London real estate development (for € 221 million[3]) and the disposal of Generali Deutschland Pensionskasse (for € 255 million[4]);
- net non-operating ECL and impairment losses on other investments amounted to € -241 million (€ -189 million at 31 December 2022);
- net other non-operating expenses decreased to € -683 million (€ -788 million at 31 December 2022). This item included € -312 million of restructuring costs (€ -204 million at 31 December 2022), especially in Italy, € -39 million relating to amortization of

3. Impact net of taxes amounting € 193 million.
4. Impact net of taxes amounting € 255 million.

intangible assets generated by business combinations and bancassurance agreements (€ -26 million at 31 December 2022) and other non-operating net expenses for € -332 million (€ -558 million at 31 December 2022). The other non-operating net expenses included higher non-recurring costs for local projects in certain countries, offset by the lower impact from the application of IAS 29 mainly in Argentina, an accounting standard dedicated to economies characterised by hyperinflation, and by non-recurring positive effects coming from the pension reform in France;

- non-operating holding expenses amounted to € -644 million (€ -631 million at 31 December 2022). The increase mainly reflected higher expenses for the M&A costs and long-term incentive plans. Interest expense on financial debt amounted to € -447 million (€ -470 million at 31 December 2022).

Group's result of the period

From operating result to result of the period

(€ million)	31/12/2023	31/12/2022	Change
Consolidated operating result	**6,879**	**6,374**	**7.9%**
Consolidated non-operating result	**-1,262**	**-2,434**	**-48.1%**
Non-operating investment result	64	-1,015	n.m.
Net other non-operating expenses	-683	-788	-13.3%
Non-operating holding expenses	-644	-631	2.0%
Earnings before taxes	**5,617**	**3,940**	**42.6%**
Income taxes	-1,579	-1,378	14.6%
Earnings after taxes	**4,037**	**2,562**	**57.6%**
Profit or loss from discontinued operations	84	-93	n.m.
Consolidated result of the period	4,122	2,470	66.9%
Result of the period attributable to the Group	**3,747**	**2,235**	**67.7%**
Result of the period attributable to minority interests	375	235	59.6%
Adjusted net result	**3,575**	**3,133**	**14.1%**

The result of the period attributable to the Group stood at € 3,747 million (+67.7%). The increase compared to € 2,235 million at 31 December 2022 reflected:

- the positive performance of the operating and non-operating result commented above;
- the lower tax rate, which decreased from 35.0% to 27.6%, due mainly to the absence of some non-deductible charges booked in 2022 and to the non-taxable step up of some participations and the disposal of Generali Deutschland Pensionskasse recorded in 2023;
- the improvement in the result of discontinued operations, equal to € 84 million (€ -93 million at 31 December 2022), including the result for the period of the bancassurance JVs of Cattolica (Vera and BCC) and the net capital gain deriving from their disposal (equal to € 49 million);
- the result attributable to minority interests, amounting to € 375 million (€ 235 million at 31 December 2022), which corresponds to a minority rate of 9.1% (9.5% at 31 December 2022), improved mainly due to the results of Banca Generali and the Asian companies, which were penalised in 2022 by financial market performance, especially in investments at fair value through profit or loss.

The adjusted net result increased to € 3,575 million (€ 3,133 million as at 31 December 2022). This was primarily thanks to the improved operating result, a non-recurring capital gain related to the disposal of a London real estate development (€ 193 million net of taxes), and a one-off restructuring charge in Italy (around € -165 million net of taxes) while also reflecting the impact of € -71 million in impairments on Russian fixed income instruments recorded at 31 December 2022.

Other information on the Group

From operating result to result of the period

(€ million)	31/12/2023	31/12/2022	Change
Consolidated operating result	**6,879**	**6,374**	**7.9%**
Insurance services results	5,548	4,815	15.2%
Operating investment result (*)	2,317	2,210	4.8%
Other operating income and expenses	-986	-651	51.5%
of which operating holding expenses	-572	-548	4.4%
Consolidated non-operating result	**-1,262**	**-2,434**	**-48.1%**
Non-operating investment result	64	-1,015	n.m.
Net non-operating gains from investments at FVTPL and gains and losses on foreign currency	-115	-881	-86.9%
Net non-operating realized gains on other investments	421	55	n.m.
Net non-operating ECL and impairment losses on other investments	-241	-189	27.4%
Net other non-operating expenses	-683	-788	-13.3%
Non-operating holding expenses	-644	-631	2.0%
Interest expenses on financial debt	-447	-470	-5.0%
Other non-operating holding expenses	-197	-161	22.1%
Earnings before taxes	**5,617**	**3,940**	**42.6%**
Income taxes (*)	-1,579	-1,378	14.6%
Earnings after taxes	**4,037**	**2,562**	**57.6%**
Profit or loss from discontinued operations	84	-93	n.m.
Consolidated result of the period	4,122	2,470	66.9%
Result of the period attributable to the Group	**3,747**	**2,235**	**67.7%**
Result of the period attributable to minority interests	375	235	59.6%
Adjusted net result	**3,575**	**3,133**	**14.1%**

(*) At 31 December 2023, the amount is net of non-recurring taxes shared with the policyholders for € -43 million (nil at 31 December 2022).

Operating result by country

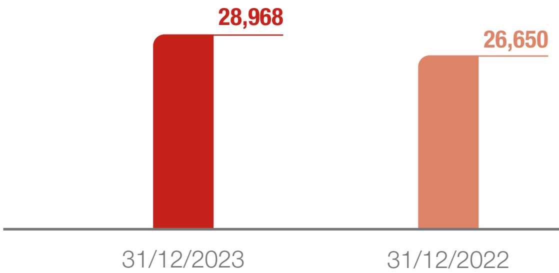
(€ million)	31/12/2023	31/12/2022	Change
Italy	1,978	2,326	-15.0%
France	1,290	1,072	20.3%
DACH	1,495	1,401	6.7%
Germany	1,046	942	11.0%
Austria	325	326	-0.2%
Switzerland	129	133	-2.9%
International	1,499	1,185	26.5%
CEE	658	485	35.7%
Mediterranean & Latin America	515	412	25.1%
Asia	344	302	13.9%
Asset & Wealth Management	964	920	4.8%
Group holdings, other companies and consolidation adjustments	-348	-531	-34.5%
Total	**6,879**	**6,374**	**7.9%**

Total gross written premiums by country

(€ million)	31/12/2023	31/12/2022
Italy	27,328	26,065
France	15,496	15,570
DACH	19,620	19,317
Germany	14,823	14,614
Austria	2,973	2,881
Switzerland	1,824	1,822
International	16,058	14,640
CEE	4,827	4,440
Mediterranean & Latin America	5,231	5,142
Asia	6,000	5,057
Group holdings and other companies	3,965	3,427
Total	**82,466**	**79,019**

GROUP'S FINANCIAL POSITION

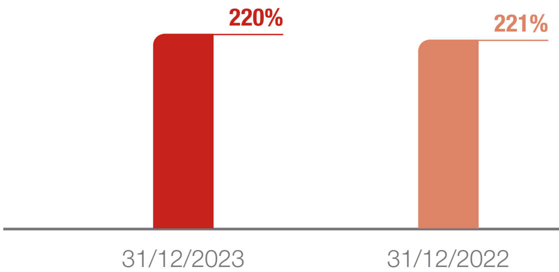
GROUP SHAREHOLDERS' EQUITY (€ mln)



The Group shareholders' equity stood at € 28,968 million, up by 8,7% attributable to the Group's result of the period partially offset by the 2023 dividend for a total of € 1,790 million.

Notes, Shareholders' equity for further information

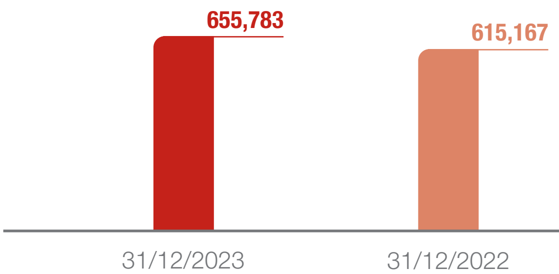
SOLVENCY RATIO (%)



Solid capital position confirmed at 220% (-1 p.p.), thanks to the excellent contribution from the normalized capital generation, offsetting the impacts of variances.

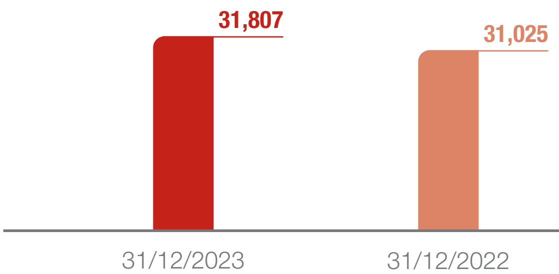
Risk Report for other information on Group capital position

TOTAL ASSETS UNDER MANAGEMENT (€ mln)



Group's total Assets Under Management (AUM) at € 655,783 million, of which € 358,578 million deriving from General Account investments, € 108,265 million from financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds, and € 188,940 million from Third-parties Asset Under Management.

CONTRACTUAL SERVICE MARGIN (€ mln)



Contractual service margin for insurance and reinsurance contracts, gross of reinsurance, amounts to € 31,807 million, of which € 30,911 million come from the Life segment and € 896 million come from the P&C segment.

Investments

Group investments

(€ million)	31/12/2023	31/12/2022	Change
Equity investments	**25,291**	**26,129**	**-3.2%**
Fixed income investments	**280,665**	**280,489**	**0.1%**
Bonds	233,835	235,386	-0.7%
Other fixed income investments	46,830	45,104	3.8%
Land and buildings (investment properties and similar investments)	27,038	28,942	-6.6%
Other investments	**8,233**	**5,878**	**40.1%**
Investments in subsidiaries, associated companies and joint ventures	**2,712**	**2,492**	**8.8%**
Derivatives	**-164**	**-71**	**130.3%**
Other investments	**5,685**	**3,457**	**64.4%**
Cash and cash equivalents	**17,352**	**10,606**	**63.6%**
Total General Account investments	**358,578**	**352,044**	**1.9%**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	108,265	95,251	13.7%
Group's total investments	**466,843**	**447,295**	**4.4%**
Third-party Asset Under Management	188,940	167,872	12.6%
Group total Assets Under Management	**655,783**	**615,167**	**6.6%**

At 31 December 2023, the Group's total investments amounted to € 466,843 million (+4.4% compared to 31 December 2022), following in particular both the increase of financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds (€ 108,265 million, +13.7% compared to 31 December 2022) and of General Account investments (€ 358,578 million, +1.9% compared to 31 December 2022). The increase of financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds is supported by positive market performance and positive net inflows, additionally, the increase of General Account investments is driven by the reduction in interest rates, particularly benefits the Group's bond portfolio.

The evolution in the Group's asset allocation has led to an increase in cash and cash equivalents, which amounted to € 17,352 million (€ 10,606 million at 31 December 2022), in line with the operational needs defined in the chapter *Debt and liquidity*.

Throughout the year, both the incidence of fixed income investments, amounting to 78.3% (79.7% at 31 December 2022), and that of equity investments, amounting to 7.1% (7.4% as of 31 December 2022), slightly decreased.

The Group's land and buildings (investment properties and similar investments) recorded a reduction during 2023, amounting to € 27,038 million (€ 28,942 million at 31 December 2022).

The Group's total Assets Under Management amounted to € 655,783 million (+6.6% compared to 31 December 2022), of which third-party Assets Under Management amounted to € 188,940 million (+12.6% compared to 31 December 2022). The increase in third-party Assets Under Management is supported by both the performance of the financial markets and the contribution of net inflows and extraordinary transactions.

Return on investments

(€ million)	31/12/2023	31/12/2022
Economic components		
Current income from fixed income instruments	8,804	8,522
Current income from equity instruments	800	1,074
Current income from real estate investments (*)	976	999
Net realized gains	783	46
Expected credit losses	-129	-375
Net unrealized gains	-392	-7,450
Average stock	**352,301**	**380,299**
Ratio (%)		
P&L return	3.1%	0.8%
Current return	3.1%	2.9%
Harvesting rate	0.1%	-2.0%
Return from gains/losses through equity	3.7%	-17.1%
Comprehensive return	6.8%	-16.4%

(*) Net of depreciation of the period.

The current income increased at 3.1% (2.9% at 31 December 2022). This increase is mainly due to the growth of current income from fixed income instruments.
The P&L return recorded a significant increase to 3.1% (0.8% at 31 December 2022), also driven by the harvesting rate, which rose to 0.1% (-2.0% at 31 December 2022). This increase throughout the year was supported by the positive contribution of realized gains and lower unrealised losses recognized in the income statement.
The increase of return from gains/losses through equity, equal to 3.7% (-17.1% at 31 December 2022) is mainly attributable to the reduction in interest rates.

Insurance liabilities

Gross insurance liabilities

(€ million)	31/12/2023	31/12/2022
Total insurance liabilities	**412,010**	**395,472**
Life insurance liabilities	376,663	362,029
Property & Casualty insurance liabilities	35,347	33,443

Gross insurance liabilities stood at € 412,010 million, up 4.2% compared to € 395,472 million at 31 December 2022; the insurance liabilities of the Life segment, whose contribution to the total insurance liabilities is equal to 91.4%, amounted to € 376,663 million (+4.0% compared to 31 December 2022) while the liabilities of the P&C segment stood at € 35,347 million (+5.7% compared to 31 December 2022).

Debt and liquidity

Debt

Group debt is composed as follows:

Group debt

(€ million)	31/12/2023	31/12/2022
Operating debt	**33,025**	**35,365**
Financial debt	**10,965**	**10,277**
Subordinated liabilities	9,040	8,358
Senior bonds	1,767	1,765
Other financial debt	157	153
Total	**43,990**	**45,642**

The decrease in the Group's operating debt was mainly attributable to the reduction of the payables to bank customers.
The increase in Group's financial debt primarily stems from two bond issuances occurred in April and September, totalling € 1,000 million. This rise was partly mitigated by a cash buyback of roughly € 500 million of a perpetual bond, approximately € 351 million of which was held by external investors, along with the exercise of an early redemption option worth € 100 million for a bond issued by Genertel S.p.A., about € 51 million of which was held by external investors.

The weighted average cost of financial debt stood at 4.39%, showing a slight increase compared to year-end 2022, mainly due to the higher cost of new issuances compared to the repurchased one.

The interest expenses on financial debt equals to € 447 million at 31 December 2023 (compared to € 470 at 31 December 2022).

Details on financial debt

Details on subordinated liabilities and senior bonds

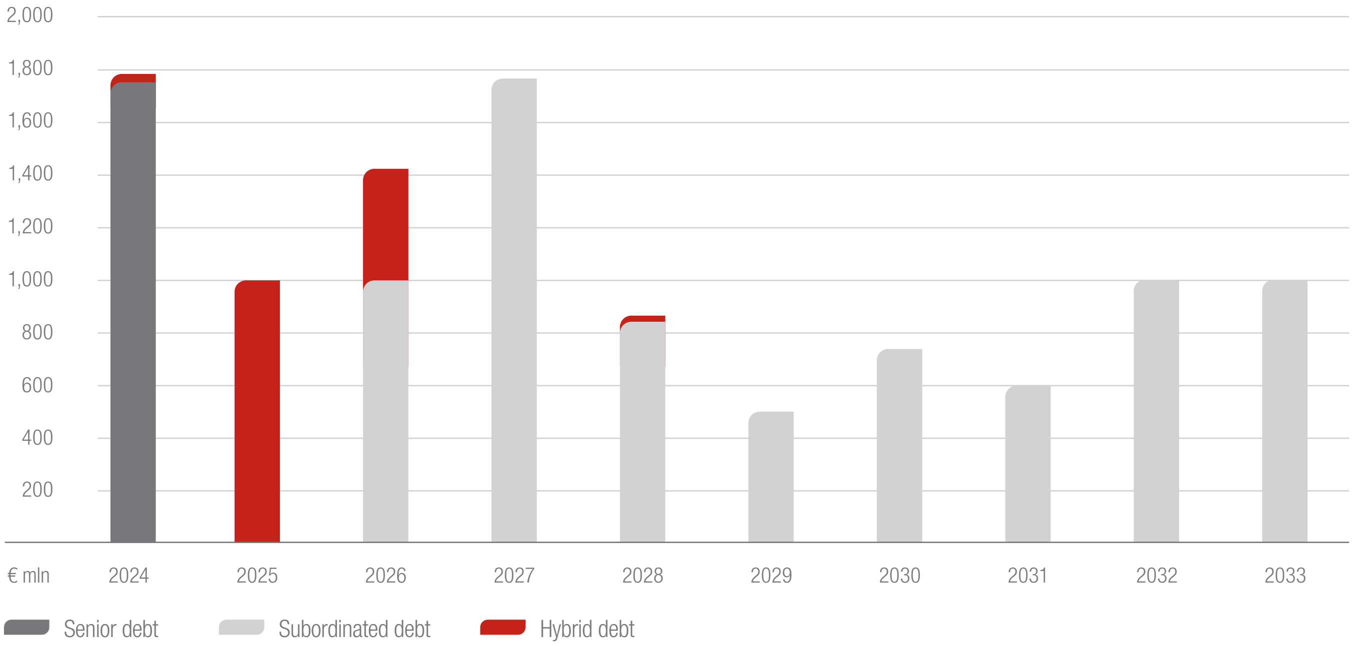
(€ million)	31/12/2023				31/12/2022			
	Nominal value	Book value	Accrued interest expenses	Average weighted cost % (*)	Nominal value	Book value	Accrued interest expenses	Average weighted cost % (*)
Subordinated liabilities	8,867	9,040	357	4.25%	8,199	8,358	381	4.09%
Senior bonds	1,744	1,767	89	5.13%	1,744	1,765	89	5.13%
Total	**10,611**	**10,808**	**447**	**4.39%**	**9,943**	**10,123**	**470**	**4.27%**

(*) The weighted average cost of debt is the annualized cost of financial debt considering the nominal amount of the liabilities at the reporting date and the related transactions of currency and interest rate hedging.

Details of issues and redemptions of subordinated liabilities and senior bonds

(nominal value in € million)	31/12/2023			31/12/2022		
	Issuances	Redemptions	Issuances net of redemptions	Issuances	Redemptions	Issuances net of redemptions
Subordinated liabilities	1,000	600	400	500	969	-469
Senior bonds	0					
Total	**1,000**	**600**	**400**	**500**	**969**	**-469**

Details on maturity of subordinated liabilities and senior bonds (nominal value, € mln)



The average duration stood at 4.43 years at 31 December 2023 compared to 4.77 years at 31 December 2022.

Notes, Financial liabilities for further information

Revolving credit facilities

Assicurazioni Generali has revolving credit facilities for a total amount of € 4.0 billion. They represent, in line with the best market practice, an efficient tool to protect the Group's financial flexibility in case of adverse scenarios.
The two revolving credit facilities, syndicated for a value of € 2.0 billion each, have a duration until 2025 and 2028, respectively.
The revolving credit facilities also present innovative features in terms of sustainability since their cost is linked to the targets on green investments. This transaction further strengthens Generali's commitment to sustainability and the environment, as set out in the Charter of Sustainability Commitments and in the Generali Group Strategy on Climate Change.
This will only impact the Group's liabilities linked to financing activities if the facilities are drawn down.

Liquidity

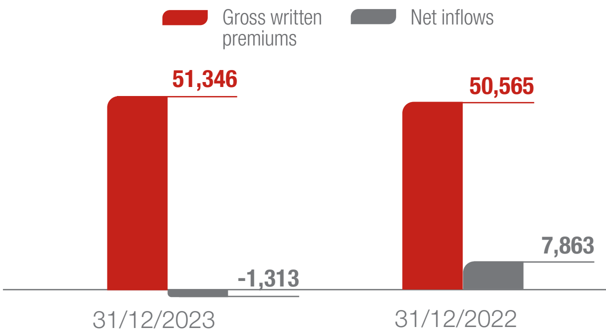
Cash and cash equivalents

(€ million)	31/12/2022	31/12/2021
Cash at bank and short-term securities	6,070	5,576
Cash and cash equivalents	148	332
Cash and balances with central banks	578	706
Money market investment funds unit	13,978	6,807
Other net cash and cash equivalents	-3,423	-2,815
Cash and cash equivalents	**17,352**	**10,606**

The Group's cash and cash equivalents exposures increased during the year to € 17,352 million (€ 10,606 million at 31 December 2022). This trend is in line with the purpose of supporting any liquidity needs arising from the operations of the Life segment and the completion of extraordinary transactions planned for the first months of 2024. The increase is concentrated in money market investment funds unit exposures, a choice driven by the high interest rates that particularly benefited in the latter part of 2023.

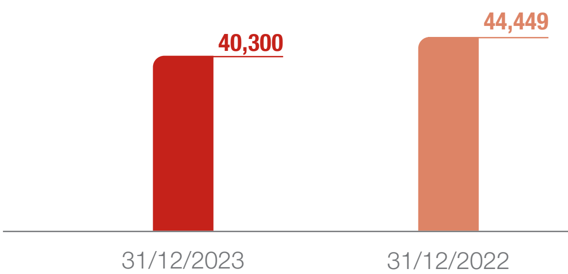
LIFE SEGMENT[5]

GROSS WRITTEN PREMIUMS AND NET INFLOWS (€ mln)



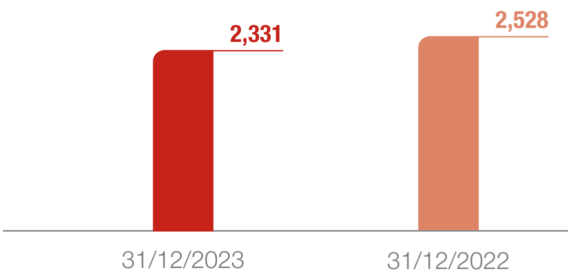
Life net inflows decreased to € -1.3 billion, driven by the net outflows of the savings and pension line, offset by the net inflows of the unit-linked and protection lines. Gross written premiums rose to € 51.3 billion (+2.0%).

PVNBP (€ mln)



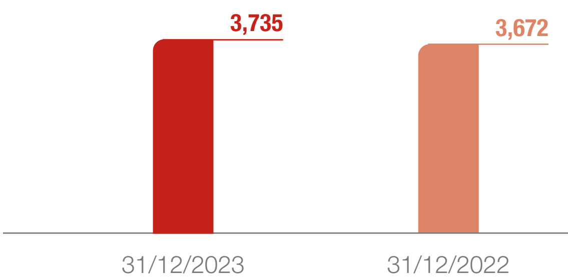
New business (expressed in terms of present value of new business premiums - PVNBP) at € 40,300 million, decreasing by 9.2% (-4.9% neutralizing a specific IFRS 17[6] accounting treatment related to contracts recognition).

NBV (€ mln)



New Business Value (NBV) at € 2,331 million (-7.7%), where the enhanced profitability only partially compensated the reduction of volumes.

OPERATING RESULT (€ mln)



Operating result stood at € 3,735 million (+1.7%) mainly due to the improvement in the operating insurance services result.

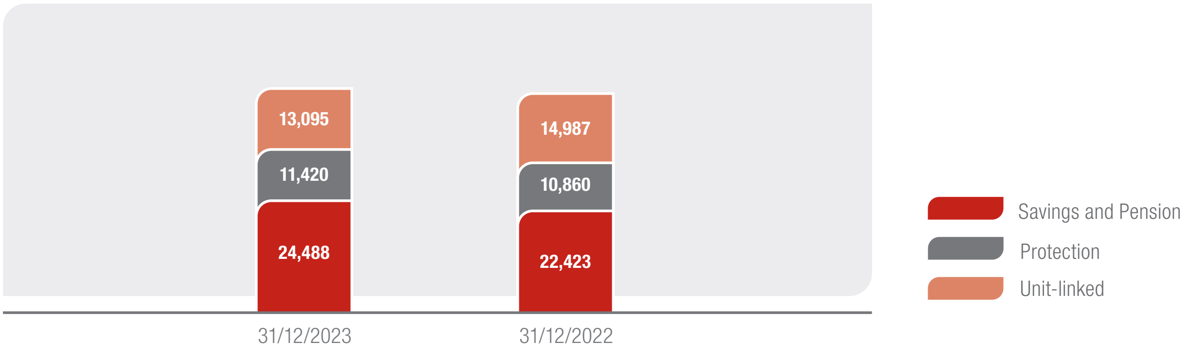
5. Changes in premiums, Life net inflows and new business were presented on equivalent terms (at constant exchange rates and consolidation scope). Changes in the operating result, general account investments and Life technical provisions excluded any assets under disposal or disposed of during the same period of comparison.
The amounts were rounded and may not add up to the rounded total in all cases. The percentages presented can be affected by the rounding.
6. Paragraph 25 of IFRS 17 requires that the initial recognition of a group of insurance contracts is set from earliest of the following dates: a) the beginning of the coverage period of the group of contracts, b) the date when the first payment from a policyholder becomes due, c) for a group of onerous contracts, when the group becomes onerous.
In France, group protection business generally allows for a one-year coverage (from 1 January until 31 December), with the contracts being issued or renewed in December of the previous year. In 2022 some of the French group contracts effective from 2023 were onerous and, according to the above-mentioned paragraph, were recognized in 2022. The contracts signed-off in 2023 and effective from 2024 are instead profitable and hence will be entirely recognized in 2024. For this reason, 2023 new production is artificially penalized compared to 2022.

Performance of the Life segment

Premiums development

Life premiums[7] were € 51,346 million (+2.0% on equivalent terms). Both the savings and pension line (+10.0%), especially in Asia (+28.7%), Italy (+11.3%) and France (+3.8%), and the protection line grew (+6.4%), in the main countries in which the Group operates. The reduction in premiums of the unit-linked line (-13.1%) is concentrated in particular in France (-20.5%) and Italy (-16.3%).

Gross direct premiums by line of business (€ mln)



Net inflows - premiums collected, net of claims and surrenders - were € -1,313 million. Net inflows of the protection line rose to € 4,552 million (€ 4,251 million at 31 December 2022), thanks to the development in Italy and France. Net inflows of the unit-linked line amounted to € 4,357 million (€ 8,479 million at 31 December 2022), concentrated mainly in France and Germany. The net outflows of the savings and pension line amounted to € -10,222 million (€ -4,868 million at 31 December 2022), in line with the Group's strategy to reposition its Life business portfolio, and reflected in particular the trends observed in Italy, France and Germany.

New Business Value

The NBV represents the expected value of future profits net of taxes referred to the new contracts issued over the reporting period within the Life segment. The full year NBV is calculated as the simple sum of the NBV of each quarter, each of them calculated with beginning of period operating and economic assumptions.
During 2022 the Group revised the methodology underlying the NBV calculation to ensure a better alignment with the requirements of the recently introduced IFRS 17 standard. In this context, the NBV is defined as the contribution of the new business to the Life CSM (NB CSM) including the following elements to provide a more accurate economic representation of the performance indicator, while also granting consistency with the past:
- the value of short-term business measured under the Premium Allocation Approach (PAA);
- the value of investment contracts falling under IFRS 9;
- the look-through profits emerging outside the Life segment (mostly related to fees paid to internal asset managers) ;
- the impact of taxes, minority interests and other factors, that also include the cost of external reinsurance.

Compared to the previous Solvency II-based definition, the new indicator reflects different economic assumptions, contract boundaries definition and the newly introduced risk adjustment in place of the cost of capital and cost of non-headgeable risks.
It should be noted that for the sake of presentation consistency, the results reported in this report with reference to the year 2022 have been restated based on the new definition of NBV. They therefore differ from those officially published with reference to the 2022 financial year.
The following table compares the NBV, the present value of future premiums related to New Business Production (PVNBP) and the profitability expressed in terms of PVNBP (NBM) in 2023 with the correspondent value in 2022. The changes are reported on a comparable basis, neutralizing the impact of variations in the scope and exchange rates.

7. Including premiums from investment contracts equal to € 1,383 million (€ 1,232 million at 31 December 2022).

New Business Value

(€ million)	31/12/2023	31/12/2022	Change
Total New Business premiums	**22,152**	**23,797**	**-6.8%**
Annual premiums	2,202	2,168	2.2%
Single premiums	19,949	21,629	-7.6%
PVNBP	**40,300**	**44,449**	**-9.2%**
NBV	**2,331**	**2,528**	**-7.7%**
NBM	**5.78%**	**5.69%**	**0.09 p.p.**

From 2022 to 2023 the PVNBP decreased by 9.2%. This trend, caused by the challenging attractiveness of the financial product offer and by the IFRS 17[8] accounting treatment required for the NB recognition of protection business in France, was amplified by the impact of higher interest rates on the discounting of future premiums. In fact, the decrease of the New Business production measured in terms of Annual Premium Equivalent was milder, amounting to -2.7%.

Neutralizing the impact of French protection business recognition, i.e. allocating the new business to the time of renewal, as in Solvency 2, the total PVNBP decrease would have been limited to -4.9%.

In terms of lines of business, saving volumes slightly increased (+2.0%) thanks to the strong production registered in Asia together with the growth in Italy, partially offset by the drop in Germany.

Regarding protection line, the slowdown observed (-12.7%) was primarily attributable to France (-47.5%). However, neutralizing the aforementioned impact related to the recognition of collective protection business, the PVNBP variation would have turned positive both at Group level (+5.2%) and in France (+9.7%).

Unit-linked business also significantly decreased (-18.5%) in almost all areas, mainly driven by the reduction registered in France (-27.1%) and Italy (-27.0%) on account of the contraction on the hybrid sales, more marked for the unit-linked component especially in France.

The new business profitability measured in PVNBP terms stood at 5.78%, increasing by 0.09 p.p.. Focusing on the lines of business, the remarkable enhancement of protection, benefitting from the lower share of the less profitable French collective business, and the improvement of saving business, boosted by the increase of interest rates across Europe, were partially counterbalanced by the deterioration of unit-linked marginality, unfavorably driven by a less profitable product mix coupled with higher asset management fees.

The table below displays the main elements of the NBV derivation starting from NB CSM.

New Business Value derivation

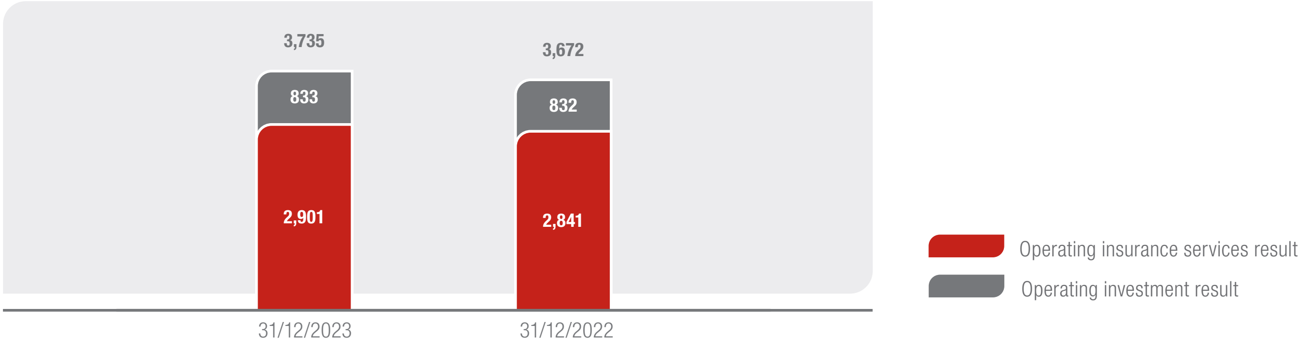
(€ million)	31/12/2023
NB CSM	**2,796**
Scope	654
Taxes, minorities and other	-1,120
NBV	**2,331**

As previously mentioned, the value of contracts measured with the PAA, investment contracts and "look-through" profits (scope) are added to the NB CSM. The obtained results are then net of the impacts of taxes, minorities and other factors, such as the cost of external reinsurance (taxes, minorities and other).

8. Paragraph 25 of IFRS 17 requires that the initial recognition of a group of insurance contracts is set from earliest of the following dates: a) the beginning of the coverage period of the group of contracts, b) the date when the first payment from a policyholder becomes due, c) for a group of onerous contracts, when the group becomes onerous.
In France, group protection business generally allows for a one-year coverage (from 1 January until 31 December), with the contracts being issued or renewed in December of the previous year. In 2022 some of the French group contracts effective from 2023 were onerous and, according to the above-mentioned paragraph, were recognized in 2022. The contracts signed-off in 2023 and effective from 2024 are instead profitable and hence will be entirely recognized in 2024. For this reason, 2023 new production is artificially penalized compared to 2022.

Operating result

Operating result (€ mln)



Life operating result stood at € 3,735 million (€ 3,672 million at 31 December 2022). The operating insurance services result improved to € 2,901 million (€ 2,841 million at 31 December 2022), while operating investment result was substantially stable at € 833 million (€ 832 million at 31 December 2022).

Operating insurance services result

Life segment operating result: operating insurance services result

(€ million)	31/12/2023	31/12/2022	Change
Life segment operating insurance services result	**2,901**	**2,841**	**2.1%**
CSM release	3,035	2,889	5.0%
Risk adjustment release	155	156	-0.9%
Loss component	-149	-155	-4.2%
Experience variance and other technical result	-32	6	n.m.
Other operating income and expenses	-108	-55	96.0%

Operating insurance services result amounted to € 2,901 million (€ 2,841 million at 31 December 2022), mainly composed by the CSM release, equal to € 3,035 million (€ 2,889 million at 31 December 2022), which more than offsets the negative one-offs on reinsurance accepted business.

Operating investment result

Life segment operating result: operating investment result

(€ million)	31/12/2023	31/12/2022	Change
Life segment operating investment result	**833**	**832**	**0.2%**
Operating investment income	18,177	-9,813	n.m.
Interest income and other income	11,087	10,451	6.1%
Net operating realized gains on financial instruments and land and buildings (investment properties)	752	-1,599	n.m.
Net operating unrealized gains on financial instruments and land and buildings (investment properties)	6,979	-17,855	n.m.
Net operating ECL and impairment losses on financial instruments and land and buildings (investment properties)	58	-215	n.m.
Other expenses from other financial instruments and land and buildings (investment properties)	-307	-330	-7.1%
Interest expenses on operating debt	-391	-264	48.0%
Insurance finance expenses	-17,344	10,645	n.m.

Operating investment result amount to € 833 million (€ 832 million at 31 December 2022) and comprises:
- interest income and other income, which includes dividends and other recurring income, amounting to € 11,087 million (€ 10,451 million at 31 December 2022);
- net operating realized gains on financial instruments and land and buildings (investment properties) for € 752 million (€ -1,599 million at 31 December 2022);
- net operating unrealized gains on financial instruments and land and buildings (investment properties) which improved to € 6,979 million (€ -17,855 million at 31 December 2022);
- net operating ECL and impairment losses on financial instruments and land and buildings (investment properties) for € 58 million (€ -215 million at 31 December 2022);
- other expenses from other financial instruments and land and buildings (investment properties) for € -307 million (€ -330 million at 31 December 2022);
- interest expenses on operating debt € -391 million (€ -264 million at 31 December 2022);
- insurance finance expenses for € -17,344 million (€ 10,645 million at 31 December 2022).

Other information on the Life segment

Life segment operating result and non-operating result

(€ million)	31/12/2023	31/12/2022	Change
Life segment operating result	**3,735**	**3,672**	**1.7%**
Operating insurance services result	2,901	2,841	2.1%
Operating investment result	833	832	0.2%
Life segment non-operating result	**169**	**-557**	**n.m.**
Life segment earnings before taxes	**3,903**	**3,115**	**25.3%**

Life segment indicators by country

(€ million)	Operating result		CSM release	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Italy	1,591	1,472	1,263	1,289
France	788	813	658	568
DACH	732	713	697	610
Germany	556	548	485	404
Austria	81	69	81	83
Switzerland	95	96	131	122
International	838	710	395	394
CEE	284	198	183	173
Mediterranean & Latin America	257	231	74	72
Asia	297	281	139	150
Group holdings and other companies (*)	-215	-35	22	30
Total	**3,735**	**3,672**	**3,035**	**2,889**

(*) The data relating to Operating result also include country adjustments.

Life segment indicators by country

(€ million)	Gross written premiums		Net inflows	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Italy	18,538	17,755	-3,022	1,170
France	11,553	12,121	-1,685	975
DACH	12,965	12,947	761	2,823
Germany	10,693	10,655	657	2,444
Austria	1,189	1,220	-94	153
Switzerland	1,084	1,072	199	226
International	7,175	6,623	2,599	2,931
CEE	1,171	1,123	290	259
Mediterranean & Latin America	1,359	1,303	71	181
Asia	4,646	4,196	2,239	2,492
Group holdings and other companies	1,115	1,120	33	-36
Total	**51,346**	**50,565**	**-1,313**	**7,863**

Life segment direct written premiums by line of business and by country

(€ million)	Savings and Pension		Protection		Unit-linked		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Italy	13,975	12,552	714	603	3,849	4,600	18,538	17,755
France	3,215	3,096	2,713	2,390	4,269	5,369	10,197	10,855
DACH	3,532	3,601	5,301	5,111	4,132	4,179	12,965	12,891
Germany	2,951	2,999	4,684	4,504	3,058	3,097	10,693	10,599
Austria	419	432	482	472	287	316	1,188	1,220
Switzerland	162	170	135	135	786	766	1,083	1,072
International	3,766	3,174	2,542	2,610	846	817	7,154	6,601
CEE	171	189	636	575	359	353	1,167	1,117
Mediterranean & Latin America	292	275	792	816	275	212	1,359	1,303
Asia	3,303	2,710	1,115	1,219	211	252	4,629	4,181
Group holdings and other companies	0	0	150	148	0	21	150	169
Total	**24,488**	**22,423**	**11,420**	**10,860**	**13,095**	**14,987**	**49,003**	**48,271**

Life segment indicators by country

(€ million)	PVNBP		NBV		NBM	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Italy	15,617	16,539	1,030	1,140	6.60%	6.89%
France	9,199	12,665	502	565	5.45%	4.46%
DACH	10,115	10,382	462	494	4.57%	4.76%
Germany	8,607	8,822	361	383	4.19%	4.34%
Austria	1,020	1,009	62	67	6.12%	6.62%
Switzerland	489	550	39	44	7.98%	8.08%
International	5,227	4,737	334	328	6.40%	6.92%
CEE	965	966	93	90	9.68%	9.27%
Mediterranean & Latin America	1,236	1,147	115	125	9.32%	10.90%
Asia	3,027	2,624	126	113	4.16%	4.32%
Group holdings and other companies	141	127	3	0	2.16%	0.17%
Total	**40,300**	**44,449**	**2,331**	**2,528**	**5.78%**	**5.69%**

Financial position of the Life segment

Investments

Life segment investments

(€ million)	31/12/2023	31/12/2022	Change
Equity investments	21,812	22,399	-2.6%
Fixed income investments	236,649	235,608	0.4%
Bonds	197,940	199,138	-0.6%
Other fixed income investments	38,709	36,470	6.1%
Land and buildings (investment properties and similar investments)	23,875	25,606	-6.8%
Other investments	6,164	5,900	4.5%
Investments in subsidiaries, associated companies and joint ventures	3,129	5,252	-40.4%
Derivatives	-197	-146	35.0%
Other investments	3,233	794	307.3%
Cash and cash equivalents	10,542	7,577	39.1%
Total General Account investments	**299,042**	**297,089**	**0.7%**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	108,265	95,251	13.7%
Group's total investments	**407,307**	**392,340**	**3.8%**

At 31 December 2023, the Group's total investments in Life segment amounted to € 407,307 million (+3.8% compared to 31 December 2022), increasing during the year following in particular the rise of financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds (€ 108,265 million, +13.7% compared to 31 December 2022) and, in to a lesser extent, General Account investments (€ 299,042 million, +0.7% compared to 31 December 2022).
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds increased following the positive performance of the markets and funding net, while General Account investments are mainly supported by the increase of the book value of the bond portfolio, as a consequence of the reduction in interest rates.
With reference to General Account investments asset mix, there was an increase in cash and cash equivalents exposures, amounting to € 10,542 million (€ 7,577 million at 31 December 2022), and a reduction in land and buildings (investment properties and similar investments), totalling € 23,875 million (€ 25,606 million at 31 December 2022). On the contrary, fixed income investments and equity investments remained substantially stable, respectively at € 236,649 million (€ 235,608 million at 31 December 2022) and € 21,812 million (€ 22,399 at 31 December 2022).

The average duration of the bond portfolio stood at 8.7 (8.5 at 31 December 2022).

Life Segment Return of Investments

(%)	Total Life		of which: Contracts with direct participation features	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
P&L return	**3.1%**	**0.6%**	**2.9%**	**0.5%**
Current return	3.1%	2.9%	3.0%	2.8%
Harvesting rate	0.1%	-2.2%	0.1%	-2.3%
Return from gains/losses through equity	**3.9%**	**-19.0%**	**4.1%**	**-20.0%**
Comprehensive return	**7.0%**	**-18.3%**	**7.0%**	**-19.5%**

The current return of Life segment increased at 3.1% (2.9% at 31 December 2022).
The increase is mainly recorded in fixed income investments, which also benefit from the indirect bond component.
The P&L return recorded a substantial increase, reaching 3.1% (0.6% at 31 December 2022), also supported by the harvesting rate, amounting 0.1% (-2.2% at 31 December 2022), following a greater contribution of unrealized gains recognized in the income statement.

Life insurance liabilities

Life insurance liabilities

(€ million)	31/12/2023	31/12/2022
Life insurance liabilities	**376,663**	**362,029**
Present value of future cash flows	344,317	330,153
Risk Adjustment	1,435	1,669
Contractual Service Margin	30,911	30,207

At 31 December 2023, the gross insurance liabilities of the Life segment stood at € 376,663 million, increasing by € 14,633 million from the previous year-end value of € 362,029 million (+4.0%). The increase was driven by the present value of future cash-flows that moved from € 330,153 million to € 344,317 million, mainly on account of new business contribution and unwinding of discount, partially counterbalanced by the impact of operating variances mostly due to the surrenders experienced over the period. The adjustment for non-financial risks slightly decreased from € 1,669 million in 2022 to € 1,435 million in 2023. The CSM increased from € 30,207 million to € 30,911 million. CSM movement details are provided below.

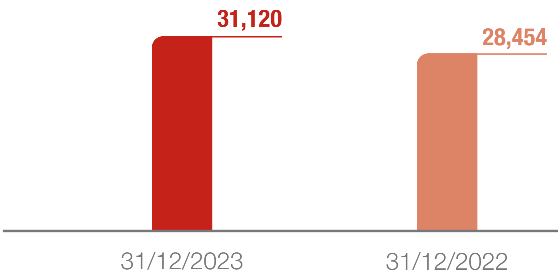
CSM Life development

(€ million)	31/12/2023
Opening CSM	**30,207**
New Business CSM	2,796
Expected return	1,692
Economic variances	804
Operating variances	-1,164
CSM before release	**34,336**
CSM release	-3,035
Change in scope and other	-391
Closing CSM	**30,911**

The CSM increased by 2.3% compared to 31 December 2022, moving from € 30,207 million to € 30,911 million.
The drivers that explained this variation were:
- new business contribution equal to € 2,796 million, mainly driven by Italy (€ 1,283 million), France (€ 631 million) and Germany (€ 380 million);
- expected return (€ 1,692 million), including the unwinding of discount and the systematic variance due to expected realization of real-world assumptions;
- economic variances (€ 804 million), led to the positive impacts of equity performance, lower market volatilities and reduced spreads of Italian government bonds, partially compensated by lower interest rates and the negative trend of real estates;
- operating variances (€ -1,164 million), mainly driven by the experience due to lapses in Italy and France, which was also reflected in updated future surrender assumptions;
- CSM release to P&L (€ -3,035 million), including both the systematic variance due to expected realization of real-world assumptions and a quota of CSM released according to the pattern of services rendered over the reporting period;
- the impact referred to the disposal of Generali Deutschland Pensionskasse.

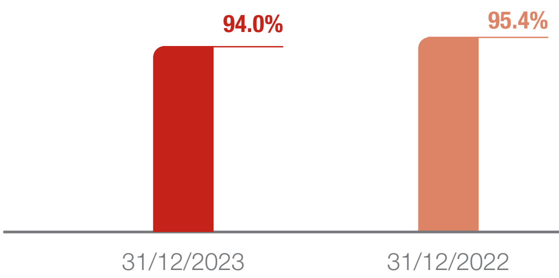
P&C SEGMENT[9]

GROSS WRITTEN PREMIUMS (€ mln)



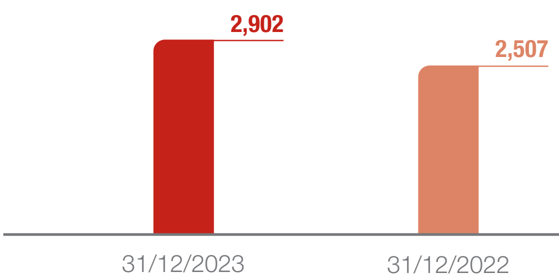
Premiums grew to € 31.1 billion (+12.0%), thanks to the performance of both business lines.

COMBINED RATIO (%)



Group CoR improved to 94.0% (-1.4 p.p.), despite the increase in natural catastrophe claims.
CoR undiscounted at 96.7% (-0.3 p.p.).

OPERATING RESULT (€ mln)



Operating result grew to € 2,902 million (+15.8%); thanks to the positive development of the combined ratio which is partially offset by the deterioration of the operating investment result.

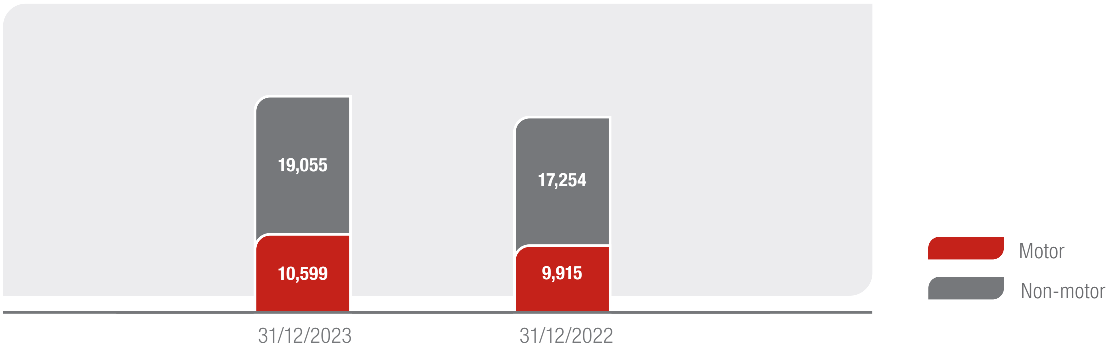
9. Changes in premiums were presented on equivalent terms (at constant exchange rates and consolidation scope). Changes in the operating result and general account investments excluded any assets under disposal or disposed of during the same period of comparison.
The amounts were rounded and may not add up to the rounded total in all cases. The percentages presented can be affected by the rounding.

Performance of the Property & Casualty segment

Premiums development

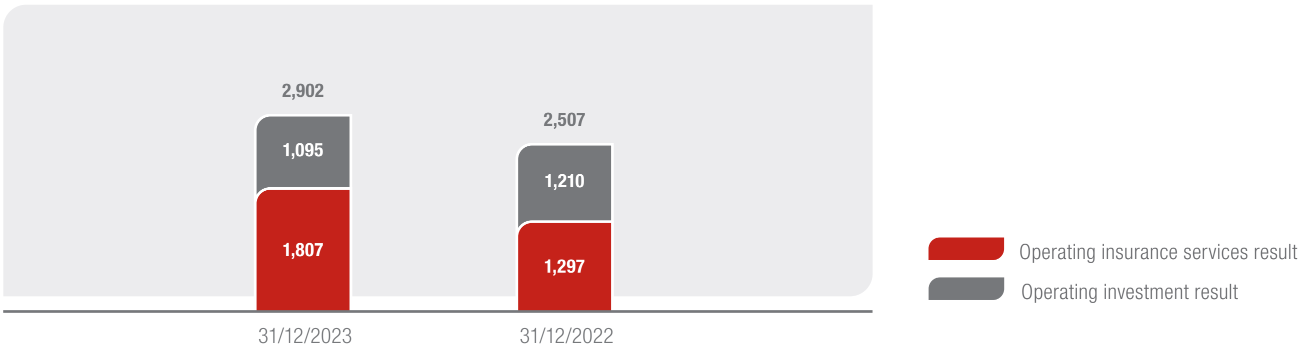
P&C premiums grew to € 31,120 million (+12.0% on equivalent terms) thanks to the positive performance of both business lines.
The non-motor line strongly improved (+8.7%), achieving widespread growth across all the main areas in which the Group operates. Europ Assistance premiums grew by 23.5%, thanks to continued volume expansion in the travel business.
The motor line rose by 17.5%, thanks to the positive dynamics seen in Italy (+4.9%), France (+7.5%), CEE (+11.9%) and Argentina (+216.0%). Excluding the contribution from Argentina, a country impacted by hyperinflation, motor line premiums would have increased by 6.3%.

Gross direct premiums by line of business (€ mln)



Operating result

Operating result (€ mln)



The operating result of the P&C segment amounted to € 2,902 million (€ 2,507 million at 31 December 2022). The increase was driven by the higher operating insurance services result, from € 1,297 million to € 1,807 million, offset by the reduction of the operating investment result amounting to € 1,095 million (€ 1,210 million at 31 December 2022).

Operating insurance services result

Property & Casualty segment operating result: operating insurance services result

(€ million)	31/12/2023	31/12/2022	Change
Property & Casualty segment operating insurance services result	**1,807**	**1,297**	**39.3%**
Insurance contract revenues	30,207	28,141	7.3%
Total incurred claims	-19,585	-18,286	7.1%
Insurance expenses	-8,445	-7,744	9.0%
Reinsurance result	-8	-547	-98.5%
Other operating income and expenses	-361	-266	35.6%

Operating insurance services amounted to € 1,807 million (€ 1,297 million at 31 December 2022). The increase was the result of the increase in volumes and the improvement in the combined ratio, despite the significant impact of natural catastrophe claims.

Technical indicators

	31/12/2023	31/12/2022	Change
Loss ratio	64.9%	66.9%	-2.1 p.p.
Current year loss ratio	67.9%	68.8%	-0.9 p.p.
Current year loss ratio undiscounted (excl. Nat Cat)	66.9%	68.0%	-1.2 p.p.
Natural catastrophe losses undiscounted	3.7%	2.4%	1.4 p.p.
Current year discounting	-2.7%	-1.6%	-1.1 p.p.
Prior year's loss ratio	-3.0%	-1.8%	-1.2 p.p.
Expense ratio	29.2%	28.5%	0.7 p.p.
Administration and acquisition expenses ratio	28.0%	27.5%	0.4 p.p.
Acquisition expenses	20.4%	19.9%	0.5 p.p.
Administration expenses and other attributable expenses	7.6%	7.6%	0.0 p.p.
Other operating income and expenses	1.2%	0.9%	0.2 p.p.
Combined ratio	**94.0%**	**95.4%**	**-1.4 p.p.**
Combined ratio undiscounted	**96.7%**	**97.0%**	**-0.3 p.p.**

The combined ratio was 94.0% (95.4% at 31 December 2022) thanks to the positive development in the loss ratio to 64.9% (-2.1 p.p.), partly compensated by higher expense ratio at 29.2% (+0.7 p.p.). The positive dynamics in the loss ratio benefited from a lower current year loss ratio undiscounted (excluding Nat Cat) and a higher discounting effect. The undiscounted natural catastrophes impact on the Combined Ratio was equal to 3.7% (2.4% in at 31 December 2022), mainly due to floods and hailstorms in Italy, Germany and CEE. The impact from natural catastrophes claims amounted to € -1,127 million (€ -663 million at 31 December 2022). The contribution from prior year development stood at -3.0% (-1.8% at 31 December 2022).
The increase in the expense ratio was driven by higher acquisition costs and by the constant increase of the non-motor premiums weight.
The undiscounted combined ratio - which excludes the discounting effect from claims reserved - improved to 96.7% (97.0% at 31 December 2022).

Operating investment result

Property & Casualty segment operating result: operating investment result

(€ million)	31/12/2023	31/12/2022	Change
Property & Casualty segment operating investment result	**1,095**	**1,210**	**-9.5%**
Operating investment income	1,389	1,248	11.3%
Interest income and other income	1,684	1,477	14.1%
Other expenses from other financial instruments and land and buildings (investment properties)	-194	-173	12.3%
Interest expenses on operating debt	-101	-56	81.4%
Insurance finance expenses	-294	-39	n.m.

The operating investment result amounted to € 1,095 million (€ 1,210 million at 31 December 2022) and comprises:

- interest income and other income, which includes dividends and other recurring income, for € 1,684 million (€ 1,477 million at 31 December 2022) mainly due to the contribution of fixed-income instruments;
- other expenses from other financial instruments and land and buildings (investment properties) for € -194 million (€ -173 million at 31 December 2022);
- interest expenses on operating debt amounting to € -101 million (€ -56 million at 31 December 2022):
- insurance finance expenses increase to € -294 million (€ -39 million at 31 December 2022), growing also following the interest rate dynamics.

Other information on the Property & Casualty segment

Property&Casualty segment operating and non-operating result

(€ million)	31/12/2023	31/12/2022	Change
Property&Casualty segment operating result	**2,902**	**2,507**	**15.8%**
Operating insurance services result	1,807	1,297	39.3%
Operating investment result	1,095	1,210	-9.5%
Property&Casualty segment non-operating result	**-679**	**-1,138**	**-40.4%**
Property&Casualty segment earnings before taxes	**2,224**	**1,368**	**62.5%**

Property&Casualty segment indicators by country

(€ million)	Gross written premiums		Operating result	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Italy	8,790	8,310	443	883
France	3,943	3,449	406	229
DACH	6,654	6,370	804	746
Germany	4,130	3,959	511	436
Austria	1,785	1,661	249	262
Switzerland	740	750	44	48
International	8,882	8,017	665	494
CEE	3,656	3,317	385	296
Mediterranean & Latin America	3,873	3,839	194	135
Asia	1,354	861	87	63
Group holdings and other companies (*)	2,850	2,308	585	155
Total	**31,120**	**28,454**	**2,902**	**2,507**

(*) The data relating to Operating result also include country adjustments.

Property&Casualty segment direct written premiums by line of business and by country

(€ million)	Motor		Non-motor		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Italy	3,167	3,019	5,333	5,045	8,500	8,064
France	1,241	1,139	2,631	2,240	3,872	3,379
DACH	2,523	2,466	4,114	3,895	6,638	6,361
Germany	1,503	1,478	2,614	2,476	4,117	3,954
Austria	717	677	1,064	980	1,780	1,657
Switzerland	304	310	437	439	740	750
International	3,577	3,264	4,917	4,377	8,494	7,641
CEE	1,774	1,559	1,841	1,720	3,614	3,280
Mediterranean & Latin America	1,409	1,508	2,372	2,239	3,781	3,747
Asia	394	197	705	418	1,099	615
Group holdings and other companies	91	27	2,060	1,697	2,150	1,724
Total	**10,599**	**9,915**	**19,055**	**17,254**	**29,654**	**27,169**

Technical indicators by country

	Combined ratio (*)		Loss ratio		Expense ratio	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Italy	97.4%	94.5%	70.5%	68.4%	26.9%	26.2%
France	92.8%	97.3%	68.5%	74.6%	24.3%	22.8%
DACH	92.1%	94.0%	63.3%	65.1%	28.8%	28.9%
Germany	91.7%	94.9%	62.5%	65.6%	29.2%	29.3%
Austria	91.4%	90.5%	63.3%	62.2%	28.1%	28.3%
Switzerland	96.4%	96.9%	68.1%	69.1%	28.3%	27.8%
International	96.1%	97.9%	64.0%	67.3%	32.1%	30.6%
CEE	91.8%	93.8%	58.4%	61.0%	33.4%	32.8%
Mediterranean & Latin America	99.4%	101.4%	68.7%	70.3%	30.7%	31.1%
Asia	97.9%	98.1%	65.5%	76.6%	32.4%	21.5%
Group holdings and other companies	82.4%	88.9%	47.0%	47.0%	35.4%	41.9%
Total	**94.0%**	**95.4%**	**64.9%**	**66.9%**	**29.2%**	**28.5%**

(*) NAT CAT claims undiscounted impacted on the Group combined ratio for 3.7 p.p., of which 7.5 p.p. in Italy, 2.7 p.p. in France, 4.1 p.p. in DACH, 2.0 p.p. in International and -2.3 p.p. in Group holdings and other companies (at 31 December 2022 NAT CAT claims undiscounted impacted on the Group combined ratio for 2.4 p.p., of which 3.1 p.p. in Italy, 3.3 p.p. in France, 2.5 p.p. in DACH, 0.7 p.p. in International and 3.7 p.p. in Group holdings and other companies).

Financial position of the Property&Casualty segment

Investments

Property&Casualty segment investments

(€ million)	31/12/2023	31/12/2022	Change
Equity investments	3,137	2,956	6.1%
Fixed income investments	32,690	33,081	-1.2%
Bonds	27,602	26,686	3.4%
Other fixed income investments	5,088	6,395	-20.4%
Land and buildings (investment properties and similar investments)	3,154	3,331	-5.3%
Other investments	3,385	2,960	14.3%
Investments in subsidiaries, associated companies and joint ventures	2,983	2,577	15.8%
Derivatives	42	48	-11.5%
Other investments	359	336	6.9%
Cash and cash equivalents	3,817	3,143	21.4%
Total investments	**46,183**	**45,473**	**1.6%**

At 31 December 2023, investments in the Property&Casualty segment amounted to € 46,183 million (+1.6% compared to 31 December 2022).
Cash and cash equivalents exposures recorded an increase at € 3,871 million (€ 3,143 million at 31 December 2022) and also equity investments rose at € 3,137 million (€ 2,956 million at 31 December 2022). On the contrary, fixed income investments and land and buildings (investment properties and similar investments) decreased, respectively to € 32,690 million (€ 33,081 million at 31 December 2022) and to € 3,154 million (€ 3,331 million at 31 December 2022).

The average duration of the bond portfolio amounted to 4.8 (5.1 at 31 December 2022).

Property&Casualty Segment Return on Investments

(%)	31/12/2023	31/12/2022
P&L return	**3.0%**	**1.5%**
Current return	3.5%	3.3%
Harvesting rate	-0.2%	-1.5%
Return from gains/losses through equity	**3.3%**	**-9.6%**
Comprehensive return	**6.3%**	**-8.1%**

The current return of the P&C segment increased to 3.5% (3.3% at 31 December 2022). This increase is due in particular to the increase in the fixed income investments return.
The P&L return recorded a substantial increase, reaching 3.0% (1.5% at 31 December 2022), also supported by the harvesting rate, with an increase at -0.2% (-1.5% compared to 31 December 2022), following lower unrealized losses recognized in the income statement.

P&C insurance liabilities

Property & Casualty insurance liabilities

(€ million)	31/12/2023	31/12/2022
Property & Casualty insurance liabilities	**35,347**	**33,443**
Liabilites for Remaining Coverage	4,920	5,146
Liabilities for Incurred Claims	30,428	28,298

Gross insurance liabilities of P&C segment increased by 5.7%, from € 33,433 million to € 35,347 million.
The overall increase reflected the evolution of liabilities for incurred claims which, mainly following the growth in gross premiums at Group level and the greater loss ratio due to catastrophe events, increased by € 2,130 million compared to the value of the previous year, amounting to € 30,428 million at the end of 2023.
The liability for remaining coverage amounted to € 4,920 million, decreasing compared to the value at 31 December 2022, following portfolio movements that occurred during the year.

ASSET & WEALTH MANAGEMENT SEGMENT

Asset & Wealth Management segment operating result

(€ million)	31/12/2023	31/12/2022	Change
Asset & Wealth Management segment operating result	**1,001**	**954**	**4.9%**
Asset Management	559	638	-12.3%
Banca Generali (*)	441	316	39.6%

(*) Operating contribution from Banca Generali group as per Generali's view.

The operating result of the Asset & Wealth Management segment stood at € 1,001 million (+4.9%).

In particular, the Asset Management result stood at € 559 million (-12.3%) reflecting mainly the market effect on the average AUM and the lower performance fees.

The operating result of Banca Generali group rose to € 441 million (+39.6%) thanks to the positive contribution of the net interest margin and the continuous diversification of fee income sources.
Banca Generali group net inflows for 2023 amounted to € 5.9 billion, up by 3% compared to the previous year.

Focus on Asset Management

Key figures

(€ million)	31/12/2023	31/12/2022	Change
Operating revenues	1,089	1,117	-2.5%
Operating expenses	-530	-479	10.6%
Net result[10]	393	453	-13.3%
Cost/Income ratio	48.6%	42.9%	+5.7 p.p.

(€ billion)	31/12/2023	31/12/2022	Change
Asset Under Management	516	505	2.2%
of which third-party Assets Under Management	105	102	2.3%

Operating revenues decreased by 2.5%, reaching € 1,089 million, primarily due to the drop of the performance fees (-33.6%) and recurring fees (-1.5%) resulting from the decrease in the average AUM in 2023 compared to 2022.

Operating expenses amounted to € -530 million (+10.6%). The increase is mainly attributable to investments in operating activities and strategic projects aimed at the reorganisation of the Asset Management segment.

The cost/income ratio - calculated as the ratio of operating costs to operating revenues - was 48.6% (+5.7 p.p.).

Net result[11] of Asset Management stood at € 393 million (-13.3%).

The Assets Under Management was € 516 billion (+2.2%). The increase is due to the stabilisation of interest rates in the second half of the year and their rapid decline in the last few months of 2023 and the good performance of the markets during the year.

Third-party Assets Under Management amounted to € 105 billion (+2.3%), with € -1.1 billion net outflows from external clients, mostly related to the non-renewal of a single institutional mandate.

10. After minorities.
11. After minorities.

HOLDING AND OTHER BUSINESSES SEGMENT

Holding and other businesses segment operating result

(€ million)	31/12/2023	31/12/2022	Change
Holding and other businesses segment operating result	**-320**	**-339**	**-5.7%**
Other businesses (*)	252	209	20.7%
Operating holding expenses	-572	-548	4.4%

(*) Including other financial businesses, pure financial holdings, international service activities and any other non-core businesses.

Operating result of the Holding and other businesses segment improved to € -320 million (€ -339 million at 31 December 2022).

The contribution from Other businesses was positive, standing at € 252 million (€ 209 million at 31 December 2022), mainly due to the improvement recorded in France, from higher intragroup dividends, and Planvital.

Operating holding expenses increased by 4.4% mainly due to the increase in costs related to personnel and projects for the implementation of new strategic initiatives.

OUR MAIN MARKETS: POSITIONING[12] AND PERFORMANCE

Italy

Gross written premiums
€ 27,328 mln +4.8%

Total operating result
€ 1,978 mln -15.0%

Our people
14,858 -1.6%

Life market share
19.8%

Property & Casualty market share
19.8%

Ranking
1st — 1st Life and 1st P&C

In a global context influenced by the continuation of the conflict in Ukraine and the start of the most recent one in the Middle East with consequences on the macro-economic scenario, Generali once again confirmed itself to be the leading company in the Italian insurance market, with an overall market share of 18.6% (up compared to the previous year). The company stood out due to its resilience and solidity in a scenario characterised by inflation, a rise in interest rates and market volatility, thanks to innovative insurance solutions for its customers in the Life and P&C segments.

Production remained strongly focused on the agency channel, in which the leadership position in the insurance market of Generali Italia and Alleanza Assicurazioni was recently strengthened by the entry of Cattolica. In addition to the result of sales via agencies, the consolidated position in the direct P&C and Life channel of Genertel and Genertellife, the first digital native company in Italy, recently renewed in terms of brand and operating model, was added. The partnership with Banca Generali has also made it possible to extend the range of insurance, pension and savings products.

In 2023, Generali presented itself to the Italian market with five distinct brands with a clear strategic positioning: Generali Italia (retail and SME market), Alleanza (households), Cattolica (retail and SME market with particular focus on the third sector, religious organisations and the agricultural world), DAS (legal protection and assistance) and Genertel with Genertellife (digital channels).

During 2023, the strategic plan "*Partner di Vita 24 - Pronti al futuro*" came to life, based on three objectives: pursue profitable growth, guarantee an excellent customer experience with an omni-channel approach and valuable consulting, and lastly streamline the operating machine. The challenging macroeconomic context was also an opportunity for a significant acceleration of the Cattolica integration process, which took shape with the corporate reorganisation of 1 July 2023, and for a significant consolidation of growth in the P&C segment. In this segment, the extraordinary atmospheric phenomena that occurred in 2023 led to actions aimed at mitigating and preventing natural catastrophes claims. In conclusion existing partnerships were consolidated and new ones developed to build ecosystems in the areas of mobility, home, health and technology. Jeniot, a company launched by Generali Italia at the end of 2018 that develops innovative services in the Internet of Things and connected insurance, also continued to grow.

LIFE SEGMENT

Life premiums
€ 18,538 mln +4.4%

Life OR
€ 1,591 mln +8.1%

PVNBP
€ 15,617 mln -5.7%

NBV
€ 1,030 mln -9.7%

The trend in Life premiums showed growth in the protection line and savings and pension line, partially offset by the drop in unit-linked products, also deriving from the macroeconomic context.

12. The indicated market shares and ranking, based on written premiums, refer to the most recent official data. The change in the number of our people was calculated on the number of our people at year-end 2022, which was restated according to the different Group's managerial structure.

New business (expressed in terms of present value of new business premiums - PVNBP) amounted to € 15,617 million, reflecting a 5.7% decrease compared to 2022. The overall negative PVNBP trend was mainly due to the challenging attractiveness of the product offer in the Italian market.
With reference to the business lines, there was a more pronounced drop of unit-linked line (-27.0%), partially offset by an increase of savings and risk products (+4.0% and +7.9% respectively).
The profitability of new business on the PVNBP (NBM) slowed down by 0.30 pp on equivalent terms, from 6.89% to 6.60% in 2023. The positive impact related to the rise in interest rates was more than offset by the review of certain contract conditions to the benefit of policyholders.
New business value (NBV) amounted to € 1,030 million (-9.7%).

P&C SEGMENT

P&C premiums
€ 8,790 mln | +5.8%

P&C OR
€ 443 mln | -49.8%

CoR
97.4% | +2.9 p.p.

P&C premiums amounted to € 8,790 million, with an increase of 5.8%, thanks to the growth in both business lines. The motor line recorded growth of 4.9%, thanks to the improvement of the retail segment due to the gradual recovery of inflationary impacts, while the fleets segment was stable. In this context, the focus on maintaining profitability and the development of smart-pricing models thanks to advanced analytics activities is confirmed. The increase observed in the non-motor line (+5.7%) is driven by the renewal of the product range through the development of new services and related products and the favourable moment of the Health market.

The combined ratio increased by 2.9 p.p., equal to 97.4%, due to a higher loss ratio linked to natural events, in particular in July. Net of these natural catastrophes events, the CoR showed an improvement compared to last year, also net of the positive impact of discounting (with an improvement of 0.6 p.p.).

France

Gross written premiums
€ 15,496 mln | -2.1%

Total operating result
€ 1,290 mln | +20.3%

Our people
6,514 | -1.2%

Life market share
5.4%

P&C market share
5.2%

A&H market share
8.9%

Ranking
7th | 8th Life, 8th P&C and 4th A&H

Generali has been active in France since 1831 with one of the Group's first foreign branches. The operating structure was consolidated toward the mid-2000s, when the merger of the various brands forming the Group led to the creation of one of the country's largest insurance companies. Generali France operates with a multi-channel approach of agents, employed sales persons, brokers, financial advisors, banks, direct channels and affinity groups. The multiplicity of the distribution forms reflects the market segment served and the type of product sold, with focus always placed on the customer. Generali France boasts a leadership position in Life savings and pension products distributed via the Internet and for the so-called affluent customers, just as holds true in the market of supplementary pensions for self-employed workers. The presence of professionals, SMEs and personal risks in the segments is also significant.
Also in France, as in the main geographical areas in which the Group operates, a new strategic initiative *Performance 2024* was launched in 2022 in line with *Lifetime Partner 24: Driving growth*. Based on three pillars, three levers and clear objectives for the next three years, the strategy aims to consolidate the bond of trust in the relationship with the customers, supporting them throughout life, in order to strengthen the brand and image in the area. Furthermore, sustainability is a key element of the strategy with a view to profitable and responsible growth.

Generali France continued its advertising campaign on multiple channels (television, press, billboards and digital platforms) aimed at generating more contacts and increasing the number of leads.
2023 saw the full merger of the insurance company La Médicale; after only 18 months from the acquisition, the legal merger was completed. Generali France has now entered a new Healthcare and Professionals market by offering a complete range of insurance products specifically designed for independent healthcare professionals, with a dedicated network of agents, under the La Médicale brand.

LIFE SEGMENT

Life premiums

€ 11,553 mln -4.7%

Life OR

€ 788 mln -3.1%

PVNBP

€ 9,199 mln -27.4%

NBV

€ 502 mln -11.3%

Life premiums decreased by 4.7% compared to 2022, in particular in the unit-linked products (-20.5%) while the protection line and savings and pension line increased by 13.5% and 3.8%, respectively.

New business (expressed in terms of present value of new business premiums - PVNBP) recorded a significant drop (-27.4%). The contraction was mainly attributable to the application of the initial recognition requirements of IFRS 17[13] to the 2023 collective protection business and to the reduction of the hybrid sales. Neutralizing the IFRS 17 initial recognition effect on the collective protection business, the PVNBP decrease would have been less pronounced and equal to -12.1%.
The profitability of new business on the PVNBP (NBM) grew by 0.99 pp, from 4.46% in 2022 to 5.45% in 2023. The remarkable enhancement of protection business, benefitting from the lower share of the less profitable collective business, along with the improvement of saving business, boosted by the increase of interest rates, was partly offset by the deterioration of unit-linked marginality, unfavorably driven by a less profitable product mix coupled with higher asset management fees.
New business value (NBV) amounted to € 502 million (-11.3%).

P&C SEGMENT

P&C premiums

€ 3,943 mln +6.9%

P&C OR

€ 406 mln +77.2%

CoR

92.8% -4.5 p.p.

P&C premiums grew by 6.9%, driven by the dynamic improvement of the portfolio, both in the motor and non-motor lines.

The improvement in the combined ratio (-4.5 p.p.) is attributable to both the current and prior years loss ratio, in addition to the positive impact of discounting.

13. Paragraph 25 of IFRS 17 requires that the initial recognition of a group of insurance contracts is set from earliest of the following dates: a) the beginning of the coverage period of the group of contracts, b) the date when the first payment from a policyholder becomes due, c) for a group of onerous contracts, when the group becomes onerous.
In France, group protection business generally allows for a one-year coverage (from 1 January until 31 December), with the contracts being issued or renewed in December of the previous year. In 2022 some of the French group contracts effective from 2023 were onerous and, according to the above-mentioned paragraph, were recognized in 2022. The contracts signed-off in 2023 and effective from 2024 are instead profitable and hence will be entirely recognized in 2024. For this reason, 2023 new production is artificially penalized compared to 2022.

DACH: Germany, Austria and Switzerland

Gross written premiums
€ 19,620 mln +1.3%

Total operating result
€ 1,495 mln +6.7%

Our people
15,631 +0.1%

Germany

Gross written premiums
€ 14,823 mln +1.4%

Total operating result
€ 1,046 mln +11.0%

Our people
9,248 +0.2%

Life market share
8.8%

P&C market share
4.9%

Ranking
3rd 2nd Life and 8th P&C

The Group, present in Germany since 1837, is currently in third place with regard to total premium income in the primary insurance sector, thanks to a market share of 8.8% in the Life segment, where it confirms its position as leader in unit-linked insurance and in the protection line known as term life insurance, and a 4.9% share in the P&C segment, characterised by an innovative and highly profitable offer.
In 2023, Generali Deutschland continued to improve its performance thanks to the disciplined implementation of its strategy, aiming to be the leading insurance company in Germany in terms of profitable growth, return on investments and innovation, fully in line with the Group's strategic plan. The platform of innovative products and services, which defines a new industry standard, and the careful technical and operational regulation have contributed to the excellent results of Generali Deutschland, despite a very difficult market context, characterised by the impact of the conflict in Ukraine and the Middle East and the related generalised increases in prices and interest rates.
A fundamental pillar, both for premium income and profitability, is represented by the distribution network of Deutsche Vermögensberatung (DVAG), of which Generali holds 40%. This network, made up of around 18,000 full-time agents, has an exclusive agreement with the Generali Group for the sale of insurance solutions, and is able to effectively combine qualified consultancy, complete understanding of the needs of customers and digital tools to provide highly effective customer interaction.
In line with its strategic objectives, Generali Deutschland continued to strengthen its market position in 2023, not only through its DVAG network of agents, where it operates under the Generali, Advocard and Deutsche Bausparkasse Badenia brands, but also with the CosmosDirekt brand, dedicated to the digital channel, where the Generali Group is the market leader in Germany. As a pure insurance broker, the niche brand Dialog completes the portfolio. This is in line with the Generali Group's ambitions to transform the classic concept of insurance into protection, prevention and partnership with the customer.

LIFE SEGMENT

Life premiums
€ 10,693 mln 0.0%

Life OR
€ 556 mln +1.5%

PVNBP
€ 8,607 mln -2.4%

NBV
€ 361 mln -5.9%

Life premiums are stable, despite an unfavourable macroeconomic context and a market that recorded a decrease in total premiums in 2023. The Country adjusted the offer, recording a positive performance of the protection line consistent with the Group's strategic decision to focus on low capital absorption products. There was a decrease, especially in the Digital channel, offset by growth sustained by the exclusive DVAG network.

New business (expressed in terms of present value of new business premiums - PVNBP) had a slight decline (-2.4%). The significant reduction of the saving business (-30.1%) following the challenging attractiveness of the product offer (further emphasized by the

closure of a particular type of pension product, the so-called Riester) more than compensated the positive development of the unit-linked business (+12.7%). Protection line remained quite stable (+1.8%).
The profitability of new business on the PVNBP (NBM) mildly decreased from 4.34% to 4.19%. The positive performance of unit-linked line, that benefited from a better product mix thanks to the closing of the Riester product, and from the profits emerging from the internalization of unit-linked funds, was more than compensated by the negative performance of savings and pension line, impacted by the higher weight of investment contracts, and protection line, on account of the worsened lapse and expense assumptions.
New business value (NBV) amounted to € 361 million (-5.9%).

P&C SEGMENT

P&C premiums
€ 4,130 mln +5.2%

P&C OR
€ 511 mln +17.2%

CoR
91.7% -3.2 p.p.

P&C premiums grew (+5.2%), driven by the non-motor line (+7.0%), which benefited in particular from the successful sales of retail multi-risk products and strong tariff increases. The motor line showed a more contained increase (+1.7%), confirming the focus on profitability. The growth was mainly sustained by the positive performance of the exclusive network.

The improvement in the combined ratio (-3.2 p.p.) is mainly attributable to the improvement in the loss ratio thanks to the positive contribution from prior years, which offset a greater impact from natural catastrophes events, while the expense ratio remains stable.

Austria

Gross written premiums
€ 2,973 mln +3.2%

Total operating result
€ 325 mln -0.2%

Our people
4,548 -1.3%

Life market share
16.1%

P&C market share
14.3%

Ranking
3rd 3rd Life and 3rd P&C

Generali, present in Austria since 1832, the year after the company established itself in Trieste, operates in the country through the insurance companies Generali Versicherung and BAWAG P.S.K. Versicherung. Generali Austria, with € 3 billion in gross direct premiums, ranks third in the insurance market in terms of premium volumes. The company operates through a multi-channel distribution model and shows an excellent development of the Life business mix with a focus on new business on low capital absorption products; the P&C segment also has good diversification in terms of products and business lines, with a strong strategic orientation towards the retail segment and small and medium-sized enterprises.
Sustainability is a cornerstone of the current *Lifetime Partner 24: Driving Growth* strategy, which aims to offer customised and innovative solutions through a single distribution network. Generali Austria is committed to supporting individuals and families throughout their lives, from generation to generation, making sustainability an intrinsic element of its very nature.

LIFE SEGMENT

Life premiums
€ 1,189 mln -2.6%

Life OR
€ 81 mln +17.9%

PVNBP
€ 1,020 mln +1.1%

NBV
€ 62 mln -6.6%

The drop in Life premiums is attributable to the slowdown of the unit-linked line (deriving from single premium policies) and the decrease in the savings and pension line, which was affected by the difficult market context, recording a drop in recurring premiums. Positive performance on protection line.

New business (expressed in terms of present value of new business premiums - PVNBP) mildly increased (+1.1%). The slight increase was driven by the positive development of protection line (+8.7%) partially compensated by the slowdown of unit-linked line (-13.9%).
The profitability of new business on the PVNBP (NBM) decreased by 0.50 pp, from 6.62% in 2022 to 6.12% in 2023 on account of the higher interest rates that strongly penalized both unit-linked and protection lines, while positively impacted the savings and pension line.
New business value (NBV) amounted to € 62 million (-6.6%).

P&C SEGMENT

P&C premiums
€ 1,785 mln +7.5%

P&C OR
€ 249 mln -5.1%

CoR
91.4% +0.9 p.p.

P&C premiums grew, driven by the positive performance of the main businesses, supported by the indexation of tariffs. The motor line recorded an increase, confirming the focus on profitability. The non-motor lines grew thanks to solid new business production combined with tariff adjustments.

The deterioration of the combined ratio (+0.9 p.p.) is entirely attributable to the lower contribution of prior years. The contribution of the current year was stable due to the increase in the loss ratio (negatively impacted by an increase in natural catastrophes claims), fully offset by a decrease in the expense ratio. There was a positive contribution from the discounting that benefited from the trend in interest rates.

Switzerland

Gross written premiums
€ 1,824 mln -3.2%

Total operating result
€ 129 mln -2.9%

Our people
1,835 +2.7%

Life market share
4.5%

P&C market share
3.7%

Ranking
8th 7th Life and 8th P&C

The Generali Group has been operating in Switzerland since 1987, where it has been able to consolidate its position through the acquisition and merger of several insurance companies. In line with the strategy defined by the Group, Generali focuses on the retail business and provides high quality and innovative services through various distribution channels: agents, brokers, financial promoters and direct channels.
Generali ranked as the market leader in terms of premium income in the Life segment, considering exclusively the individual unit-linked products, with a 27% market share, and was eighth in the P&C segment with a 3.7% market share. Generali does not operate in the Collective Life policies segment.
Generali continued with the process, which began in 2020, to speed up the establishment of reserves linked to guaranteed products in the Life segment, reflecting more conservative long-term financial assumptions.

LIFE SEGMENT

Life premiums
€ 1,084 mln -2.3%

Life OR
€ 95 mln -1.0%

PVNBP
€ 489 mln -13.8%

NBV
€ 39 mln -15.4%

Life premiums decreased by 2.3% as a result of the slowdown in the premiums of unit-linked products combined with the increase in the maturities of the contracts relating to portfolios in run-off. There was also a reduction in the savings and pension line, which was not very profitable.

New business (expressed in terms of present value of new business premiums - PVNBP) decreased by 13.8%, reflecting the contraction of unit-linked (-15.0%), which represented the main part of the new production with a weight of 84.5%, and protection line (-13.7%).
The profitability of new business on the PVNBP (NBV) slightly decreased from 8.08% in 2022 to 7.98% in 2023, mainly on account of an unfavorable product mix in the unit-linked line.
New business value (NBV) amounted to € 39 million (-15.4% compared to 2022).

P&C SEGMENT

P&C premiums	P&C OR	CoR
€ 740 mln -4.6%	€ 44 mln -7.0%	96.4% -0.5 p.p.

P&C premiums fell by 4.6%, a trend largely attributable to the strategic decision to abandon unprofitable products in the accident & health and fleet lines, and to simplify the range of products.

The combined ratio stood at 96.4% (-0.5 p.p.), mainly due to lower claims in the non-motor line and the positive contribution from prior years in the motor line, which offset a greater impact from natural catastrophes claims. The contribution deriving from discounting was positive, benefiting from the trend in interest rates.

International: CEE, Mediterranean & Latin America area and Asia

Gross written premiums	Total operating result	Our people
€ 16,058 mln +18.6%	€ 1,499 mln +26.5%	30,007 -0.7%

CEE

Gross written premiums	Total operating result	Our people
€ 4,827 mln +7.0%	€ 658 mln +35.7%	11,952 +0.2%

The Generali Group operates in Central-Eastern Europe through Generali CEE Holding, a company that heads up ten geographic areas (Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia) with a total of 11,952 employees. In terms of gross written premiums, the Group is the third largest insurer in the region, with a market share of 11.4%.

The Group boasts a presence in the central-eastern European area for nearly 200 years and after the re-opening of the markets in 1989, it has strengthened its position over the years, becoming one of the largest insurance companies in the area:
- 2008: a joint venture collaboration with PPF Holding started, which then ended in 2015, the year in which the Generali Group acquired full control and powers over Generali CEE Holding;
- 2018: entry of Austria into the region, where Generali has operated since 1832, and of Russia. In addition, Generali has strengthened its presence in the CEE area through two important acquisitions, Adriatic Slovenica in Slovenia and Concordia in Poland, enabling portfolios, sales channels and its operations in the area to be balanced and diversified. Lastly, it signed a collaboration agreement with Unicredit for the distribution of insurance solutions mainly concerning Credit Protection Insurance (CPI) in the entire region;

- 2019: in line with the Group's strategy, the acquisition in Poland of Union Investment TFI S.A from the German group Union Asset Management Holding AG was completed and the agreement to acquire all Life, P&C and Mixed portfolios of three companies of ERGO International AG in Hungary and Slovakia was concluded;
- 2020: the Group completed the acquisition of the Izvor osiguranje portfolio in Croatia;
- 2021: Generali Ceska Pojistovna acquires the insurance business of Generali Poistovna in Slovakia;
- 2022: the Generali Group completed the geographical reorganisation by including CEE in the International perimeter and inserting Austria in the new DACH perimeter (Germany, Austria and Switzerland);
- 2023: Generali CEE Holding finalised the agreement for the purchase of 100% of 4LifeDirect, a company selling life insurance policies in Poland. Again in 2023, an agreement was signed to further support the automation of Generali's Business Health ecosystem in the CEE region via the AdvanceCare platform.

LIFE SEGMENT

Life premiums

€ 1,171 mln -0.7%

Life OR

€ 284 mln +42.9%

PVNBP

€ 965 mln -2.7%

NBV

€ 93 mln +2.2%

The drop in Life premiums mainly derived from the savings and pension (-10.4%) and unit-linked lines (-0.4%), offset in part by the positive performance deriving from the protection line (+2.5%, mostly recurring premium policies).
The decrease in volumes was mostly recorded in Croatia (-40.8% linked to the temporary suspension of the distribution agreement with Unicredit) and Poland (-3.3% attributable to the reduction of the unit-linked line). Volumes increased mainly in Hungary (+8.4% thanks to greater unit-linked and protection insurance coverage), Slovenia (+6.4% thanks to the increase in the unit-linked line) and Romania (+19.3% attributable to the increase in protection products).

New business (expressed in terms of present value of new business premiums - PVNBP) decreased by 2.7%. The contraction was mainly related to Poland (-46.1%), partially offset by a good performance of unit-linked lines in Hungary and protection line in Czech Republic.
The profitability of new business on the PVNBP (NBM) slightly increased from 9.27% to 9.68%, especially thanks to the improvements registered in Czech Republic and in Poland where a higher share of individual protection products with high profitability was sold.
New business value (NBV) amounted to € 93 million (+2.2%).

P&C SEGMENT

P&C premiums

€ 3,656 mln +9.7%

P&C OR

€ 385 mln +30.1%

CoR

91,8% -2.0 p.p.

P&C premiums grew by 9.7%, driven by the positive overall performance of the main businesses and are attributable to the increase in tariffs in the main areas. The motor line recorded an increase of 11.9% thanks to the development of the volumes of the TPL lines (+14.2%) and the greater volumes of the Casco (comprehensive insurance) lines (+9.6%). This performance is supported by all the areas of the region with the exception of Poland (-7.9%, negatively affected by the market cycle). The main contributions were recorded in Romania (+85.8%, also linked to the default of a local competitor), in the Czech Republic including Slovakia (+5.3%) and in Hungary (+14.8%).
The non-motor lines grew by 7.6% thanks to the increase in premiums recorded in all the countries of the region, with the exception of Poland (-4.0%, due to the agro business), mostly in the Czech Republic including Slovakia (+7.3%), Hungary (+13.9%), Serbia (+27.9%) and Slovenia (+7.1%).

The improvement in the combined ratio (-2.0 p.p.) is mainly due to the greater contribution of prior years, impacted by the trend in inflation last year, followed by the increase in the current year loss ratio, also due to the impact of higher natural catastrophes claims for +1.8 p.p., especially in Slovenia. The expense ratio was essentially stable.

Mediterranean & Latin America area

Gross written premiums

€ 5,231 mln +33.3%

Total operating result

€ 515 mln +25.1%

Our people

6,485 -1.0%

The Mediterranean & Latin America area is the new region created within the International perimeter, officially established from 1 September 2022, which includes Argentina, Brazil, Chile, Ecuador, Greece, Portugal, Spain and Turkey.

Argentina, where Generali represents the third largest player in terms of premiums, is the main South American market for the Group and is characterised by a historically elevated rate of inflation and by high volatility.
In this context, the Group implemented some best practices, investing in digital transformation projects based on business needs, which enabled the Argentinian company to stand out in terms of service quality and innovation.

Generali also operates in Brazil, where, after several years of loss related to the motor portfolio and related restructuring, Generali recorded satisfactory recovery. The successful implementation of a recovery plan allowed the company to return to being profitable as early as 2022, a trend then confirmed in 2023. Focused on Life business, and in particular on the protection line, the company benefited from a significant increase in revenues, a stable loss ratio and a strong investment result.

In Chile, Generali operates through AFP PlanVital, a company active in the management of pension and savings funds. PlanVital has 1.8 million active customers and total assets under management of around € 9.3 billion. In addition to managing mandatory pension contributions, PlanVital sells voluntary savings and pension products (mainly through direct channels), providing financial advice for savings and pension purposes.

In Greece, the AXA Insurance integration plan, acquired in 2021, was concluded in 2023, and at the same time maintaining strategic growth as its main objective, it presented a 7% increase in GWP at YE23, exceeding for the first time € 500 million in premiums.

Generali has been present in Spain since 1834 and operates in the country through Generali España, and two bancassurance joint ventures with Cajamar (Life and P&C), which guarantee the Group exposure to the main Life distribution channel, as well as continuous expansion in P&C.
The original agreements with Cajamar were renewed in 2022 and extended until 2035, strengthening the partnership in all lines of business.
Generali is one of the main insurance groups in Spain, with a market share of 2.9% in the Life segment and 4.3% in the P&C segment. The Generali España group offers a wide range of Life and P&C policies dedicated to private individuals and companies, using a multi-channel distribution strategy including not only bank offices, but also a network of agents and brokers which is among the most extensive in Spain.

The Generali Group has been present in Portugal since 1942, where it operates in the P&C and Life segments. In January 2020, the Generali Group acquired 100% of Seguradoras Unidas and AdvanceCare. The merger of the three Generali insurance companies operating in Portugal led to the creation of Generali Seguros, S.A. and permitted Generali to rapidly proceed with the integration and the development of growth plans in the country.
Generali Seguros, S.A. is the second largest operator in the P&C market in Portugal, with a share of 18.5% in the P&C segment and 1.3% in the Life segment, offering a wide range of policies addressing private individuals and businesses, sold mainly under the brand name Tranquilidade (an established local brand since 1871), and adopting a multi-channel distribution strategy, which can count on a solid network of agents (around 70% of total premiums issued), brokers and a direct channel, via the Logo brand.

In June 2023, Generali announced the acquisition of Liberty Seguros, Compañia de Seguros y Reaseguros, S.A. from Liberty Mutual Generali, a Spanish insurance company operating in Spain, Portugal, the Republic of Ireland and Northern Ireland. The transaction was finalised on 31 January 2024. The transaction is fully aligned with the Generali *Lifetime Partner 24: Driving Growth* strategy and aims to improve the Group's income profile, strengthen the P&C business and enhance its leadership position in Europe.

LIFE SEGMENT

Life premiums

€ 1,359 mln +16.8%

Life OR

€ 257 mln +11.4%

PVNBP

€ 1,236 mln +10.2%

NBV

€ 115 mln -7.8%

Life premiums grew by 16.8% thanks to the positive performance recorded in Argentina (linked to hyperinflation), Spain (+5.0%, mainly driven by the unit-linked line), Portugal (+43.9%, also in this case thanks to the contribution of the unit-linked line) and Greece (+10.7%).

New business (expressed in terms of present value of new business premiums - PVNBP) increased by 10.2%. All main countries of the area had a good development. Portugal showed the most significant growth, with an increase of 40.0%. Unit-linked and saving business increased by 42.5% and 14.4% respectively, while protection line remained stable (-0.1%).
The profitability of new business on the PVNBP (NBM) decreased by 1.87 pp, from 10.90% in 2022 to 9.32% in 2023 on account of the higher interest rates that strongly penalized both unit-linked and protection lines, while positively impacted the savings and pension line.
New business value (NBV) amounted to € 115 million (-7.8%).

P&C SEGMENT

P&C premiums

€ 3,873 mln +39.0%

P&C OR

€ 194 mln +43.7%

CoR

99.4% -2.1 p.p.

In the P&C segment, premiums increased by + 39.0%, mainly due to the motor business in Argentina (linked to hyperinflation) and the positive performance of Portugal (+11.0%) and Spain (+6.3%) in both lines of business.

The combined ratio of the region recorded an improvement (99.4%, -2.1 p.p.) compared to last year, mainly thanks to the contribution of Portugal and Spain, which offset the negative performance of Greece, impacted by natural catastrophes claims.

Asia

Gross written premiums

€ 6,000 mln +13.8%

Total operating result

€ 344 mln +13.9%

Our people

11,570 -1.4%

Generali is one of the key European insurers in the Asian market, and currently operates in eight territories. In particular, the Group is present both as Life and P&C insurer in China, Hong Kong (where it also coordinates the activities of the entire region and has been operating since 1980), India, Malaysia and Thailand. It is also present as a Life insurer in Indonesia, Vietnam and the Philippines.
The predominant segment is Life, with premium income mostly concentrated in the protection line and savings and pension line. Generali offers its products in the entire region adopting a distribution strategy that includes agents, brokers, digital channels and agreements with banking groups.

Generali operates in China with Generali China Life, in partnership with China National Petroleum Corporation (CNPC), which is one of the largest Chinese state-owned companies as well as one of the major energy groups in the world. Owing to its prominent presence in the Chinese market, Generali China Life is the leading contributor to the turnover and operating result of the entire region. Generali has a joint venture agreement with CNPC for the P&C products range as well with Generali China Insurance Company

Limited (GCI). In January 2024, Generali signed an agreement with CNPC to become a 100% shareholder in GCI, from the current 49% stake. This transaction, subject to the approval of the local authorities, will strengthen Generali's strategic position in China, creating the basis for future growth in the P&C segment.

The 2023 consolidated financial statements include for the first time the full annual contribution of the Indian consolidated entities, following the step up in 2022 to acquire majority control of Future Generali P&C and Life insurance companies.
Generali is the first operator among international insurers to achieve a majority stake in the Indian Life and P&C companies under Joint Venture since the new foreign ownership limit came into force.

In 2022, Generali completed the acquisition of the majority shares of the AXA-Affin joint ventures and also increased its stake in MPI Generali Insurans Berhad to 100%. On 1 April 2023, the two units were merged as a single Generali Malaysia brand, positioning itself as one of the largest insurance companies in the Malaysian market.

LIFE SEGMENT

Life premiums

€ 4,646 mln +15.8%

Life OR

€ 297 mln +6.0%

PVNBP

€ 3,027 mln +20.2%

NBV

€ 126 mln +17.9%

Life premiums grew by 15.8%, in particular thanks to the contribution of China, especially in the savings and pension line.

New business (expressed in terms of present value of new business premiums - PVNBP) registered a good progression (+20.2%) mostly thanks to the high savings and pension line collection in China, while unit-linked line reported a marked contraction (-55.8%). Protection line had a slight improvement (+5.0%).
The profitability of new business on the PVNBP (NBM) decreased by 0.08 pp at 4.15% mainly driven by the higher weight of less profitable savings and pension line.
New business value (NBV) amounted to € 126 million (+17.9%).

P&C SEGMENT

P&C premiums

€ 1,354 mln +4.4%

P&C OR

€ 87 mln +37.6%

CoR

97.9% -0.2 p.p.

In the P&C segment, premiums recorded an increase of 4.4%, thanks to the contribution of India. It should also be noted that 2023 recorded a strong increase in volumes, on a historical basis, as it was the first year with the consolidation of India and Malaysia for the entire year.

The combined ratio is in line with last year and in profitable territory at 97.9% (-0.2 p.p.)

Asset & Wealth Management

Total operating result

€ 964 mln +4.8%

Cost/Income ratio

49%

Calculated as the incidence of operating costs on operating revenues of the Asset Management segment

Our people

2,796 +4.3%

In continuity with the Group strategy in recent years and following the reorganisation announced at the beginning of 2021, the Asset & Wealth Management business unit is the Group's main managerial entity operating in the area of asset management and financial planning. In a continuously evolving market in which specialisation, efficiency and innovation are key elements in order to compete, Generali intends to become a benchmark in the asset management market not only for the insurance companies of the Generali Group, but also for external customers. The pursuit of this objective was mainly achieved through the following courses of action:

- cross-selling opportunities, promoting the growth of a capital-light business, such as the services of LDI (Liability Driven Investments), which offer institutional customers the expertise developed in insurance investment management;
- the expansion of the multi-boutique platform in order to diversify the range of products and services to all customers. Multi-boutiques are companies acquired on the market or created in partnership with operators with acknowledged investment skills in highly specialised asset classes, both in traditional asset classes and alternative ones.

The boutiques operating in the Asset & Wealth Management business unit are:

- Infranity, a partnership created with the aim of investing in infrastructure debt with a diversified portfolio, both in terms of geography and sector;
- Aperture Investors, an innovative asset management company based on a revenue model that is different from that present on the market;
- Lumyna, a leading company in developing alternative UCITS (Undertakings for the Collective Investment of Transferable Securities) strategies, with an important international clientele that positively contributes to Generali's offer and distribution;
- Sycomore Factory SAS, a benchmark in ESG/SRI investment solutions in France;
- Sosteneo, a boutique specialising in investments in greenfield infrastructure related to energy transition, with a focus on projects that produce clean energy;
- Plenisfer Investments SGR, which offers an innovative and integrated approach for a wide range of asset classes.

The business unit operates in the two areas indicated by the name:

- Asset Management, for both Group insurance companies and external customers.
- Wealth Management, which seeks to protect the entire family wealth of the Private and Affluent customer segments through the network of Banca Generali advisors.

The operating result of the Asset & Wealth Management business unit was € 964 million, up by 4.8%.
This positive change was driven by Banca Generali's Wealth Management, which increased its operating result by 39.6%, from € 316 million in 2022 to € 441 million in 2023. The operating result of the Asset Management segment decreased by 12.3%, from € 638 million in 2022 to € 559 million in 2023.

Group holdings and other companies

The Group holdings and other companies includes the Parent Company's management and coordination activities, including Group reinsurance, Europ Assistance, Generali Employee Benefits, Global Corporate & Commercial, other financial holding companies and international service providers not included in the previous geographic areas.

Europ Assistance (EA)

Established in 1963, Europ Assistance, which falls within the scope of responsibility of the Country Manager France, is one of the leading global brands in the field of private assistance, with a presence in over 200 countries thanks to its assistance centres and its network of partner suppliers. EA offers insurance coverage and assistance in the travel sector, the automotive area with road-side assistance, personalised coverage for assisting the elderly, cyber-security, and medical and concierge services.

In 2023, the turnover of the EA group amounted to € 3.4 billion, recording an increase of 21% compared to the previous year, spread across all channels and areas of operation. After the recovery recorded at the end of Covid-19, the travel insurance segment is still one of the main drivers of EA's growth in recent years thanks to new important commercial partnerships with international customers (Crédit Agricole, Expedia, Airbnb).
In a difficult international context, characterised by persistently high inflation and an increasingly uncertain geopolitical scenario, in 2023 EA recorded the best performance on record in terms of turnover and results, thanks to a constant focus on cost containment and benefiting from its diversification both in terms of business and geography. Europ Assistance continues to pursue a growth strategy focused on strengthening its leadership position in the travel sector, consolidated thanks to the recent commercial agreements in the United States, at the same time expanding and diversifying its range of motor and personal assistance products.
In addition to systemic growth, the Europ Assistance group has completed a series of acquisitions in recent years, further extending its geographical coverage in strategic countries. In 2023, EA acquired new insurance companies in Southeast Asia, Hong Kong and Japan.

Generali Employee Benefits (GEB) Network

An integrated network based on a global platform of services that protect and improve the well-being of employees throughout the world. It represents the Generali Group's line of business, a leading provider of global employee benefit solutions and re-insurance services, designed for local and seconded employees of multinational companies and made up of life protection (health, accident and invalidity), emotional support (e.g. prevention of mental health problems) and financial protection (life and pension). The network supports customers in the implementation of financial solutions better known as captive, pooling and reinsurance only and offers them guidance to meet the needs of a world in continuous evolution. Guided by innovation, by people and by knowledge, GEB is based on an ecosystem of partnerships to provide customers with support on their ESG path. Its global presence in 121 countries, with the support of 136 local network partners, permits it to provide skills and support to 54 captive clients and to 347 coordinated multinational programmes, with a volume of premiums totalling € 1.7 billion.

The GEB network is an entity of partnerships based on reinsurance, which operates through its regional offices worldwide, that cover the APAC, EMEA and Americas regions, coordinated centrally by its head office in Luxembourg.

Global Corporate and Commercial (GC&C)

Generali GC&C provides insurance solutions and P&C services to medium-large companies and intermediaries in over 180 countries worldwide. Backed by its solid global experience and knowledge of the local markets and of the corporate sector, integrated solutions that can be personalised *in property, casualty, engineering, marine, aviation, cyber and speciality risks are provided*. Furthermore, GC&C guarantees companies the same level of assistance and protects everywhere in the world through its Multinational Programs, Claims and Loss Prevention experts. GC&C's total earned premiums were € 3.1 billion in 2023.
2023 was characterised by a growth in earned premiums in a favourable market context and an increase in operating result despite the significant impact of natural catastrophes claims. From a technical perspective, in 2023 GC&C continued to pursue a policy to develop through Multinational Programs, Parametric Solutions and Cyber risk, focusing on and balancing the portfolio in the medium-large companies segment at global level.

SHARE PERFORMANCE

KPI per share

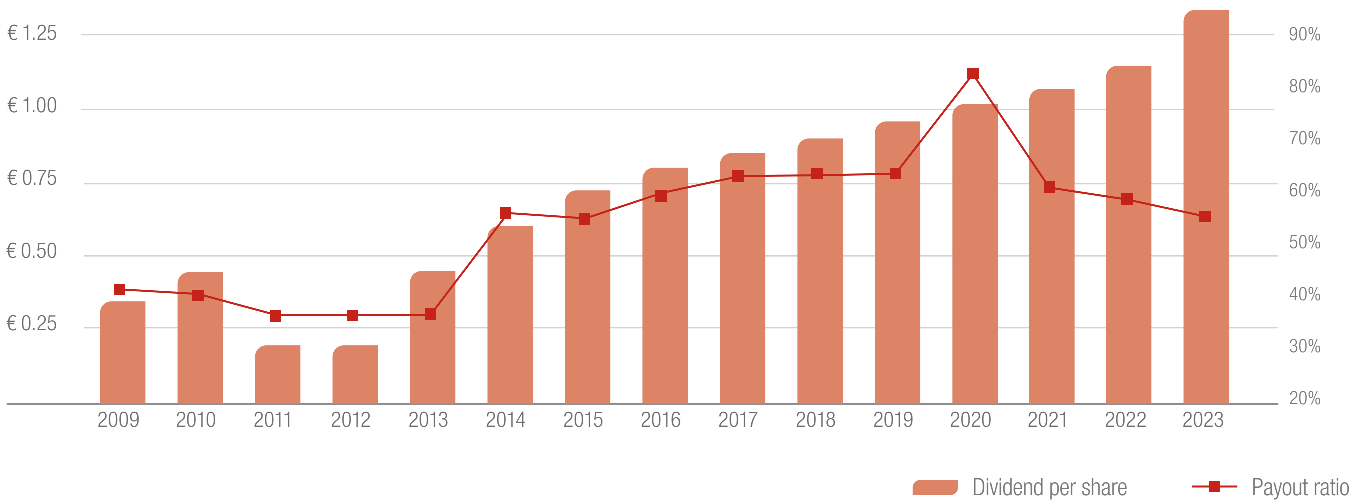
	31/12/2023	31/12/2022
Earnings per share (EPS)	2.43	1.42
Adjusted EPS (*)	2.32	2.00
Dividend per share (DPS) (**)	1.28	1.16
Total dividend (in € million) (**)	1,987	1,790
Adjusted payout ratio (***)	55.6%	57.1%
Share price	19.11	16.62
Minimum share price	16.78	13.75
Maximum share price	20.00	21.11
Average share price	18.62	16.67
Weighted average number of ordinary shares outstanding	1,541,766,041	1,570,223,226
Market capitalization (in € million)	29,790	26,365
Average daily number of traded shares	3,253,086	4,942,689
Total shareholders' return (TSR) (****)	22.4%	-5.3%

(*) Refer to the *Methodological notes on alternative performance measures* for the definition of adjusted net result also used as numerator of adjusted EPS calculation.

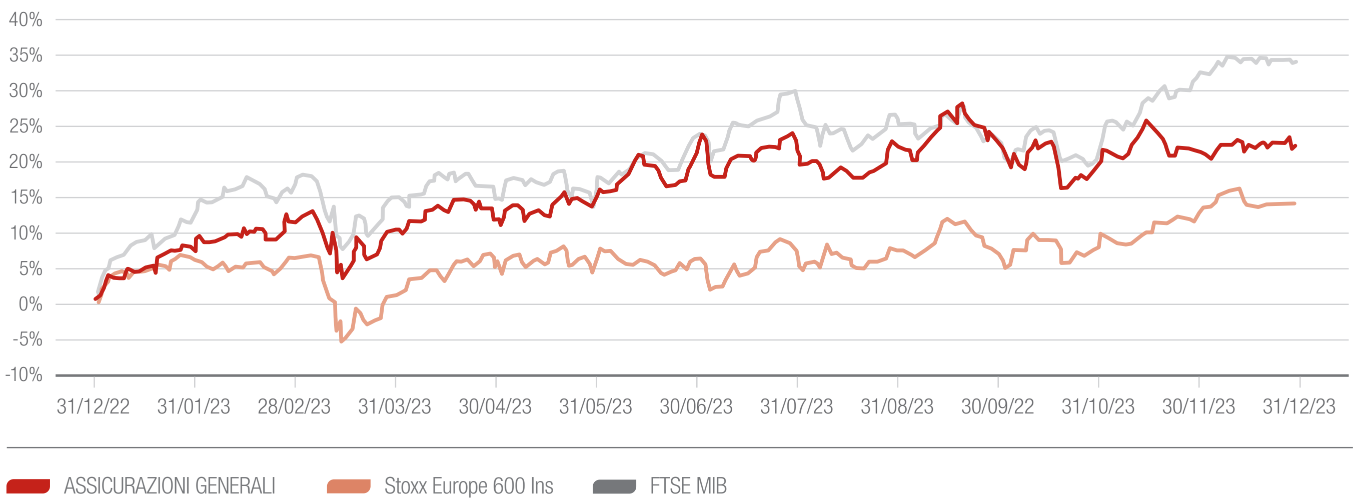
(**) The proposed total dividend takes into account all the transactions resolved by the Board of Directors up to 11 March 2024 or carried out on the share capital up to the same date, and excludes the own shares held by the Company.

(***) The adjusted payout ratio is calculated as the ratio of the total dividend to the adjusted net result. Also the 31 December 2022 figures were presented in accordance to the new IFRS 17 and IFRS 9 accounting standards.

(****) The total shareholders' return (TSR) is the measure of performance which combines share price variation and dividends paid to show the total return to the shareholder expressed as an annualized percentage.



2023 total shareholders' return performance



Financial ratings

Ratings refer to a judgement of the credit rating and probability of default of an entity or the security to which the rating has been assigned. Every rating agency uses a different method to compile its ratings.

AGENCY		31/12/2023	31/12/2022
Moody's	Rating	A3	A3
	Outlook	Stable	Stable
Fitch	Rating	A+	A
	Outlook	Stable	Positive
AM Best	Rating	A	A
	Outlook	Stable	Stable

AGENCY		31/12/2023	31/12/2022
Moody's	Senior	Baa1	Baa1
	Subordinated	Baa2	Baa2
	Hybrid	Baa3	Baa3
	Outlook	Stable	Stable
Fitch	Senior	A	A-
	Subordinated	A-	BBB
	Hybrid	BBB+	BBB
	Outlook	Stable	Positive
AM Best	Senior	a	a
	Subordinated	a-	a-
	Hybrid	bbb+	bbb+
	Outlook	Stable	Stable

www.generali.com/investors/debt-ratings/ratings

Sustainability indices

Over the years, the commitments and the results achieved by the Generali Group have improved the ratings assigned by the main agencies in the ESG (environmental, social and governance) performances and have led to the inclusion of the Group in important international sustainability indices.

In November 2023, MSCI ESG Ratings confirmed Generali's highest ESG rating of AAA, and the Group continues to be included in the MSCI ESG Leaders indices; furthermore, as of the end of 2023, Generali ranked in the 98th percentile in the Insurance sector in the Standard & Poor's Global Corporate Sustainability Assessment (S&P CSA), confirming its sixth consecutive year in the Dow Jones Sustainability World Index (DJSI World) and fifth year in the Dow Jones Sustainability Europe Index (DJSI Europe).

www.generali.com/sustainability/responsible-business/sustainability-indices-and-ratings

RISK REPORT

A. EXECUTIVE SUMMARY

The purpose of this section is to provide an overview of the Group's solvency position and risk profile, as well as its risk management framework. To this end a brief introduction on economic and regulatory environment is hereby provided.

External context

In line with the whole insurance sector, the Group is mainly exposed to vulnerabilities arising from the financial markets and the macroeconomic landscape, the latter, in turn, has been deeply impacted by the most recent geopolitical developments.
Notwithstanding the context, the Group proved to be particularly resilient, and the solvency position remained above the tolerances set out in the Group Risk Appetite Framework (Group RAF).

The markets' instability and volatility, in addition to the geopolitical international tensions, represent the main challenges for the insurance and financial sector, as well as for Generali Group.
In particular, financial markets were characterized by persistent high level of inflation and rising interest rates until the third quarter of 2023, with a gradual reduction in the last quarter of the year, and a volatility lower than the maximum levels observed in 2022. The high market yields, observed in 2023, that significantly surpassed the levels witnessed in the last decade, rendered fixed income securities more attractive compared to less liquid asset classes and the real estate market. On the other hand, the stock market experienced positive returns and low volatility. The financial markets volatility, and in particular the performance of certain sectors, was also impacted by the escalation of geopolitical tensions, induced by the prosecution of the war in Ukraine and by the extension of the conflict in the Middle East with consequences on the commercial routes of the Red Sea. Albeit the geopolitical context, the credit markets demonstrated stability, showing low volatility in 2023. Finally, geopolitical balances may be reshaped as a result of the numerous elections scheduled throughout 2024, with over half of the world's population called to vote in more than 70 countries, for national, community, and local elections. It is worth mentioning the European elections and those in the United States, as well as the vote in India, Russia, and South Africa, which have the potential to significantly reshuffle global balances, including international trade and the volume of international financial flows.

The current context, characterized by ongoing market instability and geopolitical tensions, has thus led, on one hand, to an increase in the level of perceived uncertainty by policyholders, and, on the other hand, to a greater awareness of vulnerabilities arising from global challenges, which require greater attention to sustainable growth, including climate change, demographic and social issues, and the risks related to digitization. In 2023, a series of weather events occurred, including hailstorms, storms, and floods which affected several countries where the Group operates, from Italy to central and eastern-central Europe, as well as other continents where the Group's exposure is lower. The relevance of sustainability risks, and specifically of climate change, prompted the Group to further strengthen controls on future risks and sustainability risks, characterized by a greater number of interconnections and longer time span, in addition to the controls for those risks treated within the Solvency II prudential system, such as financial, credit, insurance, and operational risks, as well as liquidity risks.

The risk management system of the insurance market, based on the Solvency II framework, focuses on financial, underwriting, operational risks (including IT and cyber-attacks risks) and other risks, such as strategic and liquidity risks. At the same time, there are emerging and future risks that present new vulnerabilities, such as climate change, digitalisation, geopolitical instability and demographic changes. These risks should therefore be analysed, as well as increasingly focusing on sustainability ones. In particular, among the latter, climate change is considered of primary importance for the financial sector and specifically for insurance, since it has also implications for the insurance business, in addition to those on investment portfolio.

Moreover, the Group operates through the Asset & Wealth Management Business Unit in the asset management and banking sectors. Risk management in these sectors is primarily focused on wealth management activities, and where applicable, is managed by specific regulatory frameworks.

Management Report, Challenges and opportunities of the market context, p. 20, for further details on financial markets' developments, climate change, demographics and digitalization

Regulatory context

The constant regulatory monitoring of both national and supranational legislation led to the identification, in 2023, of the continuous issuance of customer protection rules, with particular reference to: the proper definition and monitoring of the insurance product value for customer (value for money), the publication of the proposals relating to the so-called Retail Investment Strategy, the wide review proposal of Solvency II regulation, the proposal of Directive on Corporate Sustainability Due Diligence, and the increasing requirements on IT security and Information and Communications Technology governance[1]. Finally, it is also worth noting the proposal of European regulation on artificial intelligence and the ongoing definition of the ESG requirements applicable to financial operators' corporate processes.

1. In particular, in consideration of the introduction of EU Regulation 2022/2554 (Digital Operational Resilience Act).

In this respect, the Group has established and monitored the process of implementing the European legislative provisions, in particular those introduced by the EU Directive 2022/2464 relating to the corporate sustainability reporting, the EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (known as Disclosure Regulation), the EU Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment (known as EU Taxonomy Regulation), the integration into Solvency II of the sustainability risks and the integration into the Insurance Distribution Directive (IDD) of the sustainability factors, risks, and preferences.

With respect to the risk related to financial crimes, a growing attention of the International Supervisory Authorities on the compliance with the regulatory requirements on anti-money laundering, counter-terrorism financing (AML/CTF)[2], anti-corruption and international sanctions is observed. In 2022, the European Banking Authority (EBA) released the guidelines on the roles and responsibilities of AML/CTF Compliance Officer, imposing greater involvement of the governing bodies of the regulated entities on the management and prevention of the AML/CTF risks and increased supervisory obligations for the Groups. The Italian Authority IVASS will publish a revised Regulation aligned with the EBA requirements in 2024. The entry into force of the EU AML/CTF Regulation and the establishment of the International Supervisory Authority will determine a standardisation across Europe of the risk prevention models associated to financial crimes with the subsequent need of adoption of stricter procedures and controls.

Solvency position and risk profile

In terms of solvency position, the Group and all its European insurance subsidiaries comply with Solvency II regulation, which requires capital to be held for all quantifiable risks.
For this purpose, the Group uses its Partial Internal Model (PIM), which has been approved by the Supervisory Authority, to calculate capital requirements to better reflect its risk profile. The Group Solvency Capital Requirement (SCR) is calculated with the Internal Model (IM) for the legal entities which received the authorization, namely all the major Business Units in Italy, Germany, France, Austria, Switzerland, Czech Republic and Spain. Other insurance and reinsurance entities adopt the Standard Formula. Other financial regulated entities (mostly banks, pension funds, and asset managers) contribute to the SCR based on local sectoral regulatory requirements such as the Basel one.
The Group confirmed the solid solvency position[3] (220%), thanks to the excellent contribution from the normalized capital generation, offsetting the impacts from the variances[4], above the tolerances and within the operating target range, both defined in the Group RAF.
Also in 2023, given the current geopolitical context, a monthly monitoring process of the Group and local solvency position was maintained, it was thus possible to provide timely and constant information on the solvency position with respect to the evolution of the financial markets.
For risks not included in SCR calculation, additional assessment techniques are used. In particular, for liquidity risk, the Group has in place methodologies and models to grant a sound risk management in line with the Group risk strategy, defined in the Group RAF.

Generali Group risk management system is based on a system of governance and structured risk management processes, defined within a set of risk policies in the broader Generali Internal Regulation System (GIRS).
Together with the Group RAF which outlines the Group's risk strategy, the Own Risk and Solvency Assessment (ORSA) process represents a fundamental risk management tool, with the twofold purpose to provide a comprehensive risk reporting and supporting the Group risk strategy update.
In addition to the ORSA process, the Group also relies on a set of tools, such as the Recovery Plan, the Liquidity Risk Management Plan and the Systemic Risk Management Plan defined following the Financial Stability Board (FSB) and the International Association of Insurance Supervisors (IAIS) standards[5].

The Risk Report structure is the following:
- section B providing a brief oversight of the risk management system;
- section C providing the Group solvency position and the key elements of the capital management process, as well as the sensitivity analysis to main risks;
- section D providing a highlight on the Group risk profile.

More details on the solvency position and risk profile are then provided in the Solvency and Financial Condition Report (SFCR), available on Generali Group website.
Finally, Group rating assessment by external rating agencies is provided on the Group website in the section www.generali.com/investors/debt-ratings/ratings.

2. Anti-Money Laundering and Counter Terrorism Financing.
3. The solvency position (SCR and Own Funds) and the Minimum Solvency Ratio (Own Funds and related MCR), disclosed within this Report, are based on the last available information. Differences may arise in comparison to the official values, which will be included in the 2023 Solvency and Financial Condition Report (SFCR) and Quantitative Reporting Templates (QRT).
4. More details on solvency position are provided in the paragraph "Solvency Capital Requirement Coverage".
5. Generali Group is not included in the list of Global Systemically Important Insurers (GSIIs) issued by FSB.

B. GROUP RISK MANAGEMENT SYSTEM

Risk Governance

Risk governance is a part of the broader Group system of governance.

The Group system of governance, which includes the internal control and risk management system, consists of the roles and responsibilities of the Administrative, Management or Supervisory Body (AMSB), of the Senior Management and of the Key Functions. Furthermore, it consists of policies, administrative and accounting procedures and organizational structures aimed at identifying, evaluating, measuring, managing, and monitoring the main risks.
To ensure a consistent framework through the Group, the Parent Company sets Group Directives on the System of Governance, complemented by Group internal control and risk management policies.
The Group system of governance is founded on the establishment of an AMSB and of three lines of defence:
- the operating functions (risk owners), which represent the first line of defence and have ultimate responsibility for risks relating to their area of responsibility;
- Risk Management, Compliance, Actuarial and Anti Financial Crime Functions (where applicable), which represent the second line of defence;
- Internal Audit Function, which represents the third line of defence.

Internal Audit Function together with Risk Management, Compliance and Actuarial Functions represent the Key Functions; the Anti Financial Crime Function is considered equivalent to the Key Functions.

Key roles within the internal control and risk management system are outlined below:
- the AMSB is the ultimate responsible for the system of governance and ensure that the system of governance and internal control and risk management system are consistent with all the applicable regulations, the Group Directives on the System of Governance and Group policies on internal control and risk management system. To this end, the AMSB, supported by the Key Functions, reassesses the adequacy of the system of governance periodically, at least once a year. The AMSB approves the organizational set-up, establishes the Key Functions defining their mandate and reporting lines as well as, where appropriate, any support committee, adopts Group internal control and risk management policies, performs the duties related to the ORSA, risk concentration and intragroup transactions, approves the ORSA results and, based on them, defines the risk appetite;
- the Senior Management is responsible for the implementation, maintenance and monitoring of the internal control and risk management system, including risks arising from non-compliance with regulations, in accordance with the directives of the AMSB;
- Key Functions are established at Group level and within the Group legal entities:
  - the Risk Management Function supports the AMSB and Senior Management in ensuring the effectiveness of the risk management system and provides advice and support to the main business decision-making processes;
  - the Compliance Function grants that the organizational and the internal procedures are adequate to manage the risk to incur in administrative or judiciary fines, economic losses or reputational damages as a consequence of non-compliance with laws, regulations, provisions issued by the Supervisory Authorities or with the internal regulations, as well as the risk deriving from unfavourable changes in the law or judicial orientation (compliance risk);
  - the Actuarial Function coordinates the technical provisions calculation and grants the adequacy of underlying methodologies, models and assumptions, verifies the quality of the related data and provides an opinion on the underwriting policy and on the adequacy of reinsurance arrangements;
  - the Internal Audit Function verifies business processes and the adequacy and effectiveness of controls in place also providing support and advice.
- the Anti Financial Crime Function supports the Board of Directors and the Senior Management in defining the Group requirements with the aim of preventing and counteracting the risks of money laundering, terrorist financing, bribery and corruption and international sanctions, as well as of confirming the adherence to FATCA (Foreign Account Tax Compliance Act) requirements[6].

Heads of Key Functions and of Anti Financial Crime Function report to the AMSB.

Group Key Functions, including the Anti Financial Crime Function, collaborate according to a pre-defined coordination model, in order to share information and create synergies. A strong Parent Company coordination and direction for Key Functions are granted by the so-called solid reporting lines model established between the Head of the Group Key Function and Heads of the respective functions within the legal entities.

6. The Heads of the local Anti Financial Crime Functions have the responsibilities related to the abovementioned topics with exceptions subject to approval by the Group Anti Financial Crime Function.

Risk Management System

The principles defining the Group risk management system, including strategies, processes and reporting procedures, are provided in the Risk Management Group Policy[7], which is the cornerstone of all risk-related policies and guidelines. The Risk Management Group Policy covers all risks, on a current and forward-looking basis, and is implemented in a consistent manner across the Group. Generali Group's risk management process is defined in the following phases:

1. Risk identification → 2. Risk measurement → 3. Risk management and control → 4. Risk reporting

1. Risk Identification

The risk identification process, so-called Main Risks Self-Assessment, aims to ensure that all material risks to which the Group is exposed are properly identified. To this end, the Risk Management Function interacts with the main business functions and Business Units in order to identify the main risks, assess their importance and ensure that adequate measures are taken to mitigate them, according to a sound governance process. The identified risks are divided into quantifiable risks in terms of capital (life and non-life underwriting risks, financial and credit risks, and operational risks) and non-quantifiable (liquidity, strategic, reputational and contagion risks). At Group level, risks related to intra-group transactions, concentrations and interdependencies between risks are also considered within the scope of non-quantifiable risks.
Within this process also emerging risks[8] related to future risks, characterised by uncertain evolution and often of systemic nature, are considered, as well as sustainability risks[9]. In order to identify these risks, dedicated surveys are conducted with the main business functions and Top management in all major countries where the Group operates.
The Group main risks' identification process, Main Risks Self-Assessment, is conducted at both Group and local levels, and the main conclusions are reported in ORSA Reports. For the identification process at Group level, the results of local risk identification processes are also taken into consideration.
The process is conducted annually, with a periodic monitoring and with at least a further update during the year to capture any significant changes in the identified risks.

2. Risk Measurement

Identified risks are then measured through their contribution to the SCR, complemented by other modelling techniques deemed appropriate and proportionate to better reflect the Group risk profile. Using the same metric for measuring the risks and the capital requirements ensures that each quantifiable risk is covered by an adequate amount of capital that could absorb the loss incurred if the risk materializes. For SCR calculation purposes 1 in 200 years events are considered.
The SCR is calculated by means of the IM for financial, credit, life underwriting risk, non-life underwriting risk and operational risk, for what may concern the most relevant Group legal entities[10]. The IM provides an accurate representation of the main risks the Group is exposed to, measuring not only the impact of each risk taken individually but also their combined impact on the Group Own Funds.
Insurance and re-insurance entities not included in the IM scope calculate the capital requirement based on Standard Formula, while other financial entities (e.g., banks, pension funds and asset managers) calculate the capital requirement based on their own specific sectoral regimes.
Group PIM methodology and governance are provided in the section C. Solvency Position.
For liquidity risk a Group model is used to calculate the metrics, as defined in section D. Liquidity Risk. Other risks are assessed by means of quantitative and qualitative techniques.

7. The Risk Management Group Policy covers all Solvency II risk categories and, in order to adequately deal with each specific risk category and the underlying business processes, is complemented by the following risk policies: Investment Governance Group Policy; P&C Underwriting and Reserving Group Policy; Life Underwriting and Reserving Group Policy; Operational Risk Management Group Policy; Liquidity Risk Management Group Policy, Tax Absorption Capacity of Deferred Taxes Group Policy, Risk Appetite Framework Group Policy; other risk-related policies, such as Capital Management Group Policy, Supervisory Reporting and Public Disclosure Group Policy, Risk Concentrations Management Group Policy - Investment Exposures, Risk Concentrations Management Group Policy – Reinsurance and Underwriting Exposures etc.
8. More details on emerging risks' definition are provided in section D. Risk Profile.
9. More details on sustainability risks' definition are provided in section D. Risk Profile.
10. For the SCR calculation, the use of IM has been approved for the most relevant insurance entities in Italy, Germany, France, Austria, Switzerland, Czech Republic and Spain.

3. Risk Management and Control

The risks which the Group is exposed to are managed on the basis of the Group RAF defined by the Board of Directors of Assicurazioni Generali S.p.A. (hereafter, Board of Directors). The Group RAF defines the level of risk the Group is willing to accept in conducting business and thus provides the overall framework for embedding risk management into business processes. In particular, the Group RAF includes the statement of risk appetite, the risk preferences, the risk metrics, the tolerance and the target levels.

The purpose of the Group RAF is to set the desired level of risk on the basis of the Group strategy. The Group RAF statement is complemented by:

- qualitative assertions (risk preferences) supporting the decision-making processes;
- risk tolerances providing quantitative boundaries to limit excessive risk-taking;
- an operating target range providing indications on the solvency level at which the Group aims to operate.

The tolerance levels and the operating target range are referred to capital and liquidity metrics.

The Group RAF governance provides a framework for embedding risk management into day-to-day and extraordinary business operations, control mechanisms as well as escalation and reporting processes to be applied in case of risk tolerance breaches. Should an indicator approach or breach the defined tolerance levels, pre-defined escalation mechanisms are activated.

4. Risk Reporting

The purpose of risk reporting is to keep business functions, Senior Management, AMSB and Supervisory Authority aware and informed on an ongoing basis on the development of the risk profile and of the single risks, as well as any breaches of risk tolerances. The ORSA process includes the reporting on the assessment of all risks, in a current and forward-looking view. For the purposes of the evaluations, both quantifiable risks and not quantifiable risks in terms of capital requirements are considered. Within the ORSA, stress tests, sensitivity analyses and reverse stress tests are also performed to assess the resilience of the solvency position and risk profile to changed market conditions or specific risk factors. Moreover, exercises such as those related to measurement of the impacts across various climate scenarios, including long-term ones, are also considered.

Generali Group applies a Group-wide process, which implies that each Group insurance legal entity is responsible for the preparation of its own ORSA Report and the Parent Company coordinates the Group ORSA reporting process. The other entities, other than insurance ones, set-up simplified reports by taking into account the principles of proportionality and/or reports prepared according to local sectoral regulations.

At Group level, the process is coordinated by the Risk Management Function, supported by other functions for what concerns Own Funds, technical provisions and other risks.

The purpose of the ORSA process is to provide the assessment of risks and of the overall solvency needs on a current and forward-looking basis. The ORSA process ensures an ongoing assessment of the solvency position based on the Strategic Plan and the Group Capital Management Plan.

The Group ORSA Report, documenting main results of this process, is produced on an annual basis. A non-regular ORSA Report can also be produced in case of significant changes of the risk profile.

C. SOLVENCY POSITION

Solvency Capital Requirement Coverage

Risk and capital management are closely integrated processes aimed at managing the Group solvency position (or capital position) and the Group risk profile.
The solvency position is defined as the ratio between Group Own Funds (GOF) and Solvency Capital Requirement (SCR).

At year-end 2023, the capital position[11] of the Group is confirmed solid, with the Solvency Ratio at 220% (221% as at 31 December 2022). The excellent contribution of the capital generation and the positive effect of M&A disposals were offset by the negative impacts stemming from economic variances (due in particular to the decline in interest rates in the last part of the year), non-economic variances (mainly linked to higher lapses in Italy and in France and to increased non-life insurance and reinsurance risks, as well as to the business growth in Asia and the Long Term Incentive Plan buy-back), regulatory changes and capital movements (from the dividend of the period, net of the subordinated debt issuances).

SCR coverage

(€ million)	31/12/2023	31/12/2022
GOF	49,049	46,421
SCR	22,304	21,050
Solvency Ratio	**220%**	**221%**

Based on last available information for 2023, official figures for 2022.

1. Group Own Funds

In compliance with the Solvency II regulatory requirements, Group Own Funds are defined as the sum of consolidated Basic Own Funds (BOF) related to insurance entities, holdings and ancillary undertakings attributable to insurance activity and the Own Funds attributable to financial entities, defined according to their sectoral solvency regulatory regimes.
Basic Own Funds, can be further analysed as the sum of the following components:

- the Excess of Assets over Liabilities as defined in accordance with art. 75 of Directive 2009/138/EC[12];
- plus subordinated debt eligible in Basic Own Funds;
- less foreseeable dividends;
- less deductions for participations in financial entities;
- less deductions for Solo Own Funds items that are non-available for Group purposes[13] and for shares of the Parent Company.

Within Generali Group, ancillary Own Funds are not present.

The contribution to the Group Own Funds of the elements above listed is detailed in the following table:

Group Own Funds components

(€ million)	31/12/2023	31/12/2022
Excess of assets over liabilities	**46,470**	**44,380**
Subordinated debt eligible in Basic Own Funds	8,521	7,492
Foreseeable dividend	-1,987	-1,790
Deductions for participations in financial entities	-4,365	-3,827
Impact of deductions for non-availability & minorities and other deductions	-1,895	-2,155
Basic Own Funds after deductions	**46,744**	**44,099**
Contribution of financial entities	2,305	2,322
GOF	**49,049**	**46,421**

Based on last available information for 2023, official figures for 2022.

11. The SCR and Own Funds, disclosed within this Report, are based on the last available information. Differences may arise in comparison to the official values, which will be included in the 2023 Solvency and Financial Condition Report (SFCR) and Quantitative Reporting Templates (QRT).
12. Net of minority interest for entities that are evaluated with the proportional consolidation method, according to article 335 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.
13. Such as minority deductions, surplus funds and other items non-available to cover losses at Group level.

Commenting on the items contributing to the GOF, it can be noted that:
- the increase (€ 2,090 million) of the Excess of Assets over Liabilities mainly reflects the excellent contribution of the capital generation that, together with the positive effect of the economic variances, more than offsets the negative impacts stemming from operating variances, regulatory changes and dividend paid during the year;
- the positive contribution (€ 1,030 million) of subordinated debt eligible in Basic Own Funds derives from the issuance of new Tier 2 subordinated debt eligible in Basic Own Funds and from the positive effect of the decline in interest rates;
- the amount of the foreseeable dividend increased by € 197 million (from € 1,790 to € 1,987 million);
- the higher impact (€ -538 million) of deductions for participations in financial entities mainly comes from the deduction related to the participation in the French pension business and from the increase in the fair value of the outstanding shares of Banca Generali;
- the change of the impact (€ -260 million) of deductions for minorities and non-available items is mainly explained by the lower amount of surplus funds deducted at Group level, by the cancellation of own shares of the Parent Company following the share buyback plan in 2023, partially compensated by the higher amount of subordinated debt not available and deducted at Group level;
- the slight decrease (€ -17 million) of the contribution of financial entities, also including the effects of the disposal of Generali Deutschland Pensionskasse AG.

Group Own Funds Tiering

According to Solvency II regulation, Group Own Funds items are classified into three tiers representing different level of quality, depending on the ability to absorb losses due to adverse business fluctuations on a going-concern basis and in the case of winding-up.

The Group's tiering is described below:
- tier 1 unrestricted Own Funds represents the following items:
  - ordinary share capital and the related share premium account of the Parent Company;
  - available surplus funds (from German, Austrian and French business);
  - reconciliation reserve;
  - deductions for minorities and other not available Own Funds items;
  - available capital of financial entities.
- tier 1 restricted Own Funds includes subordinated liabilities that benefit from grandfathering regime[14];
- tier 2 Own Funds is composed of subordinated liabilities, including the remaining part of grandfathered[15] subordinated debts, and the positions issued after the entry into force of Solvency II Directive;
- tier 3 is composed by net deferred tax assets, which are characterised by lower capital quality being not immediately available to absorb losses.

The GOF split by tiers is reported in the following table:

Group Own Funds by tiering

(€ million)	31/12/2023	31/12/2022
Tier 1 (unrestricted)	40,590	38,536
Tier 1 (restricted)	1,404	1,704
Tier 2	6,832	5,788
Tier 3	222	393
GOF	**49,049**	**46,421**

Based on last available information for 2023, official figures for 2022.

2023 Group Own Funds confirmed the high-quality of the capital tiering. Tier 1 amounts to 85.6% of the total (86.7% in 2022), Tier 2 represents 13.9% (12.5% in 2022), and Tier 3 only 0.5% of the total (0.8% in 2022).
No eligibility deductions are triggered thanks to the high-quality of the capital-tiering.

14. These items were issued before the entry into force of the Solvency II Directive and cover the Solvency margin up to 50% according to Solvency I regime.
15. Differently from tier 1 restricted, these grandfathered items cover the Solvency margin up to 25% according to Solvency I regime.

2. Solvency Capital Requirement

The SCR covers underwriting, financial, credit and operational risks as follows:

SCR split by risk

(€ million)	31/12/2023		31/12/2022	
	Total	Impact (%)	Total	Impact (%)
SCR before diversification	**34,012**	**100%**	**33,380**	**100%**
Financial risk (1)	12,820	38%	13,530	41%
Credit risk (2)	7,849	23%	6,814	20%
Life underwriting risk	3,973	12%	3,920	12%
Health underwriting risk	345	1%	475	1%
Non-life underwriting risk	6,307	19%	5,868	18%
Intangible risk	-	-	-	-
Operational risk	2,717	8%	2,773	8%
Diversification benefit	-8,167		-8,994	
SCR after diversification	**25,844**		**24,386**	
Tax absorption	-4,902		-4,745	
SCR excl. other regimes	**20,942**		**19,641**	
Other regimes (3)	1,362		1,409	
SCR	**22,304**		**21,050**	

Based on last available information for 2023, official figures for 2022.
(1) Financial risk includes spread risk (for Standard Formula entities).
(2) Credit risk includes default risk, spread widening and rating migration risks (for IM entities).
(3) Within this category other regulated financial entities are included (e.g., IORP, banks etc.).

The above SCR breakdown highlights that:
- financial and credit risks account for the 61% of the total SCR before diversification, due to the predominance of traditional life business;
- life and non-life underwriting risks account for respectively 12% and 19% of the total SCR before diversification;
- health underwriting risk deriving from Standard Formula entities account for 1% of the total SCR before diversification;
- operational risks contribute to the Group SCR for the 8%.

Compared to the previous year, an overall SCR increase is observed, mainly due to:
- a reduction of financial risks, mostly linked to a reduction in the interest rate volatility;
- an increase of credit risks, mainly due to the rise in values of bond investments, consequent to the downturn of interest rates.

Finally, in the second half of this year, some Standard Formula Italian entities[16] and the German pension fund Generali Deutschland Pensionskasse AG have been ceded.

Each risk category is further detailed in the section D. Risk Profile.

Minimum Capital Requirement Coverage

In addition to SCR coverage, the Group calculates the Minimum Consolidated Group SCR (MCR) coverage. The MCR calculation is required to determine the minimum level of capital, under which the Group would be exposed to an unacceptable level of risk to continue its operations.

The Minimum Solvency Ratio[17] stands at 256% as at 31 December 2023, with an increase of 9 p.p. compared to the previous year.

16. BCC Assicurazioni S.p.A., BCC Vita S.p.A., Vera Assicurazioni S.p.A., Vera Protezione S.p.A., Vera Vita S.p.A..
17. The MCR and Own Funds, disclosed within this Report, are based on the last available information. Differences may arise in comparison to the official values, which will be included in the 2023 Solvency and Financial Condition Report (SFCR) and Quantitative Reporting Templates.

In the following table, the MCR coverage is reported:

MCR Coverage

(€ million)	31/12/2023	31/12/2022
GOF to meet the MCR	43,058	41,255
MCR	16,839	16,686
Ratio of GOF to MCR	**256%**	**247%**

Based on last available information for 2023, official figures for 2022.

To define MCR coverage, stricter Own Fund eligibility rules are applied compared to the ones previously used for the SCR[18]. In the following table, the split by tiers of the Own Funds covering the MCR is reported:

GOF to meet the MCR by tiering

(€ million)	31/12/2023	31/12/2022
Tier 1 (unrestricted)	38,285	36,215
Tier 1 (restricted)	1,404	1,704
Tier 2	3,368	3,337
GOF to meet MCR	**43,058**	**41,255**

Based on last available information for 2023, official figures for 2022.

Sensitivity Analysis

In addition to the calculation of the SCR, the Group regularly performs sensitivity analyses of the variability of its Solvency Ratio to changes in specific risk factors. The aim of these analyses is to assess the resilience of the Group capital position to the main risk drivers and evaluate the impact of a wide range of shocks.
For this purpose, several sensitivity analyses have been performed as at 31 December 2023, in particular:
- increase and decrease of interest rates by 50bps;
- increase of Italian government bonds spread (Buoni del Tesoro Poliennali - BTP) by 100bps;
- increase of corporate bonds spread by 50bps;
- increase and decrease of equity values by 25%.

The changes in terms of percentage points with respect to baseline scenario as at 31 December 2023 (Solvency Ratio equal to 220%) are the following:

Sensitivity Analysis

	Interest rates +50bps	Interest rates -50bps	BTP spread +100bps	Corporate spread +50bps	Equity +25%	Equity -25%
Delta on Solvency Ratio	+2 p.p.	-3 p.p.	-6 p.p.	-1 p.p.	+6 p.p.	-6 p.p.

Based on last available information for 2023.

Following EIOPA's review of the Solvency II risk free rates term structure, the UFR (Ultimate Forward Rate) will be modified (for Euro, the UFR will be decreased by 15bps): the expected impact of such change as at 31 December 2023 Solvency Ratio amounts to about -1 p.p..

Group Partial Internal Model (Group PIM)[19]

The IM is considered to be the most appropriate way of assessing the Group risk profile. It represents the best way of capturing the risk profile of the entire Group and of the legal entities in scope in terms of granularity, calibration and correlation of the various risk factors. The IM is structured around a Risk Map, defined in the Risk Management Group Policy, which contains all quantifiable risks that Generali Group has identified as relevant to its business, allowing for the calculation of the SCR both at single risk level and at higher aggregation level.

18. The amounts of tier 2 and tier 3 items eligible to cover the MCR are subject to stricter quantitative limits. The eligible amount of tier 1 items shall be at least 80% of the MCR; the same limitation on subordinated liabilities and preference shares applied for the SCR coverage is set also for MCR coverage. The eligible amounts of tier 2 items shall not exceed 20% of the MCR. No tier 3 items are allowed to cover the Minimum Capital Requirement. No capital from financial entities is considered.
19. The Internal Model at Group level is defined as "Partial" because a limited number of entities still use the Standard Formula to determine the capital requirement.

1. Group PIM Methodology

In order to calculate PIM SCR, the Group combines the results of the IM with two additional components: Standard Formula and other sectoral regimes, in order to meet the regulatory requirements. To this extent Generali has decided to opt for the so-called "Two-World Approach" to aggregate different regimes and methodologies. Under this approach, the PIM is calculated summing up SCR evaluated with the approved IM methodology, with the SCR of Group legal entities based on Standard Formula and those entities where a sectoral solvency regime is applicable.
In implementing the PIM, the Group has adopted, for the entities that received an IM approval, the so-called Monte-Carlo approach with proxy functions to determine the Probability Distribution Forecast (PDF) of the changes in the Basic Own Funds over a one-year time horizon.

2. Group PIM Governance

Governance and processes regarding the IM are defined in the Internal Model Governance Group Policy, ensuring that:
- models and components are appropriate for their purpose;
- procedures are in place to design, implement, use and validate new models and model changes;
- the appropriateness of models on an ongoing basis is confirmed.

To rule the activities related to the IM developments necessary to ensure its appropriateness over time and, more in general, to support the IM change process, the Internal Model Change Group Policy has been also defined with the aim to specify roles and responsibilities in the implementation of major and minor changes.

Within IM Governance, a dedicated committee, the Internal Model Committee, has been established to review Group IM calibrations, and evaluate the proposals on all model methodologies, assumptions used, parameters, results, documentation and all other model related elements in order to support the Group Chief Risk Officer (GCRO) in the decision-making process on IM developments or model changes and to control the full model lifecycle, assuring proper compliance with the Internal Model Governance Group Policy. This Committee is chaired by the Model Design Authority, in the person of the Head of Group Enterprise Risk Management, responsible for ensuring the overall consistency and appropriateness of the IM. The members of the Internal Model Committee are all the Model Owners and the Model Design Authority and any additional participants required by the Model Design Authority.
The GCRO defines the processes and controls to ensure the ongoing appropriateness of the design and operations of the IM, so that it continues to appropriately reflect the Group risk profile. The GCRO is also responsible for defining the methodology of each model component, based on the Group Internal Model Committee's proposals, as well as for the results' production and ultimately for submitting the relevant IM reporting to the Risk and Control Committee and the Board of Directors.
The Board of Directors, assisted by the Risk and Control Committee, ensures the ongoing appropriateness of the design and operations, the ongoing compliance of the IM and also that the IM continues to appropriately reflect the risk profile of the Group.
These roles are generally mirrored within the organizational structure of each Group legal entity within IM scope.

3. Group PIM Validation

The IM is subject to validation review on an ongoing basis, which aims to gain independent assurance of the completeness, robustness and reliability of the processes and results of the IM, as well as their compliance with the Solvency II regulatory requirements.
The validation process follows the principles and procedures defined within the Internal Model Validation Group Policy and related guidelines.
The validation outputs are designed to support Senior Management and Board of Directors in understanding the appropriateness of the IM, including areas of weaknesses and limitations, especially with regards to its use.
To ensure an adequate level of independence, the resources performing the validation activities are not involved in the development or operation of the IM.
Within the validation process, also the results obtained during previous validation exercises are considered, as well as developments within internal and external business environment, financial market trends and IM changes. The IM validation process excludes those aspects covered by the assurance work of the Actuarial Function (i.e. technical provisions and related IT systems, actuarial platforms and their governance).
Furthermore, the validation process also serves as an incentive mechanism to ensure timely and accurate incorporation of modelling refinements.
In order to warrant the appropriateness of the array of elements contained within the IM, the validation covers both the quantitative and qualitative aspects of the IM and is therefore not limited to the calculation engine and methodology. Other important items such as data quality, documentation and uses of the IM are validated accordingly.
The validation process is carried out on regular annual basis and when requested by either the Senior Management, Board of Directors or Supervisory Authorities.

D. RISK PROFILE

Life Underwriting Risk

Life underwriting risks derive from the Group's core insurance business in the life and health segments. The major part of the business and the related risks derive from direct portfolio underwritten by the Group. Health business represents a minor component of the portfolio.

Management Report, Our financial performance for the indicators by country, by volumes of premiums and related geographic breakdown

Notes, Insurance and investment contracts

The life portfolio consists of traditional business, which mainly includes insurance with profit participation, and unit-linked products. The prevailing component of traditional business includes products with insurance coverages linked to the policyholders' life and health. It also includes pure risk covers, with related mortality risk, and some annuity portfolios, with the presence of longevity risk. The vast majority of the insurance coverages includes legal or contractual policyholder rights to fully or partly terminate, surrender, decrease, restrict or suspend the insurance cover or permit the insurance policy to lapse, or to fully or partially establish, renew, increase, extend or resume the insurance or reinsurance cover. For these reasons, the products are subject to lapse risk.

Life and health underwriting risks can be distinguished in biometric and operating risks embedded in the life insurance policies. Biometric risks derive from the uncertainty in the assumptions regarding mortality, longevity, health, morbidity, and disability rates taken into account in the insurance liability valuations. Operating risks derive from the uncertainty regarding the amount of expenses and the adverse exercise of contractual options by policyholders. Policy lapse is the main contractual option held by the policyholders, together with the possibility to reduce, suspend or partially surrender the insurance coverage.
Life and health underwriting risks are:

- mortality risk, defined as the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in mortality rates, where an increase in mortality rates leads to an increase in the value of insurance liabilities. Mortality risk also includes mortality catastrophe risk, resulting from the significant uncertainty of pricing and provisioning assumptions related to extreme or irregular events;
- longevity risk, similarly to mortality, is defined as the risk resulting from changes in mortality rates, where a decrease in mortality rates leads to an increase in the value of insurance liabilities;
- disability and morbidity risks derive from changes in the disability, sickness, morbidity and recovery rates;
- lapse risk is linked to the loss or adverse change in liabilities due to a change in the expected exercise rates of policyholder options. The relevant options are all legal or contractual policyholder rights to fully or partly terminate, surrender, decrease, restrict or suspend insurance cover or permit the insurance policy to lapse. Mass lapse events are also considered;
- expense risk results from changes in the expenses incurred in servicing insurance or reinsurance contracts;
- health risk, for the companies using IM, refers specifically to health insurance also linked to catastrophic events.

In addition to the risks above, the Group Risk Map includes also the going concern reserve risk, a German business specific risk that refers to the misestimate of new business assumptions.

The approach underlying the life underwriting risk measurement is based on the calculation of the loss resulting from unexpected changes in biometric and/or operating assumptions. Capital requirements for life underwriting risks are calculated on the basis of the difference between the insurance liabilities before and after the application of the stress.

Life underwriting risks are measured by means of the PIM[20].

The SCR for life underwriting risk amounts to € 3,973 million before diversification (equal to 12% of total SCR before diversification). This is mainly driven by lapse risk, followed by expense[21] and mortality[22] risks. In terms of contribution to the risk profile, it is to be noted that life underwriting risks are well diversified with other risk categories. The overall contribution to the risk profile therefore remains limited.

Life underwriting risk management is embedded in the key underwriting processes being:

- product development and accurate pricing;
- ex-ante selection of risks through underwriting;
- setting and monitoring of operative underwriting limits;
- portfolio management and monitoring.

20. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.
21. Including also the going concern reserve.
22. Including also Mortality Cat.

Product pricing consists in setting product features and assumptions regarding expenses, financial, biometric and policyholders' behaviour to allow the Group legal entities to withstand any adverse development in the realization of these assumptions.
For savings business, this is mainly achieved through profit testing, while for protection and health business with a biometric component, it is achieved by setting prudent assumptions.
Lapse risk, related to voluntary withdrawal from the contract, and expense risk, related to the uncertainty around the expenses that the Group expects to incur in the future, are evaluated in a prudential manner in the pricing of new products. This evaluation is taken into account in the construction and profit testing of a new tariff, considering the underlying assumptions derived from the Group's experience.
For insurance portfolios with a biometric risk component, comprehensive reviews of the mortality experience are compared with expected mortality of the portfolio, determined according to the most up-to-date mortality tables available in each market. To this end, mortality by sex, age, policy year, sum assured, and other underwriting criteria are taken into consideration to ensure mortality assumptions remain adequate and avoid the risk of misestimating for the next underwriting years.
The same annual assessment of the adequacy of the mortality tables used in the pricing is performed for longevity risk. In this case, not only biometric risks are considered but also the financial risks related to the minimum interest rate guarantee and any potential mismatch between the liabilities and the corresponding assets.
For the purpose of long-term health insurance pricing, the monitoring of health-related market claims and corresponding indexing mechanisms is performed.

As part of the underwriting process, Generali Group adopts underwriting guidelines. The Risk Management Function reviews implications of new lines of business/products on the Group risk profile.
Moreover, a particular emphasis is placed on the underwriting of new contracts with reference to medical, financial and moral hazard risks. The Group has defined clear underwriting standards through manuals, forms, medical and financial underwriting requirements. For insurance riders, which are most exposed to moral hazard, maximum insurability levels are also set, lower than those applied for death covers. In order to mitigate these risks, policy exclusions are also defined.
Regular risk exposure monitoring and adherence to the operative limits, reporting and escalation processes are also in place, allowing for potential remediation actions to be undertaken.

During 2023 the evolution of the macroeconomic context influenced a market trend related to the increase in surrenders, which was observed also for Generali Group, where surrendered volumes are mostly concentrated on the savings and hybrid business line, in the bancassurance and financial advisor channels. Generali Group considered several initiatives to successfully sustain the business results, which is also reflected in the increase in written premiums with respect to 2022.
To monitor the abovementioned effects, in addition to the sensitivity analyses which are part of the recurring activity during the year, the Group carries out further analyses on life underwriting risks also considering longer time horizons such as those of the Strategic Plan, which are reported in the scope of the ORSA process.

The available historical observations contribute to define the risk metrics of the IM, therefore, also the increases in inflation rates started in 2022 are already integrated into the calibration of the IM.

Reinsurance represents the main risk mitigation technique. The Parent Company acts as core reinsurer for the Group legal entities and cedes or retrocedes part of the underwritten risks to external reinsurers.
The Group reinsurance strategy is developed consistently with the risk appetite and with the risk preferences defined in the Group RAF, and with the reinsurance market cycle. The reinsurance process and the definition of reinsurance treaties are coordinated by the Group Reinsurance Function with the involvement of Risk Management and Actuarial Functions.

Finally, Generali Group, in addition to the strengthened monitoring process of premium, claims, and surrenders, has kept in place the monitoring framework of the so-called "Unknown event"' implemented in 2020 with the aim of identifying and assessing the negative effects linked to the Covid-19 pandemic. During the "Unknown event" analysis conducted in 2023, no significant impacts emerged.

Non-Life Underwriting Risk

Non-life underwriting risks arise from the Group's insurance business in the P&C segment.

Management Report, Our financial performance for the indicators by country, by volumes of premiums and related geographic breakdown

Notes, Insurance and investment contracts

Non-life underwriting risks include the risk of underestimating the frequency and/or severity of the claims in defining pricing and reserves (respectively pricing risk and reserving risk), the risk of losses arising from extreme or exceptional events (catastrophe risk), and the risk of policyholder lapses from P&C insurance contracts (lapse risk). In particular:

- pricing and catastrophe risks derive from the possibility that premiums are not sufficient to cover future claims, also in connection with extremely volatile events and contract expenses;
- reserving risk derives from the uncertainty of the claims reserves (in a one-year time horizon);
- non-life lapse risk arises from the uncertainty of the underwriting profits recognised in the premium provisions.

Non-life underwriting risks are measured by means of the PIM[23]. For the majority of risks assessed through the PIM, the valuations are based on in-house developed models and external models that are primarily used to assess the catastrophic events, for which broad market experience is considered beneficial.

The SCR for non-life underwriting risk amounts to € 6,307 million before diversification (equal to 19% of total SCR before diversification). This is mainly given by reserving risk, followed by Cat and pricing risks. Non-life lapse risk contributes only for a marginal amount to the risk profile.

Moreover, the Group uses additional indicators for risk concentrations. This is specifically the case for catastrophe risks and Corporate & Commercial risks, which are both coordinated at central level.
In terms of Cat risk, the Group's largest exposures are earthquakes in Italy, European floods, and windstorms. Less material catastrophe risks are also taken into account and assessed by means of additional scenario analysis.
At the same time, there is a constant ongoing improvement to consider risk adjusted KPIs in decision making processes in the underwriting, portfolio monitoring, and reinsurance.

Based on the Group RAF, P&C risk selection starts with an overall proposal in terms of underwriting strategy and corresponding business selection criteria. During the strategic planning process, targets are established and translated into underwriting limits to ensure business is underwritten according to the Plan. Underwriting limits define the maximum size of risks and classes of business that Group legal entities shall be allowed to write without seeking any additional or prior approval. The limits may be set based on value, risk type, product exposure or class of occupancy. The purpose of these limits is to attain a coherent and profitable book of business founded on the expertise of each legal entity.
Additional indicators such as relevant exposures, risk concentration and risk capital figures are used for the purpose of P&C underwriting risk monitoring. The indicators are calculated at least on a half-yearly basis to ensure alignment with the Group RAF.

Regarding the customers' assessment on sustainability matters in the non-life underwriting process, the Group has developed and adopts the Responsible Underwriting Group Guideline, to guarantee the adoption of responsible behaviours and reduce exposures to counterparties operating in potentially sensitive sectors, as defined in the aforementioned guideline.

During 2023, the strengthened monitoring process put in place during 2020 following the Covid-19 pandemic has been maintained to ensure a constant oversight of the premiums, frequency and severity of claims, as well as of the related impact on the combined ratio. As a result of the significant increase in cost of claims inflation observed across all lines of business, this monitoring has been strengthened since 2022.

Furthermore, in addition to the sensitivity analyses which are part of the recurring activity during the year, the Group carries out further analyses on non-life underwriting risks also considering longer time horizons such as those of the Strategic Plan, which are reported in the scope of the ORSA process.

The available historical observations contribute to define the risk metrics of the IM, therefore, also the increases in inflation rates started in 2022 are already integrated into the calibration of the IM.

Group entities have also reviewed the contractual conditions of P&C policies, in order to reduce the exposure to pandemics and/or similar events.

Reinsurance is the key mitigation technique for balancing the P&C portfolio. It aims to optimise the use of risk capital by ceding part of the underwriting risk to selected counterparties, whilst simultaneously minimising the credit risk associated with such operations.
The P&C Group reinsurance strategy is developed consistently with the risk appetite and the risk preferences defined in the Group RAF, on one side, and taking into account the reinsurance market trend, on the other, especially in the recent years characterized by a hardening of reinsurance market, resulting in renewals with higher retention levels at increased costs.
The Group has historically preferred traditional reinsurance as a tool for mitigating catastrophe risk resulting from its P&C portfolio, adopting a centralised approach where the placement of reinsurance towards the market is managed by the Group Reinsurance Function.

23. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.

The Group aims at diversifying its cessions to reinsurers to avoid excessive concentrations, to optimise its reinsurance purchases, including from a pricing perspective, and to continuously develop a proper know-how in the most innovative risk transfer techniques. For this reason, part of the Italian earthquake and European windstorm exposures are carved out from the traditional catastrophe reinsurance program and placed in the Insurance Linked Securities (ILS) market.

Finally, Generali Group, in addition to the strengthened monitoring process abovementioned, has kept in place the monitoring framework of the so-called “Unknown event”' implemented in 2020 with the aim of identifying and assessing the negative effects linked to the Covid-19 pandemic. During the “Unknown event” analysis conducted in 2023, no significant impacts emerged.

Financial Risk and Credit Risk

The Group invests collected premiums in a wide variety of financial assets, with the purpose of honouring future obligations to policyholders and generating value for its shareholders.
As a result, the Group is exposed to the financial risks driven by either:
- invested assets not performing as expected because of falling or volatile market prices;
- reinvested proceeds of existing assets being exposed to unfavourable market conditions, typically at lower interest rates.

Generali Group traditional life savings business is long-term in nature. Therefore, the Group’s portfolio is characterized by long-term investments which are less impacted by short-term decreases and fluctuations in the market value of assets.
The Group manages its investments in a prudent way according to the so-called Prudent Person Principle[24], and strives to optimize the sustainability and the return of its assets while minimizing the negative impact of short-term market fluctuations on its solvency position.
Under Solvency II, the Group is also required to hold a capital buffer, with the purpose of maintaining a sound solvency position even under adverse market conditions.

To ensure a comprehensive management of the impact of financial and credit risks on assets and liabilities, the Group Strategic Asset Allocation process has to take into consideration the coherence with the liabilities (liability-driven) and has to be strongly correlated with insurance-specific targets and constraints. For this reason, the Asset Liability Management (ALM) and the Strategic Asset Allocation (SAA) are strongly interdependent activities within the Group and Local ALM and SAA definition process.
The aim of the ALM and SAA process is to define the most efficient combination of asset classes which, according to the Prudent Person Principle, maximizes the investment contribution to value creation, considering solvency, actuarial and accounting indicators. The aim is not just to mitigate risks but also to define an optimal risk-return profile that satisfies both the return target and the risk appetite of the Group over the business planning period.

The Group proactively integrates material sustainability matters into the investment process. Therefore, the Group defines a sustainable investment framework and adopts guidelines to integrate material sustainability matters into the decision-making process across asset classes in order to:
- manage the actual or potential impacts on the environment and the society generated by its investment strategy (inside-out perspective);
- manage the potential impact of sustainability risk on the value of its investments (outside-in perspective).

Where relevant, the Group integrates the material sustainability matters into the SAA and TAA (Tactical Asset Allocation) processes also through the definition of specific targets and constraints.

Furthermore, as a long-term liability-driven institutional investor and assets owner with a fiduciary duty, the Group integrates active ownership in its sustainable investment framework, considering it a contributor to long-term risk mitigation and value creation for clients and shareholders.

The assets’ selection is performed by taking into consideration the risk profile of the liabilities, so to ensure that they are covered by appropriate and sufficient assets. This selection process aims at guaranteeing the security, quality, profitability, and liquidity of the overall portfolio, providing an adequate diversification of the investments.
The asset portfolio is invested and rebalanced according to asset class and duration weights. The main risk mitigation techniques used by the Group are the liability-driven management of the assets and the regular portfolio rebalancing.
The liability driven approach helps granting a comprehensive management of assets that takes into account the liability structure; at the same time, the regular portfolio rebalancing redefines target weights for the different asset classes and related durations, respecting the tolerance ranges set as investment limits. This approach contributes to an appropriate mitigation of financial risks.

24. The Prudent Person Principle set out in Article 132 of Directive 2009/138/EC requires the company to only invest in assets and instruments whose risks can be identified, measured, monitored, controlled and reported as well as taken into account in the company overall solvency needs. The adoption of this principle is ruled in the Investment Governance Group Policy.

ALM and SAA activities aim at ensuring the Group holds sufficient and adequate assets to reach defined targets and meet liability obligations. For this purpose, analyses of the asset-liability relationship under a range of market scenarios and expected/stressed investment conditions are undertaken.
The Group works to ensure a close interaction between the Group Chief Investment Officer (GCIO), Group Chief Financial Officer (GCFO, incl. Treasury), Actuarial and Risk Management Functions to secure that the ALM and SAA processes remain consistent with the Group RAF, the strategic planning and the capital allocation mechanisms. The annual SAA proposal defines:

- target exposures and boundaries for each relevant asset class, including minimum and maximum allowed exposure, and a set of key indicators (e.g., duration), embedding potential ALM mismatches deemed acceptable and respecting the risk limits;
- target returns at portfolio and asset class level, which are then transposed to Asset Management Companies.

Regarding specific asset classes such as (i) private equity, (ii) bond instruments of private issuers, (iii) hedge funds and liquid alternative, (iv) derivatives and structured products, the Group has mainly centralized their management and monitoring. This kind of investments is subject to accurate due diligence to assess their quality, the level of risk related to the investment, and its consistency with the approved liability-driven SAA.

The Group also uses derivatives with the aim of mitigating the risk present in the asset and/or liability portfolios. The derivatives help the Group to improve the quality, liquidity and profitability of the portfolio, according to the business planning targets. Also operations in derivatives are subject to a regular monitoring and reporting process.

In 2023 the effects of the Covid-19 pandemic came to an end, however, the geopolitical context and in particular the conflicts in Ukraine and Middle East have contributed to maintaining high the financial markets' volatility. Therefore, some strategic measures, already adopted since 2020, have been maintained. In particular:

- for equity exposures, hedging strategies have been implemented;
- for the bond component, in order to monitor any accelerations in the deterioration of creditworthiness, a bi-weekly reporting was prepared on issuers subject to a rating deterioration or to a spread widening that might suggest an increased probability of default.

Furthermore, in 2023, a macro hedge was implemented to cover possible negative developments in the credit market.

In addition to the risk tolerance limits set on the Group solvency position within the Group RAF, the current Group risk monitoring process is also integrated by the application of the Investments Risk Group Guideline (IRGG). The IRGG include general principles, quantitative risk limits (with a strong focus on credit and market concentration), and, for specific asset classes (e.g., private debt and private equity), the minimum requirements to be met for fund selection and portfolio management. Moreover, the IRGG define authorization processes and prohibitions that Group entities need to comply with.

With reference to the geopolitical context and its impacts on financial and credit markets observed during 2023, please refer to the section A. Executive Summary (External Context).

Financial Risk

Within the life business, the Group assumes a considerable financial risk related to guarantees to policyholders with a minimum return on the accumulated capital over a potentially long period. If the yields generated by the financial investments are lower than the guaranteed return during this period, then the Group shall compensate the shortfall for those contractual guarantees. In addition, independently on the achieved asset returns, the Group has to secure that the value of the financial investments backing the insurance contracts remains sufficient to meet the value of its obligations.
Unit-linked business typically does not represent a source of financial risk for insurers (except when there are guarantees embedded in the contracts), although market fluctuations typically have profitability implications.
Regarding P&C business, the Group has to ensure that the benefits can be paid on a timely basis when claims occur.

In more detail, the Group is exposed to the following generic financial risk types:

- equity risk deriving from the risk of adverse changes in the market value of the assets or in the value of liabilities due to changes in the level of equity market prices which can lead to financial losses;
- equity volatility risk deriving from changes in the volatility of equity markets. The exposure to equity volatility is typically related to equity option contracts or to insurance products sold with embedded guarantees whose market consistent value is sensitive to the level of equity volatility;
- interest rate risk, defined as the risk of adverse changes in the market value of the assets or in the value of liabilities due to changes in the level of interest rates in the market. The Group is mostly exposed to downward changes in interest rates as lower interest rates increase the present value of the commitments towards policyholders more than the value of the assets backing those commitments. As a result, it may become increasingly costly for the Group to maintain its commitments assumed, thereby leading to financial losses;

- interest rate volatility risk derives from changes in the level of interest rate implied volatilities. This risk related, for example, from insurance products with embedded minimum guarantees whose market consistent value is sensitive to the level of interest rates volatility;
- property risk deriving from changes in the level of property market prices. Exposure to property risk arises from property asset positions held;
- currency risk deriving from adverse changes in exchange rates;
- concentration risk deriving from asset portfolio concentration to a small number of counterparties.

Notes, Investments

Financial risks are measured by means of the PIM[25]. In particular:
- equity risk is modelled by associating each equity exposure to a market index representative of its industrial sector and/or geography. Potential changes in market value of the equities are then estimated based on past shocks observed for the selected indices;
- equity volatility risk models the impact that changes in the equity implied volatility can have on the market value of derivatives;
- interest rate risk models the changes in the term structure of the interest rates for various currencies and the impact of these changes on any interest rate sensitive asset and on the value of future liability cash flows;
- interest rate volatility risk models the impact that the variability in interest rate curves can have on both the market value of derivatives and the value of liabilities sensitive to interest rate volatility assumptions (such as minimum pension guarantees);
- property risk models the returns on a selection of property investment indices and the associated impact on the value of the Group's property assets. These are mapped to various indices based on property location and type of use;
- for currency risk, the plausible movements in exchange rate of the reporting currency of the Group in respect to foreign currencies are modelled, as well as the consequent impact on the value of asset holdings not denominated in the domestic currency;
- for concentration risk the extent of additional risk borne by the Group due to insufficient diversification in its equity, property and bond portfolios is assessed.

Risk measurement by means of the IM also applies to complex and/or illiquid financial instruments, ensuring their correct valuation within the modules included in the Group Risk Map.

The SCR for financial risk amounts to € 12,820 million before diversification (equal to 38% of total SCR before diversification). This risk is mainly driven by equity risk, interest rate risk, real estate risk and currency risk.

The available historical observations contribute to define the risk metrics of the IM, therefore, also the market events related to 2023 are integrated into the calibration of the IM.

Credit Risk

The Group is exposed to credit risks related to invested assets and those arising from other counterparties (e.g., cash, reinsurance). Credit risks include the following two categories:
- spread widening risk, defined as the risk of adverse changes in the market value of debt security assets. Spread widening can be linked either to the market's assessment of the creditworthiness of the specific obligor (often implying also a decrease in rating) or to a market-wide systemic reduction in the price of credit assets;
- default risk, defined as the risk of incurring in losses because of the inability of a counterparty to honour its financial obligations.

Notes, Investments

Credit risks are measured by means of the PIM[26]. In particular:
- credit spread risk models the possible movement of the credit spread levels for bond exposures of different rating, industrial sector and geography based on the historical analysis of a set of representative bond indices. Spread-sensitive assets held by the Group are associated with specific indices based on the characteristics of their issuer and currency;
- default risk models the impact of default of bond issuers or counterparties to derivatives, reinsurance and in general other transactions on the value of the Group's assets. Distinct modelling approaches have been implemented to model default risk for the bond portfolio (i.e. credit default risk) and the risk arising from the default of counterparties in cash deposits, risk mitigation contracts (such as reinsurance), and other types of exposures (i.e. counterparty default risk).

25. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.
26. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.

Risk measurement by means of the IM also applies to complex and/or illiquid financial instruments, ensuring their correct valuation within the modules included in the Group Risk Map.

The IM credit risk model evaluates spread risk and default risk also for sovereign bond exposures. This approach is more prudent than the Standard Formula, which treats bonds issued by EU Central Governments and denominated in domestic currency as exempt from credit risk.

The SCR for credit risk amounts to € 7,849 million before diversification (equal to 23% of total SCR before diversification). Credit risk mainly derives from the spread risk of fixed-income securities, while the contribution to SCR of the counterparty risk (including reinsurer's default) remains more limited.

In addition, all the credit risk monitoring tools introduced following the Covid-19 pandemic have been maintained, and in particular the continuous monitoring of portfolio downgrades to identify their solvency impacts and to define possible risk mitigation actions.

The available historical observations contribute to define the risk metrics of the IM, therefore, also the credit events related to 2023 are integrated into the calibration of the IM.

The credit risk assessment is based on the credit rating assigned to counterparties and financial instruments. To limit the reliance on rating assessments provided by external rating agencies, an internal credit rating assignment framework has been set.
Within this framework, additional rating assessments can be performed at counterparty and/or financial instrument level. The assigned rating is normally reviewed on an annual basis. This process applies independently from the availability of external ratings. Moreover, additional assessments are performed each time the parties involved in the process gain access to new information, deriving from reliable sources, that may affect the creditworthiness of the issuer and/or the financial instrument.
The internal credit rating assignment system at counterparty level is based on the evaluation of quantitative metrics and qualitative elements. The risk elements that are considered, among others, are referred to the assessment of the riskiness of the sector to which the counterparties belong, of the country in which their activities are carried out, and of the controlling group, where present. Additionally, macroeconomic factors potentially affecting the credit stance of the borrowers are considered, such as: interest rates levels, movements in the FX market and prices of raw materials. At financial instrument level, instead, the risk of the issuer is one of the main elements considered, together with the peculiarities of the instrument itself.

The most important strategy for the mitigation of credit risk used by the Group is the application of a liability-driven SAA, which can limit the impact of the market spread volatility. In addition, the Group is actively mitigating counterparty default risk by using, where feasible (e.g., for derivative transactions), collateralisation strategies mitigating the losses the Group might suffer as a result of the default of one or more of its counterparties.

Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. The definition includes the risk of non-compliance with regulations (compliance risk) and the risk of incorrect information in financial reporting (financial reporting risk), and excludes strategic and reputational risks which, however, can be indirect consequence of operational risk.
The operational risks to which Generali Group is exposed are identified and classified in the in the Operational Risk Management Group Policy detailing the Group Risk Map defined in the Risk Management Group Policy.

Operational risks are measured by means of the PIM[27]. In particular, the operational risk capital is calculated using an approach based on scenario analysis carried out by the Head of operational areas (risk owner) who, by expert judgement and with the support of Subject Matter Experts, provides estimation of frequency and severity for each of the scenarios related to the identified operational risk category. Only material operational risks are then considered as input for the IM calibration. The probability distributions of losses over one-year horizon are thus derived, which are subsequently aggregated in order to obtain the annual loss distribution allowing to determine the capital requirement at a confidence level of 99.5% (as per Solvency II principles).

This approach allows to better reflect Group risk profile capturing its specificities. The SCR for operational risk amounts to € 2,717 million before diversification (equal to 8% of total SCR before diversification).

27. For the scope of the PIM please refer to section A. Executive Summary. Entities not included in the IM scope calculate the capital requirement based on Standard Formula or the capital requirements of sectoral regime.

Based on the 2023 risk assessment results, the most relevant risks for the Group, also considering the indirect impacts of strategic and reputational risks, are confirmed, in continuity with last year, the risks linked to cyber-attacks, data protection, unavailability or dysfunction of applications and critical infrastructures, the risks of non-compliance with regulations concerning money laundering, terrorist financing and international sanctions (particularly related to the current geopolitical situation and the continuous evolution of the regulatory framework), as well as the risks of errors in the product development and documentation, in distribution and in management of customer relationship (also in light of the new transparency rules and considerations on the sustainability matters defined by the legislation on sustainable finance).

The risk assessment results are influenced by the current external context. During 2023, indeed, geopolitical tensions combined with market instability have hampered the economic recovery in a context severely affected by the post-pandemic crisis, contributing to maintaining high the exposure to risks related to cyber-attacks, operational resilience, and financial crimes. Cybersecurity remains among the most significant concerns in the financial sector and for the Group, due to the increased sophistication of cyber-attacks and the growing number of malicious vectors (cyber criminals), independent or supported by the States. Potential losses from a cyber-attack have been estimated through a specific scenario analysis conducted within the risk assessment process of the Group. In the current environment where dependence on digital technologies is increasing and the degree of interconnections among infrastructures are more complex, the rise in cyber-attacks and technological threats contribute to the exposure to risks that can compromise the operational resilience of the Group, such as the security and protection of data and the availability of applications and critical infrastructures, internal or managed by third parties. Furthermore, geopolitical tensions and market uncertainty have weakened supply chains and caused the increase in costs of raw materials, energy, growth in inflation and interest rates, especially in the first half of 2023, increasing the potential risks liked to the availability of critical services and utilities, and exposing the Group to the risk of socio-political events induced by the phenomenon of social erosion.

In terms of governance, the responsibility for managing the risk is placed in the first line of defence, the so-called risk owners, whereas the Risk Management Function defines methodologies and processes aimed at identifying, measuring, managing, and monitoring the main risks which the Group is exposed to. In this way, management at all levels is guaranteed with a holistic view of the broad operational risk spectrum that is essential for prioritizing actions and allocating resources in most risk related critical areas. The target is achieved by adopting methodologies and tools in line with industry best practices and by establishing a strong dialogue with the first line of defence.

To further strengthen the risk management system and in addition to the usual risk owners' responsibilities, the Group has established specialised units within the first line of defence with the aim of dealing with specific risks (relating, for example, to cyber-attacks, fraud events and financial reporting risk) acting as a key partner for the Risk Management Function.
An example is the creation of a dedicated unit for the management and coordination of the Group-wide IT Security (cyber risk) that steers the evolution of the IT security strategy and operating model, ensuring a timely detection and resolution of the vulnerabilities that may affect the business.

Finally, it should be noted that Generali Group exchanges operational risk data, properly anonymized, through the Operational Risk data eXchange Association (ORX), a global association of operational risk practitioners where main banking and insurance players at global level participate. The aim is to use the data to improve the risk management and to anticipate emerging trends. In addition, since losses are collected by the first line, the process contributes to create awareness among the risk owners upon risks that could impact the Group. In this sense, a primary role is played by forward-looking assessments that aim to estimate the evolution of the operational risk exposure in a given time horizon, supporting the anticipation of potential threats, the efficient allocation of resources and the definition of related initiatives.
The loss data collection integrates the previously mentioned scenario analysis (forward-looking perspective) with a backward perspective, thus allowing for a comprehensive assessment of operational risks.

Other Material Risks

Liquidity Risk

Liquidity risk is defined as the uncertainty, emanating from business operations, investment or financing activities, over the ability of the Group and its legal entities to meet payment obligations in a full and timely manner, in a current or stressed environment.
The Group is exposed to liquidity risk from its insurance and reinsurance operating activity, due to the potential mismatches between the cash inflows and the cash outflows deriving from the business.
Liquidity risk can also stem from investing activity, due to potential liquidity gaps deriving from the management of the asset portfolio as well as from a potentially insufficient level of liquidity in case of disposals (e.g., capacity to sell adequate amounts at a fair price and within a reasonable timeframe).

Liquidity risk from financing activity is related to the potential difficulties in accessing external funding or in paying excessive financing costs.
The Group can be also exposed to liquidity risk stemming from issued guarantees, commitments, derivative contracts margin calls, or regulatory constraints.

The Group liquidity risk management framework relies on projecting cash obligations and available cash resources over a 12-month time horizon, to monitor that available liquid resources are at all times sufficient to cover cash obligations that will become due in the same horizon.

A liquidity risk metric (liquidity indicator) has been defined to monitor the liquidity situation of each Group insurance legal entity on a regular basis. Such metric is forward-looking, i.e. it is based on projections of cash flows, stemming both from assets and liabilities and on the assessment of the level of liquidity and ability to sell the asset portfolio at the beginning of period.
The metric is calculated under both the so-called base scenario, in which the values of cash flows, assets and liabilities correspond to those projected according to each legal entity's Strategic Plan, and the so-called liquidity stress scenario, in which the projected cash inflows and outflows and the market price of assets are calculated to take into account unlikely but plausible circumstances that would adversely impact the liquidity of each Group insurance legal entity.
Liquidity risk limits have been defined in terms of value of the abovementioned liquidity indicator. The limit framework is designed to ensure that each Group legal entity holds an adequate buffer of liquidity in excess of the amount required to withstand the adverse circumstances described in the liquidity stress scenario.

The Group has defined a metric to measure liquidity risk at Group level, based on the liquidity metric calculated at legal entity level. The Group manages expected cash inflows and outflows to maintain a sufficient available level of liquid resources to meet its medium-term needs. The Group metric is forward-looking and is calculated both under the base and liquidity stress scenario; liquidity risk limits have been defined in terms of value of the abovementioned Group liquidity risk indicator.

The Group has established clear governance for liquidity risk management, including specific limit setting and the escalation process in case of limit breaches or other liquidity issues.
The principles for liquidity risk management designed at Group level are fully embedded in strategic and business processes, including investments and product development.
Since the Group explicitly identifies liquidity risk as one of the main risks connected to investments, indicators as cash flow duration mismatch are embedded in the SAA process. In addition, investment limits are set to ensure that the share of illiquid assets (including also complex financial instruments) remains within a level that does not impair the Group asset liquidity. These limits are subject to a regular monitoring at Group and Business Unit level.

The Group has defined in its Life and P&C Underwriting and Reserving Group Policies the principles to be applied to mitigate the impact on liquidity from surrenders in life business and claims in non-life business.

During 2023, all the expected cash remittances from Group companies have been secured, contributing to the Parent Company's significant cash position, despite the still uncertain macroeconomic context, influenced by persistent geopolitical tensions but with gradual stabilization of the price level following the intervention of the Central Banks especially concentrated in the first semester.
The Group continues to closely monitor the liquidity position of the companies in order to anticipate any repercussions arising from the economic environment.

Management Report, Debt and liquidity, p. 113 for further details on the management of financial liabilities and of the related maturities, including exhaustive analyses on liabilities linked to financial activities and on available liquidity in terms of cash and cash equivalents

Notes, Insurance and investment contracts

Concentration Risk

The Group identifies three main sources of concentration risk for the Group:
- investment risk concentration;
- exposures to reinsurance counterparty default risk stemming from ceded reinsurance;
- non-life underwriting exposures, specifically natural disasters or man-made catastrophes.

Investments risk concentration is the potential loss in the value of the investment portfolio and corporate treasury portfolio when an individual or a group of exposures are large enough to threaten the solvency or liquidity position of the Group or a significant change in the Group risk profile.
Investment concentrations at Group level are managed through the Risk Concentrations Management Group Policy - Investment Exposures. This Policy defines a comprehensive framework for managing investments risk concentrations, in particular, it defines the categories against which the concentration has to be measured: ultimate, geography, industry sector and currency.

The metrics for measuring investments risk concentrations are based on both market value and Risk Based Exposure (Risk Based Exposure is calculated by multiplying the market value by a stress coefficient identified in coherence with the IM considering the risk profile of each individual position in terms of rating, country of issue, asset type and industry sector).
The exposure is subject to specific concentration limits (above which the Board of Directors approval is needed) and concentration reporting thresholds (above which the exposure is reported to the Board of Directors for informative purposes).
Alongside the limits defined in terms of market value and Risk Based Exposure, the aforementioned Policy also provides further limits set for bonds in terms of incidence of exposure with respect to the issuer's total debt, and for shares in terms of voting rights. The concentrations on investments are monitored on a quarterly basis and are reported on half-yearly basis to the Board of Directors.
The Group has developed a specific framework for identifying, measuring, monitoring, managing and reporting Group risk concentrations stemming from exposures to reinsurance counterparties and non-life underwriting exposures, within the Risk Concentrations Management Group Policy - Reinsurance and Underwriting Exposures.

Reputational, Emerging and Sustainability Risks

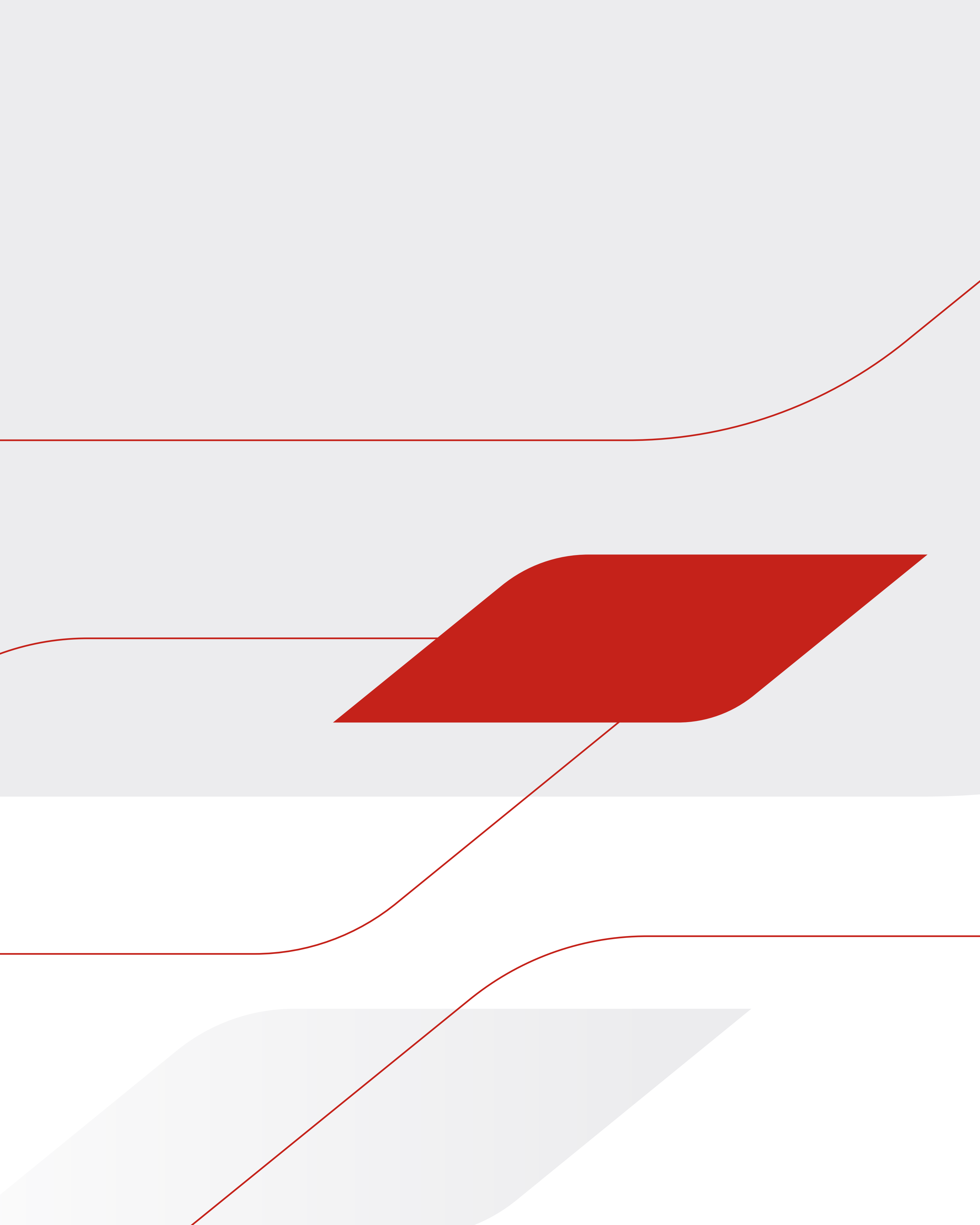
Although not included in the calculation of SCR, the following risks are also taken into account:

- reputational risk referring to potential losses arising from deterioration or a negative perception of the Group among its customers and other stakeholders. Within the Sustainability Risks Group Guideline and Operational Risk Group Guidelines[28], reputational risks are mostly considered second order risks, closely referred to sustainability matters or consequent to operational risks;
- emerging risks arising from new or future risks, more complex to identify and quantify, and typically systemic. These risks generally refer to environmental topics and climate change, technological changes and digitalisation, geopolitical developments, and demographic and social changes. For the identification and the assessment of these risks and to raise the awareness on the implications of the main emerging risks, the Risk Management Function engages with a dedicated network, including specialists from business functions (Group Chief Life & Health Officer, Group Chief P&C and Reinsurance Officer, Group Chief Investment Officer, Asset & Wealth Management, Group Planning Processes, Cost Control & Performance Monitoring, Group Data, Analytics & AI Strategy, Methods and Governance, Group Integrated Reporting, Group Chief Marketing & Customer Officer, Group Strategy & Business Transformation and Group Chief Sustainability Officer given the relevant interrelation with sustainability topics). The Group also participates in the Emerging Risk Initiative (ERI), a dedicated working group of the CRO Forum, which involves the CROs of the main European groups. Within the ERI, risks common to the insurance industry are discussed and published in the ERI Radar as well as specific studies (Position Papers) on selected emerging risks. During 2023, for example, the ERI updated the Radar available on the CRO Forum's website;
- sustainability risks referring to an environmental, social or governance event or condition that, in case of occurrence, it could cause an actual or a potential negative impact on the value of the investment or on the value of the liability. The management of sustainability risks, as well as the management of the potential negative impacts resulting from business decisions on sustainability matters, in addition to being defined in the Risk Management Group Policy, are mainly ruled in the Sustainability Group Policy, Investment Governance Group Policy, Life Underwriting and Reserving Group Policy, P&C Underwriting and Reserving Group Policy and further detailed in the related guidelines.
  During 2023, the Climate Change Risk project continued with the aim of strengthening the risk management framework, starting from risk assessment through climate scenarios and including management tools such as limitations and controls in the investment process.

Management Report, Challenges and opportunities of the market context, p. 20, for further details on climate change - including the Climate Change Risk project - demographics and digitalization

www.generali.com/what-we-do/emerging-risks for more details on emerging risks

28. Details are within the Operational Risk Internal Model Group Guideline and the Operational Risk for Regulated Non-Internal Model and Operative Legal Entities Group Guideline.



OUTLOOK

The expected timing and extent of interest rate cuts by central banks are set to drive financial markets in 2024. Inflationary pressures continue to ease and markets are already discounting lower rates by the end of 2023. Nevertheless, the Fed and ECB may err on the side of caution and proceed cautiously in easing their policy rates amid tight labour markets and resilient wage growth. Global growth in 2024 is set to moderately slow down versus 2023; however, the global economy seems increasingly well-positioned to avoid a recession.

In this context, the Group continues to execute its strategy to rebalance the Life portfolio to further increase profitability and allocate capital more efficiently. It will also maintain its focus on product simplification and innovation, with the introduction of a range of modular product solutions that are designed to meet the customer needs, and are marketed through the most suitable and efficient distribution channels. Generali's objective to be a Lifetime Partner to its customers underpins all Life, Protection and Health business development processes in line with the strategic plan.
This strategic approach for new business growth continues to be centered on the selective development of business lines designed to better respond to increasingly competitive financial markets. Primary focus areas include protection and health, as well as capital-light savings. The development of these business lines aims to offer a wide range of insurance solutions adapted to risk and investment profiles for the benefit of both the policyholder and the Group. In particular, for protection and health products the Group aims to offer modular solutions in which traditional risk coverage is combined with substantial service packages to provide enhanced prevention and resolution. For capital-light savings, an increasing number of unit-linked products benefit from financial mechanisms that mitigate potential market contractions (e.g. protected funds and guided investment management options).
The Group will increase its focus on developing insurance solutions that adequately and effectively align with its ESG goals. ESG criteria have become an important factor for a growing number of customers who are looking to generate investment returns while also being mindful of environmental, social and governance issues. The development of this type of investment solutions has been further accelerated by the EU's Sustainable Finance Disclosure Regulation and the related transparency commitments towards customers.
With regards to the Group's in-force business as part of Generali's Lifetime Partner commitment, efforts will continue to further strengthen relations with existing customers responding to their insurance needs.
Premium trends will continue to reflect the Group's priorities identified in the strategic plan, centered on customer needs and a prudent underwriting approach consistent with the Risk Appetite Framework, which is focused on continuous value creation through capital-light products.

In the Property & Casualty segment, the Group's objective is to maximize profitable growth - with a focus on the non-motor line - across the insurance markets in which it operates, strengthening its position and offering especially in countries with high growth potential.
The Group confirms and strengthens its adaptive approach towards tariff adjustments, also considering the increase in reinsurance coverage costs due to the increased natural catastrophe claims in recent years.
Consistent with the strategic priorities of profitable growth and with the aim of being a Lifetime Partner to our customers, the non-motor offer will continue to be enhanced with additional modular solutions designed to meet specific customer interests and needs. This is resulting in an improved and innovative prevention, assistance and protection services, supported by the latest digital tools and platforms. These actions will also be beneficial to address the impact of climate events in terms of both frequency and severity.
The Group confirms its prudent approach towards P&C market opportunities, discipline in risk underwriting, portfolio management optimization (pricing, selection and profitability of risks, efficient management of claims), and the careful evaluation of new coverage needs in line with the Group's customer-centric approach to product development.
Given these product opportunities which require a low level of capital absorption, growth of the P&C segment will continue with the aim to enhance - also thanks to the recent acquisition of Liberty Seguros, operating in Spain, Portugal and Ireland - its leadership in the European insurance market for private individuals, professionals and small and medium-sized enterprises (SMEs).
Building on its commitment to embed sustainability across the business, the Group will also increase its focus on developing insurance solutions that respond to its ESG goals in the P&C segment, to environmental topics and climate change in particular. The two main goals of this focus on sustainability will be to increase our customers' resilience to climate risks by developing specific products, which meet the European Taxonomy requirements, and to implement an underwriting approach that also considers climate change mitigation aspects, with the aim to reduce emissions associated with our insurance portfolios.

In the Asset & Wealth Management segment, Asset Management will continue to implement its strategy with the objectives of expanding the product catalog, particularly in real assets and private assets, enhancing distribution capabilities, and extending its presence in new markets. This strategy will also be supported by the acquisition of Conning Holdings Limited and its affiliates, which is expected to be completed by the first half of 2024. In Wealth Management, the Banca Generali group will continue to focus on its targets of size, profitability and shareholders' high remuneration as outlined in its strategic plan.

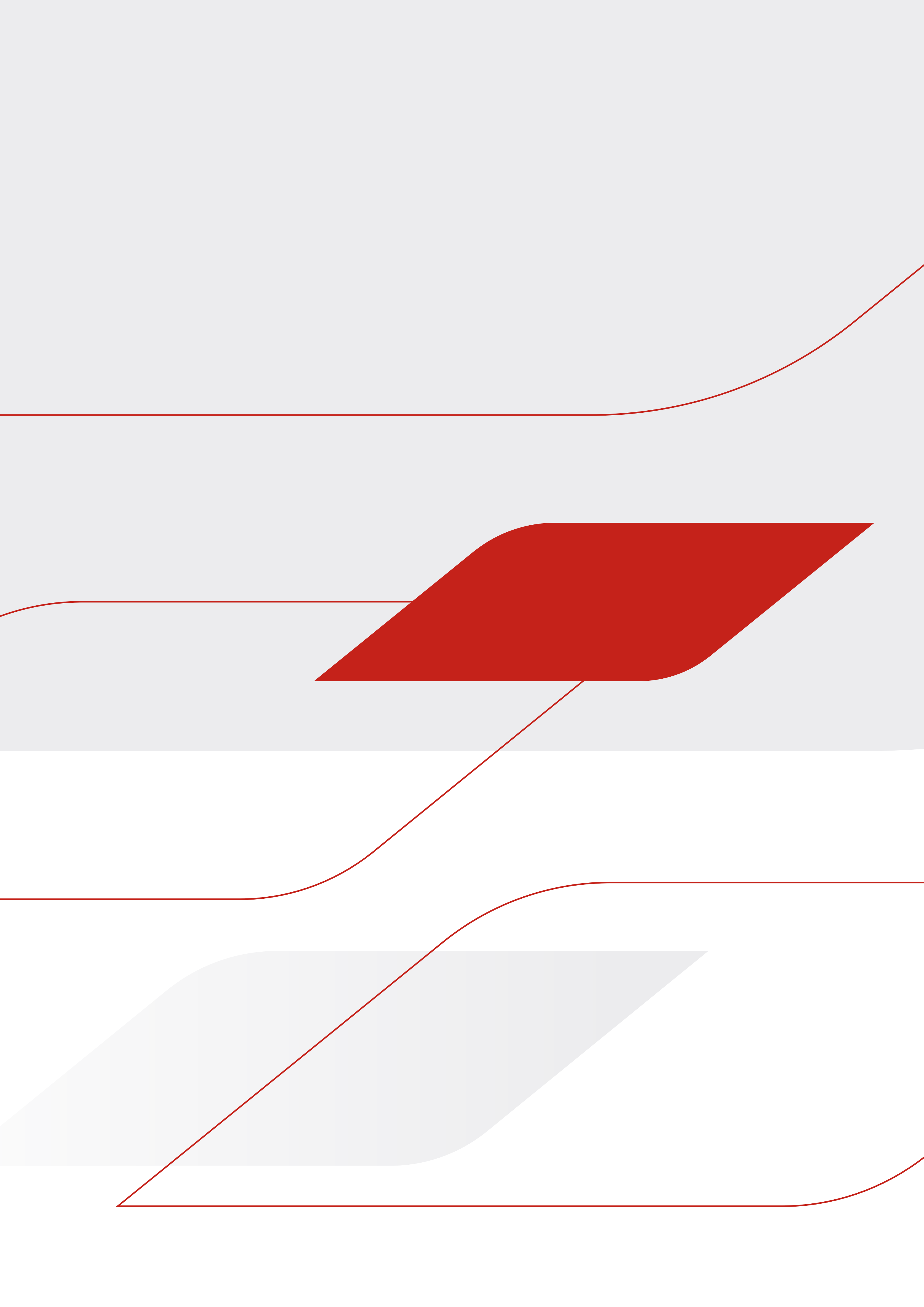
With reference to the Group's investment policy, it will continue to pursue an asset allocation strategy aimed at ensuring consistency with liabilities to policyholders and, where possible, at increasing current returns.
In order to efficiently match assets and liabilities, the Group will continue to mainly use long-term government bonds with high credit ratings to ensure effective coverage of long-term liabilities. The Group will also maintain its balanced approach to investments in investment-grade corporate bonds that contribute to improving the profitability of portfolios.
Thanks to their contribution to portfolio diversification and returns, and to the protection offered in inflationary scenarios, investments

in private and real assets continue to be an important part of the Group's strategy, following a prudent approach that takes into account the lower liquidity of these instruments. In the real estate sector, the controlled investment funds' strategy will focus on major European cities mainly in France, Italy and CEE, whereas in Asia the Group will invest through funds of funds.
The Group's equity investments are managed with particular attention to periods of volatility, in order to seize market opportunities and ensure greater portfolio diversification. Equity exposure is also managed through hedging derivative strategies.
The Group proactively integrates sustainability factors into the investment process for all asset classes. In this context, the Group's policy is strongly focused on environmental aspects above all, prioritizing investments that are consistent with green energy policies aimed at reducing climate change impacts.

Thanks to the business actions taken to continue to increase profitability as well as the strategic initiatives launched in line with the plan, the Group confirms its commitment to pursue sustainable growth, enhance its earnings profile and lead innovation in order to achieve a compound annual growth rate in earnings per share[1] between 6% and 8% in the period 2021-2024, to generate Net Holding Cash Flow[2] exceeding € 8.5 billion in the period 2022-2024 and to distribute cumulative dividends to shareholders for an amount between € 5.2 billion and € 5.6 billion in the period 2022-2024, with a ratchet policy on the dividend per share. The Group expects to achieve this latter target by May 2024: more specifically, on the assumption that the Shareholders' Meeting on 24 April 2024 will approve the proposal of distributing dividends in 2024 for € 2.0 billion, cumulative dividends in the period 2022-2024 will be € 5.5 billion.
The *Lifetime Partner 24: Driving Growth* strategic plan also embeds sustainability commitments, including growing premiums from insurance solutions with ESG components by 5%-7% CAGR in the period 2021-2024, a net-zero insurance portfolio by 2050, the full integration[3] of ESG criteria into direct investments by 2024 and new green and sustainable investments worth between € 8.5 and € 9.5 billion in the period 2021-2025. The Group is committed to make its investment portfolio net-zero by 2050, by reducing the carbon footprint of listed equities and corporate bonds by 25% by 2024[4]. In addition, a roadmap was defined for the complete exclusion of investments and underwriting activities in the thermal coal sector in OECD countries by 2030 and later in the rest of the world through more stringent exclusion criteria. The Group also defined exclusion criteria for other controversial sectors such as the conventional and unconventional oil and gas sector. To demonstrate consistency with what is required from companies insured and financed by the Group, it has set a science-based greenhouse gas emissions reduction target on own operations.
The Group will continue to invest in its employees to ensure they are engaged with the successful delivery of the strategic plan, while fostering a sustainable work environment. It will also focus on further enhancing its customer-centric culture, based on competencies and skills development, including the 70% target for upskilling employees with new digital and strategic skills. Generali will continue to support its employees with fair processes and equal opportunities, considering diversity in all its components as a value with the ambition to have 40% women in strategic positions[5]. The Group is also committed to embracing new sustainable and balanced hybrid work models in all of its entities, delivering important benefits to its employees and stakeholders in the Next Normal.

The Report contains statements concerning events, estimates, forecasts and future expectations based on the current knowledge of the Group's management. Such statements are generally preceded by expressions such as "a decrease/increase is expected", "is forecast", "should grow", "we believe it may decline" or other similar wording. Please note that these forward-looking statements should not be considered forecasts of the Group's actual results or of factors outside the Group. Generali assumes no obligation to update or revise such forecasts, even after new information, future events or other elements come to light, unless required by law.

1. 3-year CAGR based on 2024 Adjusted EPS (according to IFRS 17/9 accounting standards and Adjusted net result definition currently adopted by the Group), versus 2021 Adjusted EPS (according to IFRS 4 accounting standards and Adjusted net result definition adopted by the Group until 2022).
2. Net Holding Cash Flow and dividend expressed on cash basis (i.e. cash flows are reported under the year of payment).
3. General account - Direct investments (corporate bond and equity, sovereign bond).
4. Reduction in terms of GHG intensity per invested amount. Baseline: 2019.
5. Group Management Committee, Generali Leadership Group and their first reporting line.



CONSOLIDATED NON-FINANCIAL STATEMENT

pursuant to legislative decree of 30 December 2016, no. 254 as amended

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The Annual Integrated Report of the Generali Group includes non-financial information in compliance with the provisions of legislative decree of 30 December 2016, no. 254 (leg. decree 2016/254), in implementation of European Directive 2014/95. In line with the approach adopted, this information is clearly identified through a specific infographic to improve accessibility to the information itself.

Information relating to environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters - which is relevant to the activities and characteristics of the Group - is reported to the extent necessary for an understanding of the Group's development, performance, position and impact of its activity. It comprises a description of the:

- organization and management model, including direct and indirect impact (p. 18-19). The main operating companies based in Italy have adopted models, pursuant to art. 6, paragraph 1, letter a), of legislative decree of 8 June 2001, no. 231. These models aim at mitigating risks connected to offences that are relevant also to leg. decree 2016/254;

Corporate Governance and Share Ownership Report 2023, p. 111 for the organization and management model of the Parent Company

- policies applied (p. 20-33; 86-91);
- non-financial key performance indicators (p. 11; 34-91);
- principal risks related to the matters mentioned above, as reported in the table below, and their management.

The Report also complies with art. 8 of Regulation EU 2020/852 (known as EU Taxonomy Regulation) on transparency of undertakings in non-financial statements and the relative Delegated Regulations.

Our strategy, Responsible investor, p. 57

Our strategy, Responsible insurer, p. 68

The Report is in accordance with the criteria of the *International <IR> Framework*[1]. It adopts for the disclosure of non-financial matters envisaged by leg. decree 2016/254 selected indicators from the *GRI Standards 2021* and indicators in accordance with a proprietary methodology.
The Report is in line with the 2023 priorities on non-financial information by ESMA[2] and considers the Task force on Climate-related Financial Disclosures (TCFD) recommendations and the guidelines on non-financial reporting of the European Commission[3] as for the environmental matters.

Notes to the Management Report, p. 188 for further information

Sustainability Integrated Reporting Project

To address developments in regulatory obligations compliant to the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD), in 2022 the Group initiated the Sustainability Integrated Reporting (SIR) project with the coordination of the Group CFO area. The goal is to structure a solid operational model for sustainability reporting, supporting the Group's strategic developments and business objectives, as well as incorporating native data quality principles.
The timely involvement of all contributing corporate functions (e.g. Group Chief Sustainability Officer, Group Chief Risk Officer, Group Chief P&C & Reinsurance Officer, Group Chief Investment Officer, and Group Chief HR & Organization Officer) and Group business units, as well as the continuous effort to seize opportunities and synergies with the business, are some of the key factors of the project.
Various activities were carried out, including a specific analysis of the reporting requirements provided by the standards, the definition of Group methodological guidelines and interpretations for the information to be included in future reporting, governance, processes, and related controls. Additionally, a dedicated technological solution for data collection and reporting was identified. A training program, in collaboration with the Group Academy, was also initiated for all Group employees with the aim of further strengthening awareness of sustainability reporting issues.
This strategic project represents Generali's journey in addressing sustainability matters, emphasizing the sharing and integration of stakeholders - both internal and external to the Group - and communicating externally the results in a comprehensive and transparent manner.

The methodology employed for the materiality analysis, developed in 2019, concentrates on the identification of the mega trends, i.e. the large social, environmental and governance transformations, which are expected to be able to significantly change the world of enterprises, society and the natural environment over a ten-year horizon, entailing risks and opportunities for Generali, its value chain and its stakeholders. We intend to gather strategies, actions and reporting to support the Group's ability to create lasting value over

1. The responsibility of the document, developed by the International Integrated Reporting Council (IIRC) in 2021, has been assumed by the IFRS Foundation starting from August 2022.
2. The document *European common enforcement priorities for 2023 annual financial reports* is available on www.esma.europa.eu.
3. *Guidelines on non-financial reporting: supplement on reporting climate-related information* (C/2019/4490) were published in June 2019. They are available on eur-lex.europa.eu.

time. The Statement reflects this analysis: it focuses on the most material identified mega trends and describes the management tools in place to mitigate risks and seize opportunities related to them.

The following activities were carried out to identify the material megatrends:
- identification of the potentially material mega trends in connection with the Group's activities, strategy and countries, which were identified based on public scenario analysis documents and sustainable development research drawn up by international non-government institutions or associations, think tanks, trade associations and forums in the industry;
- assessment of the mega trends, aggregating the viewpoint of both internal and external stakeholders, who were asked to order the identified mega trends by priority, considering both their potential impact on Generali and the possibility that they are influenced by us, also through our value chain.
  Over 120 top managers at the Group Head Office and business unit levels were involved internally through interviews and focus groups. To guarantee an adequate consideration of the risk component of the identified mega trends, the internal assessment also considered the results of the Group Own Risk and Solvency Assessment process.
  The assessment of the external stakeholders was supplemented by the analysis of the investment policies of 20 large SRI and traditional investors, by the results of opinion polls conducted by Eurobarometer involving a sample of over 114,000 people in Europe, and by the analysis of a survey conducted with the sustainability managers of roughly 190 multinational companies. Furthermore, about 1,700 company reports, 2,600 rules and bills of law, 4,000 articles published online and over 108 million tweets published between April and October 2019 were analysed using Artificial Intelligence technology and computational linguistics with the support of a specialised provider;
- processing of the Group materiality analysis, previously discussed by the Board Committee competent for sustainability issues and the Board of Statutory Auditors, and then approved by the Board of Directors.

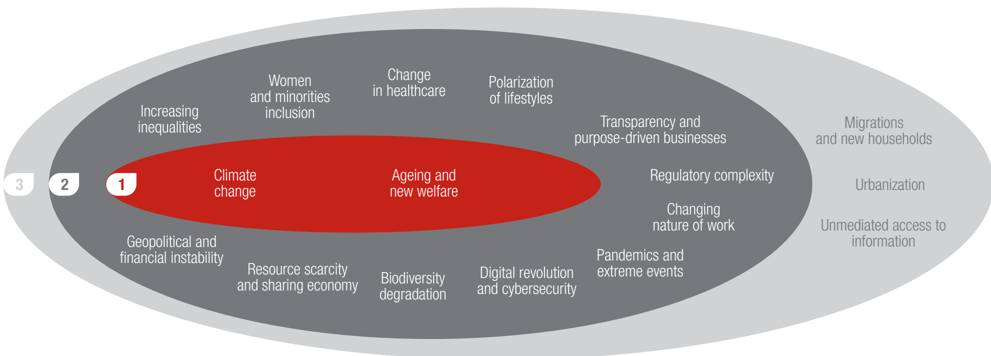
In 2020, considered the context change triggered by the Covid-19 pandemic, Generali's top management reviewed the current relevance of the materiality analysis carried out the year before and confirmed its validity, still considering it an effective synthesis of the priority corporate and social challenges for the years to come.
There was just a limited number of changes compared to the results from the analysis carried out in 2019: the Pandemics and extreme events mega trend was moved to cluster 1, which currently includes only two other priorities for the benefit of a greater focus: *Climate change and Ageing and new welfare*. In November 2020, the Board of Directors approved these updates together with a more immediate representation of the materiality analysis, which further highlights the distribution of the mega trends within the three priority clusters that determine the Group's approach for their management.

In 2023, the methodology adopted in 2019 continued to guide the Group's approach to managing and reporting on megatrends; however, it was deemed appropriate to update the materiality analysis to better reflect the evolution of the current context linked to the pandemic crisis.
The megatrend *Pandemics and extreme events* has been moved from the central cluster to the intermediate one. This shift is based on the fact that in May 2023, the World Health Organization (WHO) officially declared the end of the state of emergency linked to the Covid-19 pandemic. Even though the crisis is officially over, we believe that the topic is still relevant and potentially impactful for Generali, its stakeholders, the environment and society, and it is for this reason that it was decided to move it to the intermediate cluster. In the central cluster, two priorities remain: *Climate change and Ageing and new welfare*.
The proposed change was discussed by internal and external stakeholders of the Group, validated by the Board Committee responsible for sustainability issues, and subsequently approved by the Board of Directors.

1
Central cluster that identifies the material mega trends on which the strategic initiatives common to the Group are focused and the disclosure of which is included in this Report

2
Intermediate cluster that groups the mega trends of considerable relevance, which are addressed by specific business units or functions

3
External cluster that groups the mega trends to be monitored, which are of minor relevance compared to the other factors analysed



Glossary available at the end of this document

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The material information pursuant to the decree[4] was identified taking the mega trends belonging to the first two clusters into consideration. Confirming the approach adopted in the previous Statement, the material mega trends specified above are reported in this Report using indicators announced through the strategic plan and monitored in the planning and control processes, comparing them - where feasible - to the previous period and considering their consolidated reporting scope, unless otherwise reported in the chapters dedicated to them. In general, exclusions from the consolidated reporting scope may apply to the entities when alternatively:

- their data are not relevant for an understanding of the Group's development, performance, position and impact of its activity;
- they are classified as discontinued operations (ex IFRS 5);
- they are acquired in the financial year covered by the Consolidated Non-Financial Statement and don't have adequate non-financial data collection processes already in place;
- there's a lack of access to the necessary data beyond reasonable efforts.

In order to monitor the processes for the collection of non-financial information, the Group has implemented an integrated data quality framework. This model leverages the approach adopted for the financial reporting disclosed to the market. In specific, the integrated approach to data quality, for which recurring awareness campaigns have been held, is based both on general principles adopted by all employees and on a dedicated system of governance (i.e. roles and responsibilities) over the data governance at Group level. For supporting the alignment of data and information in this Consolidated Non-Financial Statement with the Group's methodology, a Reporting Guidebook has been drawn. It includes indicators, calculation methods and reporting flows, as well as main roles and responsibilities and a standard catalogue of control objectives applicable to the processes at Assicurazioni Generali and each Group contributing company level. The integrated data quality framework is based on a streamlined approach that allows the control activities to be identified and assessed compared to the applicable control objectives and risks. For monitoring purposes, specific activities aimed at verifying the design of the processes and the effectiveness of controls are also carried out, where necessary, by an independent advisor.

The following table connects the material mega trends and those of considerable relevance as mentioned above to the five matters envisaged by leg. decree 2016/254, including the related main risk categories, key performance indicators and pages of the Report in which they are reported. It also highlights our support for the Sustainable Development Goals of the United Nations.

MATTERS ex leg. decree 2016/254	**MATERIAL MEGATRENDS AND THOSE OF CONSIDERABLE RELEVANCE**	**MAIN RISK CATEGORIES**[5]	**KEY PERFORMANCE INDICATORS**	**PAGES OF THE REPORT**	**SUSTAINABLE DEVELOPMENT GOALS**
1. ENVIRONMENTAL MATTERS	**CLIMATE CHANGE**[6]	**Emerging sustainability risks with foreseeable developments on underwriting, financial, operational and reputational risks** (Clients and products: *Product flaws*; Damage to physical assets: *Accidents and natural disasters*, Human caused events; Business disruption and system failure: *Infrastructure dysfunction, Unavailability of facilities/utilities*)	• GHG emissions from Group operations • Electricity purchased from renewable sources • Carbon footprint of investment portfolio (EVIC) • New green and sustainable investments • Direct investments by the Group's insurance companies subject to negative screening approach • Assets managed ex art. 8/9 SFDR • Shareholders' Meetings attended • Resolutions voted • Against votes • GRE portfolio aligned to the CRREM pathway • GHG emissions of GRE portfolio • GHG intensity of GRE portfolio • Premiums from insurance solutions with ESG components - environmental sphere • Insurance exposure to fossil fuel sector	p. 11, 24-32, 44-57, 66-67, 72, 81-82, 88-90	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	RESOURCE SCARCITY AND SHARING ECONOMY			p. 24-25, 82, 90	
	BIODIVERSITY DEGRADATION			p. 44-57, 88	
	TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES	**Operational risks**[7] (Clients and products: *Suitability, disclosure and fiduciary duties, Improper business or market practices, Selection, sponsorship and exposure*; Transaction capture, execution and maintenance: *Third Party management*)		p. 44-57, 88	

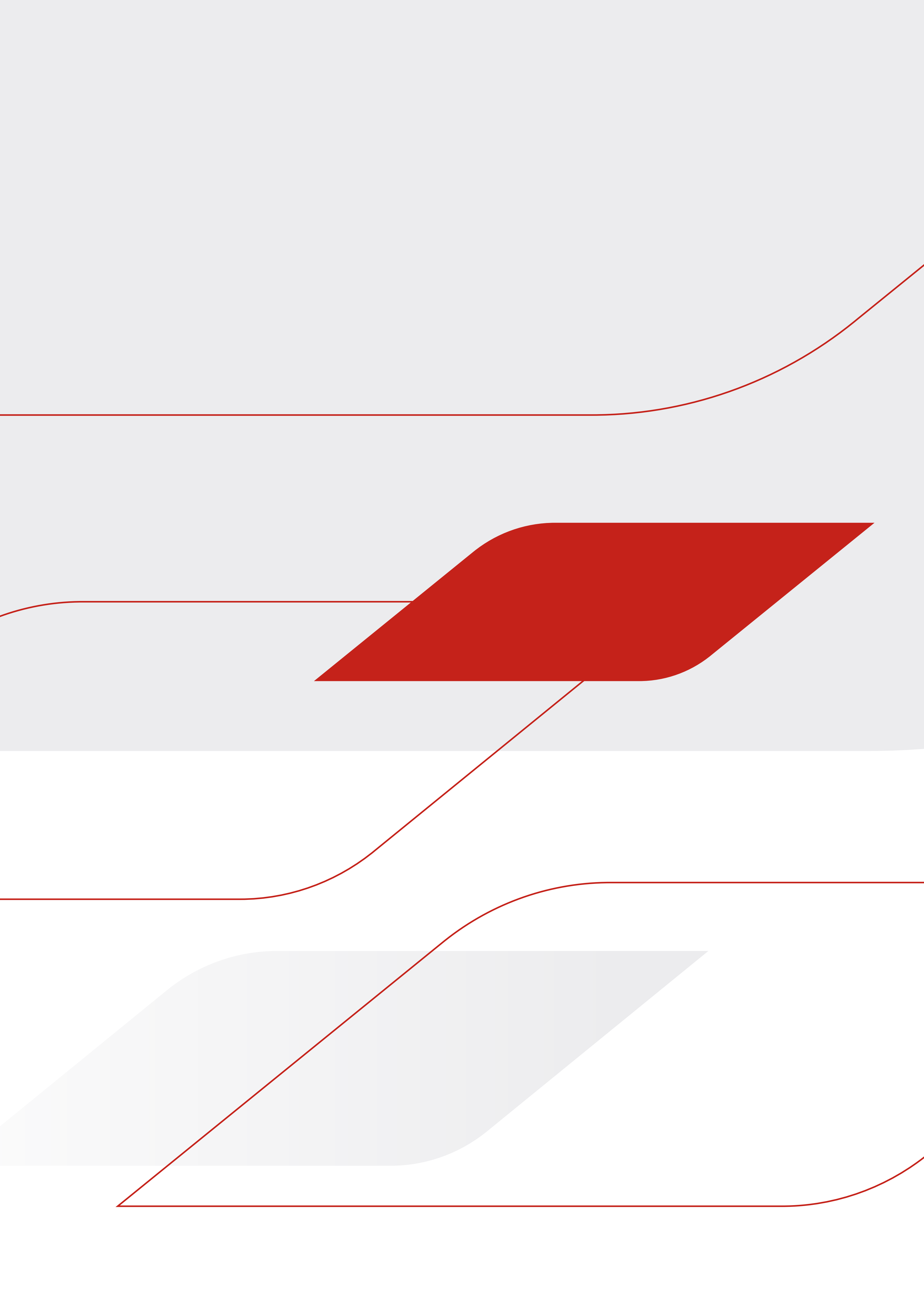
4. The following matters envisaged by leg. decree 2016/254, art. 3, paragraph 2 are not material: water use, air pollutant emissions and impact on health and safety.
5. Categories are defined in accordance with the provisions of European Directive 2009/138 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II). Specifically, within the sustainability risks, which are by their nature cross and impact several risk categories, a specific framework was defined for the climate change risk management. See the *Risk Report* chapter in the Annual Integrated Report and Consolidated Financial Statements 2023 for their specific management. As for operational risks, the taxonomy is in line with the provisions of Solvency II Directive/Basel III. See also the page What we do/Emerging Risks on the Group's website for the analysis of the emerging risks and their relations with sustainability factors.
6. The mega trend *Climate change* also includes extreme events.
7. Limited to possible risks of non-compliance with laws.

2. **SOCIAL MATTERS**	**PANDEMICS AND EXTREME EVENTS[8]**	**Operational risks** (External fraud: *System security (from external attack)*; Employment practices: *Employee relations, Workplace safety*) **with possible impact in terms of strategic and underwriting risks**	• Direct investments by the Group's insurance companies subject to negative screening approach • Assets managed ex art. 8/9 SFDR • Shareholders' Meetings attended • Resolutions voted • Against votes • Fenice 190 • Investments in Digital & Technology • Premiums from insurance solutions with ESG components - social sphere • Relationship NPS • % multi-holding customers • Customers • Agents • Active countries for The Human Safety Net • Active partners for The Human Safety Net	p. 11, 51	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	DIGITAL REVOLUTION AND CYBERSECURITY	**Operational risks** (External fraud: *System security (from external attack)*; Employment practices: *Employee relations, Workplace safety, Workplace discrimination*; Transaction capture, execution and maintenance: *Third Party management*)		p. 21-23, 39	
	TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES			p. 10-11, 39-42, 44-57	
	AGEING AND NEW WELFARE	**Emerging risks with foreseeable developments on strategic, underwriting and operational risks** (Clients and products: *Product flaws, Selection, sponsorship and exposure, Advisory activities*; Employment practices: *Workplace discrimination*; Damage to physical assets: *Human caused events*)		p. 11, 33, 66-67	
	CHANGE IN HEALTHCARE			p. 11, 33, 66-67	
	POLARIZATION OF LIFESTYLES			p. 11, 33, 66-67	
	INCREASING INEQUALITIES			p. 11, 83-85	
3. **EMPLOYEE-RELATED MATTERS**	**TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES**	**Operational risks** (Employment practices: *Employee relations, Workplace safety, Workplace discrimination*)	• Women in strategic positions • Upskilled employees • Entities working hybrid • Engagement rate • Our people • Women • Average training hours per capita • Training investment • Equal pay gap • Gender pay gap • Accessibility gap to variable remuneration between males and females	p. 11, 75, 79-80	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	CHANGING NATURE OF WORK			p. 10-11, 74, 81	
	WOMEN AND MINORITIES INCLUSION			p. 11, 74, 76-79	
4. **RESPECT FOR HUMAN RIGHTS MATTERS**	**TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES**	**Operational risks**[7] (Employment practices: *Employee relations, Workplace safety, Workplace discrimination*; Clients and products: *Product flaws, Selection, sponsorship and exposure, Advisory Activities*; Transaction capture, execution and maintenance: *Third Party management*)	• Direct investments by the Group's insurance companies subject to negative screening approach • Assets managed ex art. 8/9 SFDR • Shareholders' Meetings attended • Resolutions voted • Against votes	p. 44-57, 87-88	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
5. **ANTI-CORRUPTION AND BRIBERY MATTERS**	**TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES**	**Operational risks** (Internal fraud: *Unauthorised activity*; Clients and products: *Improper business or market practices*)	• Direct investments by the Group's insurance companies subject to negative screening approach • Assets managed ex art. 8/9 SFDR • Shareholders' Meetings attended • Resolutions voted • Against votes • Employees who completed the training course on the Code of Conduct • Whistleblowing reports on the Group Code of Conduct	p. 44-57, 87-88, 90-91	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	REGULATORY COMPLEXITY			p. 87-88, 90-91	

Pursuant to art. 5 of the Consob Regulation of 18 January 2018, no. 20267, the Generali Group assigned the auditing firm KPMG S.p.A. - the current external auditor for the financial statements - with the task of performing the limited assurance activity on this Statement, except for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations in line with the guidelines issued by Assonime and Assirevi.

Milan, 11 March 2024
The Board of Directors

8. Extreme events are illustrated in the megatrend *Climate change*.



APPENDICES TO THE MANAGEMENT REPORT

NOTES TO THE MANAGEMENT REPORT

The Annual Integrated Report and Consolidated Financial Statements 2023 is drafted in compliance with currently effective regulations and it applies the IAS/IFRS international accounting standards as well as the *International <IR> Framework*.

Notes, Basis of presentation and accounting principles for further details

The Group used the option provided for under art. 70, paragraph 8, and art. 71, paragraph 1-bis of Issuers' Regulation to waive the obligation to publish the information documents provided for in relation to significant mergers, de-mergers or capital increases by contribution of assets, acquisitions and disposals.

The Report is drawn up in euro, i.e. the functional currency used by the entity that prepares the Annual Integrated Report and Consolidated Financial Statements. The amounts are shown in million and rounded to the first decimal, unless otherwise reported. Therefore, the sum of each rounded amounts may sometimes differ from the rounded total.

Information broken down by geographical area reported in this document reflects the Group's managerial structure that is made up of:
- Italy;
- France;
- DACH: Germany, Austria and Switzerland;
- International: Central Eastern Europe (CEE), Mediterranean & Latin America and Asia;
- Asset & Wealth Management;
- Group holdings and other companies, which consists of the Parent Company's management and coordination activities, including Group reinsurance, as well as Europ Assistance, Global Business Activities and other financial holding companies and suppliers of international services not included in the previous geographical areas.

At 31 December 2023, the consolidation area totalled 529 companies (542 at 31 December 2022), of which 467 subsidiaries consolidated line by line and 62 associated companies valued at equity.

Transactions with related parties

The related information is available in the chapter *Transactions with related parties* in the *Notes*.

Report and International <IR> Framework

The Report is drafted in line with the *International <IR> Framework*: each chapter of the Report meets one or more Content Elements envisaged by the Framework.

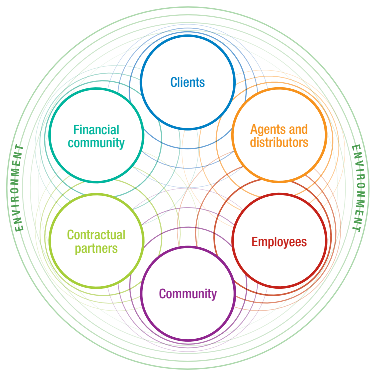
Group Annual Integrated Report		Content Elements of the *International <IR> Framework*
WE, GENERALI		
Group's highlights	▶	Performance
2023 and 2024 key facts	▶	Organisational overview and external environment
The value creation process	▶	Business model
Challenges and opportunities of the market context	▶	Risks and opportunities
Our strategy	▶	Strategy Performance Risks and opportunities
Our rules for running business with integrity	▶	Organisational overview and external environment Risks and opportunities
Our governance and remuneration policy	▶	Governance
OUR FINANCIAL PERFORMANCE	▶	Performancea
OUTLOOK	▶	Outlook

The Report is drafted also applying the Guiding Principles of the Framework.

The strategy, together with our value creation process, remains at the heart of our story. The strategic focus and future orientation principle is, in fact, applied in the whole document.

The key forms of connectivity of information used by Generali include the connectivity between qualitative and quantitative information, financial and non-financial information, present and future information, that is coherent with the information included in other communication tools in accordance with the Core & More reporting approach. Other elements that improve the connectivity of information and the overall usefulness of the Report are the cross-referencing[1], the graphic component and a glossary at the end of this document to use in case of insurance sector's terminology.

Generali maintains stakeholder relationships in order to understand and meet their needs, especially their information and dialogue needs.
We regularly engage with investors, analysts and rating agencies by meeting them every quarter following our results' presentation as well as on specific occasions, thus sharing the reporting required. We organise roadshows and participate in sector conferences. Some of the main annual recurring occasions for interaction between the financial community and the Company's top management are the Shareholders' Meeting, events dedicated to investors, as well as the main presentations of the financial results. During 2023, we came into contact with over 600 people based in the main financial centres of Europe and North America, with individual and small group meetings. We successfully continued our dialogue with relevant stakeholders both via virtual platforms and during physical events.



We regularly interact with national and European regulators and supervisors, as well as with European and international institutions to maintain good relationships and share authoritative and updated information in order to properly interpret and apply new regulations.
We are committed to transparency in our relations with European public authorities: in 2014 the Group joined the Transparency Register, a joint initiative of the European Parliament and the European Commission with the aim of informing the public on how Generali represents its interests.
We also offer our skills and expertise by contributing to public consultations to share our point of view with regard to new laws and regulations in the sector, by providing, in view of the Group's direct experience, concrete indications in order to safeguard the specificities of the Group and the insurance industry.
To this purpose, we collaborate with several trade organizations and associations in the sector. Our active presence in these organizations allows us also to expand our knowledge of the different regulations and their potential impacts, and influence the industry's thinking in line with Generali's business and commercial priorities.

We also engage clients, agents and employees of the Group with a view to continuous improvement.

Our strategy, p. 44

www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement for different methods of dialogue with stakeholders

1. The Report includes links to web pages that might not exist in the future.

The materiality approach is presented in the Consolidated Non-Financial Statement..

Consolidated Non-Financial Statement, p. 175

The conciseness principle is met through the issue of the Group Annual Integrated Report. The diagram below shows the shift from the Group Annual Integrated Report, drafted in accordance with the materiality principle, to the Annual Integrated Report and Consolidated Financial Statements, compliant with regulations.

Group Annual Integrated Report

Additional management information on segments

Risk Report

Further financial statements and Notes

Management Report

Annual Integrated Report and Consolidated Financial Statements

Reliability and completeness are supported by a structured information system, built for the drafting of the Report and processing financial and non-financial information while ensuring their homogeneity and reliability. They are also supported by a specific integrated data quality framework, which is based on general principles adopted by all employees, on a dedicated system of governance (i.e. roles and responsibilities) over the data governance and on a monitoring system at Group level. The performance indicators are those used in the business management in line with the strategic plan. They refer to the whole Group, unless otherwise reported in the chapters dedicated to them.

Consolidated Non-Financial Statement, p. 175

The integrated data quality control framework covers the consistency and comparability principle and the Report includes, therefore, information that is consistent with the previous year, unless otherwise reported.

Report and Consolidated Non-Financial Statement

The Report adopts for the disclosure of non-financial matters envisaged by leg. decree 2016/254 the GRI Standards 2021 with reference to selected GRI Standards as well as some indicators of the *GRI G4 Financial Services Sector Disclosures*.

Statement of use	The Generali Group has reported the information cited in this GRI content index for the period 1 January 2023 - 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
GRI Sector Standard used	GRI G4 Financial Services Sector Disclosures

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships (b)	p. 42
	2-29 Approach to stakeholder engagement	p. 42, 75, 188
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures (e, aggregated data)	p. 88
GRI 302: Energy 2016	302-1 Energy consumption within the organization (c,f)	p. 82
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions (a,b,d,g)	p. 81-82
	305-2 Energy indirect (Scope 2) GHG emissions (a,b,c,d,g)	p. 81-82
	305-3 Other indirect (Scope 3) GHG emissions (a,e,g)	p. 53-55, 81-82
	305-4 GHG emissions intensity (a,b)	p. 53-54
	305-5 Reduction of GHG emissions (a,c,d,e)	p. 53-55, 81-82

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee (a, aggregated data)	p. 79-80
	404-2 Programs for upgrading employee skills and transition assistance programs (a)	p. 80
GRI 413: Local Communities 2016	Topic management disclosures	p. 83-85
GRI G4 Financial Services Sector Disclosures	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	p. 66-67
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	p. 66-67
	FS11 Percentage of assets subject to positive and negative environmental or social screening	p. 45-46, 57
	FS12 Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	p. 49-50

We use key performance indicators in accordance with a proprietary disclosure methodology for material and relevant mega trends. They are not envisaged by the standard adopted but they are representative of our business and, in line with our strategy, they are monitored in the planning and control processes.

MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE	INDICATORS IN ACCORDANCE WITH A PROPRIETARY METHODOLOGY	INDICATORS COVERED BY GRI STANDARDS
Climate change	GRE portfolio aligned to the CRREM pathway GHG emissions of GRE portfolio GHG intensity of GRE portfolio Insurance exposure to fossil fuel sector	GHG emissions from Group operations [305-1 (a,b,d,g), 305-2 (a,b,c,d,g), 305-3 (a,e,g) and 305-5 (a,c,d,e)] Carbon footprint of investment portfolio (EVIC) [305-3 (a,e,g), 305-4 (a,b) and 305-5 (a,c,d,e)] New green and sustainable investments [FS11] Premiums from insurance solutions with ESG components - environmental sphere [FS8]
Ageing and new welfare	-	Premiums from insurance solutions with ESG components - social sphere [FS7]
Pandemics and extreme events	Fenice 190	-
Digital revolution and cybersecurity	Investments in Digital & Technology	-
Biodiversity degradation	-	Direct investments by the Group's insurance companies subject to negative screening approach [FS11]
Resource scarcity and sharing economy	-	Electricity purchased from renewable sources [302-1 (c,f)]
Change in healthcare	-	Premiums from insurance solutions with ESG components - social sphere [FS7]
Polarization of lifestyles	-	Premiums from insurance solutions with ESG components - social sphere [FS7]
Transparency and purpose-driven businesses	% multi-holding customers Customers Training investment	Direct investments by the Group's insurance companies subject to negative screening approach [FS11] Mandates managed ex art. 8/9 SFDR [FS11] Investments managed ex art. 8/9 SFDR [FS11] Shareholders' Meetings attended [FS12] Resolutions voted [FS12] Against votes [FS12] Relationship NPS [2-29] Agents [2-6 (b)] Upskilled employees [404-2 (a)] Engagement rate [2-29] Average training hours per capita [404-1 (a, aggregated data)] Employees who completed the training course on the Code of Conduct [205-2 (e, aggregated data)]
Increasing inequalities	Active countries for The Human Safety Net Active partners for The Human Safety Net	-
Women and minorities inclusion	Women in strategic positions Women Equal pay gap Gender pay gap Accessibility gap to variable remuneration between males and females	-
Changing nature of work	Entities working hybrid Our people	-
Regulatory complexity	Whistleblowing reports on the Group Code of Conduct	Employees who completed the training course on the Code of Conduct [205-2 (e, aggregated data)]

Glossary available at the end of this document

The reporting process and methodologies to calculate all indicators are included in a specific manual (Reporting Guidebook), shared at both the Group Head Office and each contributing company level.

Consolidated Non-Financial Statement, p. 175

NFS

Mapping of the Climate-related Financial Disclosure against the TCFD framework

The Report is in line with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD).

PILLARS	RECOMMENDATIONS	RECOMMENDED DISCLOSURES	LOCATION
Governance	Disclose the organization's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities.	p. 95
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	p. 95
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	p. 24-25
		b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	p. 24-25, 28-32
		c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p. 24-28
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	p. 26-32
		b) Describe the organization's processes for managing climate-related risks.	p. 24-32
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	p. 24-32
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	p. 26-28
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	p. 44-57, 66-67, 72, 81-82
		c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	p. 44-57, 66-67, 72, 81-82

METHODOLOGICAL NOTES ON ALTERNATIVE PERFORMANCE MEASURES

In order to help the assessment of the quality and sustainability of the net result of the Generali Group in the various business segments and territorial areas, the Management Report includes the following alternative performance measures.

Gross written premiums

Gross written premiums in the Management Report differ from insurance income generated from insurance contracts issued shown in the income statement. To better present the insurance turnover of the Group they include the inflows coming from both insurance contracts and investment contracts.

Operating result

The operating result cannot replace earnings before taxes calculated in accordance with IAS/IFRS. In addition, it should be read with the financial information and related notes on the accounts which are included in the audited financial statements.
The operating result is drawn up by reclassifying items of earnings before taxes for each segment on the basis of the management characteristics of each segment and taking into consideration the recurring holding expenses.
Specifically, the operating result represents earnings before taxes, gross of interest expense on financial debt, non-operating investment result and non-operating income and expenses, including non-operating holding expenses.

In the Life segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:
- net gains from investments valued at fair value through profit and loss, net gains on currencies, allocation and reversal to expected credit losses and other net impairments only related to investments not backing portfolios with direct profit participation, and the free assets;
- net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses.

Furthermore, where a new fiscal law or other non-recurring fiscal impacts materially affects the operating result, thanks to the policyholders' profit participation mechanisms, the estimated amount of non-recurring effects mentioned above is accounted for in the operating result.

In the Property & Casualty segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:
- net gains from investments valued at fair value through profit and loss, net gains on currencies, net realized gains, allocation and reversal to expected credit losses and other net impairments from the other investments;
- net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses..

In the Asset & Wealth Management segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:
- net gains from investments valued at fair value through profit and loss, net gains on currencies, net realized gains, allocation and reversal to expected credit losses and other net impairments from the other investments;
- net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses.

In the Holding and other businesses segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:
- net gains from investments valued at fair value through profit and loss, net gains on currencies, net realized gains, allocation and reversal to expected credit losses and other net impairments from the other investments;
- net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses.

As for holding expenses, general expenses incurred for management and coordination by the Parent Company and territorial sub-holdings are considered as operating items. Non-operating holding expenses include:
- interest expenses on financial debt;
- company restructuring costs and other non-recurring expenses incurred for management and coordination activities;
- costs arising from the assignment of stock options and stock grants by the Group.

The operating result and non-operating result of the Group are equivalent to the sum of the operating result and the non-operating result of the abovementioned segments and related consolidation adjustments.

In accordance with the approach described above, the operating result in the main countries where the Group operates is reported for the Life and Property & Casualty segments and the consolidated figures. In order to provide a management view of the operating result by geographical area, the disclosure by business segment and geographical area allows measurement of the result of each geographical area from a country viewpoint instead of as a contribution to the Group's results.
Within the context of the Life and Property & Casualty operating result of each country, reinsurance operations between Group companies in different countries are considered as transactions concluded with external reinsurers. This representation of the Life and Property & Casualty operating result by geographical area makes this performance indicator more consistent with both the risk management policies implemented by each company and the other indicators measuring the technical profitability of the Group's companies..

The main reclassifications made in the calculation of the operating result with respect to the corresponding items in the income statement are:
- income related from the release of the liability for incurred claims acquired in a business combination or in a portfolio transfer are deducted from the insurance expenses;
- financial investments and properties management expenses not linked to contracts with direct profit participation are reclassified from acquisition and administration costs to net operating income from financial instruments, more specifically to other expenses from financial instruments and land and buildings (investment properties);
- net financial expenses related to insurance contracts linked to the change in underlying items different from investments are reclassified in the net insurance service result;
- income and expenses related to real estate development activities are classified under other non-operating income and expenses, in accordance with the management model adopted that provides for sale at completion;
- gains and losses on foreign currencies, in Life segment, if related to portfolios with direct profit participation are reclassified in net operating income from financial instruments at fair value through profit or loss, while, in all the other cases, they are classified as net non-operating income from financial instruments at fair value through profit or loss;
- in case of new fiscal law or other non-recurring fiscal which impacts materially affects the operating result, thanks to the policyholders' profit participation mechanisms, the estimated amount of non-recurring effects mentioned above is accounted for in the operating result and excluded from taxes.

From operating result to result of the period	Notes
Consolidated operating result	
Operating insurance service result	It includes *5. Insurance service result* and technical profit sharing (included in *12. Net finance result*), net fee and commissions (included in *18. Other income/charges*), depreciation of land and properties (from *16. Net impairment on tangible assets*), other administration costs, operating holding expenses and other income/expenses classified as operating according to the Group methodology (in particular, as for holding expenses, general expenses incurred for management and coordination by the Parent Company and territorial sub-holdings are considered as operating items).
Operating investment result	It includes *12. Net finance result* (excluded the technical profit sharing previously mentioned), where - according to the Group methodology - all profit and loss accounts are considered as operating items, except for the ones represented in the non-operating result.
Consolidated non-operating result	
Non-operating investment result	It includes *12. Net finance result* items classified as non-operating according to the Group methodology: net gains from investments valued at fair value through profit and loss, net gains on currencies, net realized gains (except for Life segment), allocation and reversal to expected credit losses and other net impairments only related to investments not backing portfolios with direct profit participation, and the free assets..
Net other non-operating expenses	It includes *15. Net provisions for risks and charges* and other income/expenses classified as non-operating items according to the Group methodology: net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses or exceptional items included in *5. Insurance service result*.
Non-operating holding expenses	Non-recurring unallocated holding expenses included in *18. Other income/charges* and interest expenses on financial debt included in *12. Finance result*.
Earnings before taxes	
Income taxes	It includes the items of *20. Taxes*, net of adjustments for operating taxes and for non-recurring taxes that significantly affect the operating result of the countries where the policyholders' profit sharing is determined also by taking into account the taxes for the period (these adjustments are excluded from income taxes and included in net other operating expenses).
Earnings after taxes	

Operating result by margins

The operating result of the Life and Property & Casualty segments are reported also in accordance with a margin-based view which shows the operating trends of the changes occurred in each segment performance more clearly.
The Life operating result is made up of the operating insurance service result, which includes the release of contractual service margin, risk adjustment release, losses on onerous contracts, experience variances and other operating income and expenses, and

of the operating investment result which includes income and expenses from investments and financial income and expenses related to insurance contracts. The Property & Casualty operating result is made up of the operating insurance service result which includes income, claims, expenses and other charges from insurance services, and of the operating investment result which includes income and expenses from investments and financial income and expenses related to insurance contracts.

Adjusted net result

The adjusted net result is obtained deduction from the net result the following items:
- volatility effects deriving from the valuation at fair value through profit and loss of investments not backing portfolios with direct profit participation and the free assets;
- profit and loss impact deriving from the application of *IAS 29 - Financial Reporting in Hyperinflationary Economies*;
- amortization of intangible assets related to *M&A*, if material;
- impact of gains and losses from business acquisitions and disposals, including possible restructuring costs incurred during the first year from the acquisition, if material.

Return on investments

The indicators for the return on investments are:
- net current return calculated as the ratio of:
  - interest and other income, including income from financial instruments at fair value through profit and loss (excluding income from financial instruments related to linked contracts) net of depreciation on real estate investments; to
  - average investments (calculated on book value);
- harvesting rate calculated as the ratio of:
  - net realized gains, net impairment losses and realized and unrealized gains and losses from financial instruments at fair value through profit and loss (excluding those from financial instruments related to linked contracts); to
  - average investments (calculated on book value).

The profit and loss return is the sum of the net current return and the harvesting rate net of investment management expenses as well as gains and losses on foreign currencies.

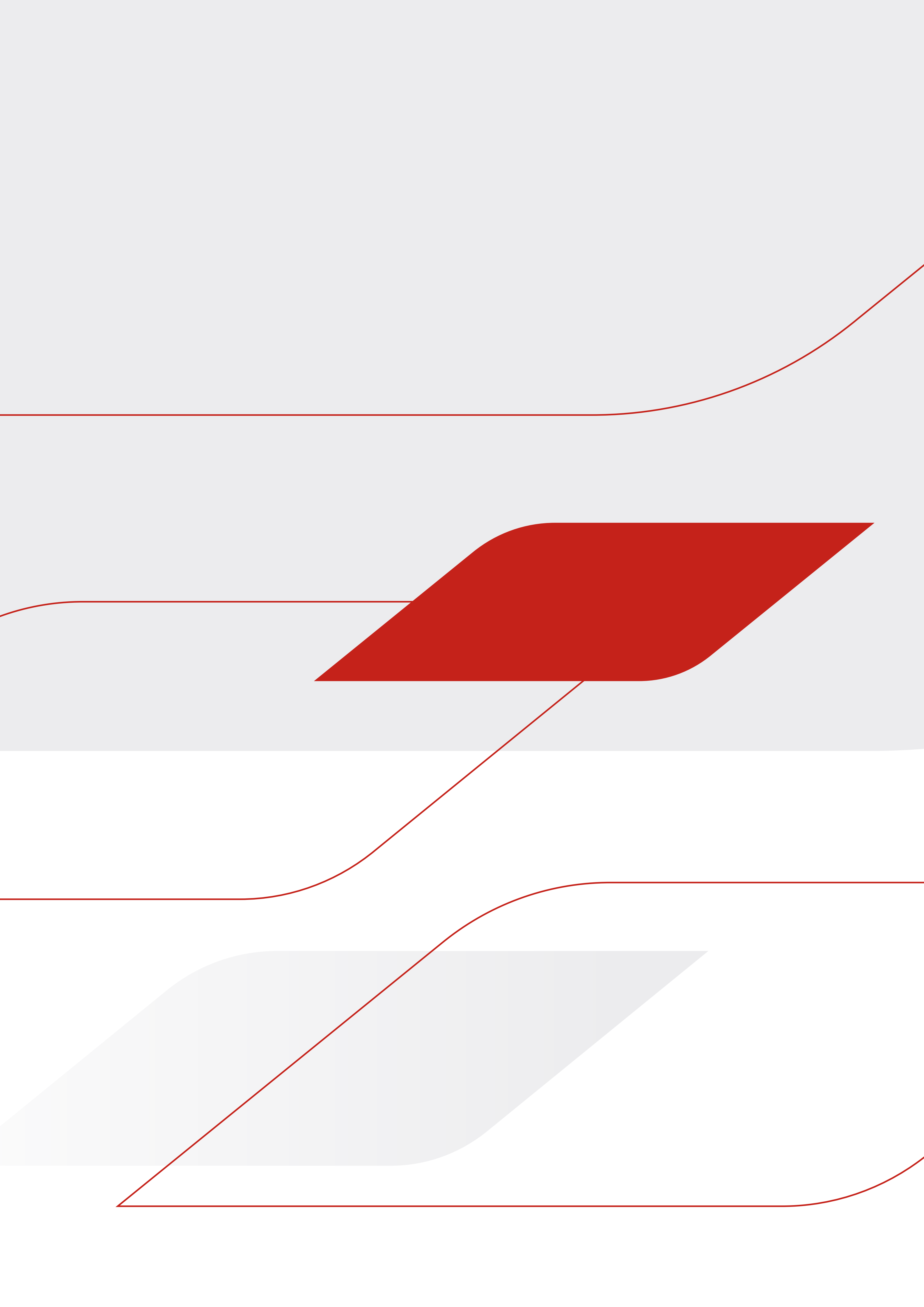
The average investments (calculated on book value) include: land and buildings (investment properties), investments in subsidiaries, associated companies and joint ventures, loans and receivables, cash and cash equivalents, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss excluding those related to linked contracts. Total investments are adjusted for both derivative instruments classified as financial liabilities at fair value through profit of loss and REPOs classified as other financial liabilities. The average is calculated on the average investment base of each quarter of the reporting period.

The indicators for the return on investments described above are presented for the Group and for Life and Property & Casualty segments.

Consolidated investments

In order to provide a presentation of investments that is consistent with the calculation of the return on investments, the Group's investments in the Management Report differ from those reported in the balance sheet items since:
- Investment Fund Units (IFU) are split by nature in equity, bond and investment property instruments as well as cash equivalents;
- derivatives are presented on a net basis, thus including derivative liabilities. Moreover, hedging derivatives are classified in the respective asset class hedged;
- reverse REPOs (Repurchase Agreements) are reclassified from other fixed income instruments to cash and cash equivalents in accordance with their nature of short-term liquidity commitments; and
- REPOs classified as liabilities are presented in cash and cash equivalents.
- specific items accounted within receivables are included.

Investments by segment are presented in accordance with the methods described in the chapter *Segment reporting* in the *Notes*.



CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated financial statements

BALANCE SHEET[1]

BALANCE SHEET - ACTIVITIES

Note		Items of assets	31/12/2023	31/12/2022
5	1.	**INTANGIBLE ASSETS**	**9,990**	**10,031**
5		of which: goodwill	7,841	7,895
26	2.	**TANGIBLE ASSETS**	**3,683**	**3,963**
18, 19	3.	**INSURANCE ASSETS**	**4,876**	**4,154**
	3.1	Insurance contracts that are assets	315	243
	3.2	Reinsurance contracts that are assets	4,561	3,912
	4.	**INVESTMENTS**	**466,046**	**447,728**
11	4.1	Land and buildings (investment properties)	23,831	25,627
4	4.2	Investments in subsidiaries, associated companies and joint ventures	2,712	2,492
8	4.3	Financial assets at amortised cost	21,232	23,297
9	4.4	Financial assets at fair value through other comprehensive income	223,359	221,322
10	4.5	Financial assets at fair value through profit or loss	194,912	174,991
10		a) financial assets held for trading	1,097	1,346
10		b) financial assets designated at fair value	108,701	95,942
10		c) financial assets mandatorily at fair value through profit or loss	85,114	77,703
27	5.	**OTHER FINANCIAL ASSETS**	**6,334**	**6,484**
28	6.	**OTHER ASSETS**	**10,613**	**23,988**
3	6.1	Non-current assets or disposal groups classified as held for sale	728	14,314
34	6.2	Tax receivables	5,775	6,810
		a) current	3,947	3,807
		b) deferred	1,828	3,003
	6.3	Other assets	4,109	2,864
12	7.	**CASH AND CASH EQUIVALENTS**	**7,070**	**6,887**
		TOTAL ASSETS	**508,611**	**503,236**

1. In compliance with IFRS 8, it should be noted that, following the changes introduced by the application of the new IFRS 9 and IFRS 17, comparative data in the financial statements have been appropriately restated.

BALANCE SHEET - EQUITY AND LIABILITIES

Note		Items of shareholders' equity and liabilities	31/12/2023	31/12/2022
22	**1.**	**SHAREHOLDERS' EQUITY**	**31,284**	**28,973**
		of which: attributable to the Group	28,968	26,650
		of which: attributable to minority interests	2,316	2,323
	1.1	Share capital	1,592	1,587
	1.2	Other equity instruments	0	0
	1.3	Capital reserves	6,607	7,107
	1.4	Revenue reserves and other reserves	19,159	18,464
	1.5	(Own shares)	-273	-583
	1.6	Valuation reserves	-1,863	-2,160
	1.7	Shareholders' equity attributable to minority interests	1,941	2,089
	1.8	Result of the period attributable to the Group	3,747	2,235
	1.9	Result of the period attributable to minority interests	375	235
	2.	**OTHER PROVISIONS**	**2,318**	**2,406**
	3.	**INSURANCE PROVISIONS**	**412,409**	**395,764**
18	**3.1**	Insurance contracts that are liabilities	412,325	395,715
19	**3.2**	Reinsurance contracts that are liabilities	84	49
	4.	**FINANCIAL LIABILITIES**	**44,086**	**45,642**
13	**4.1**	Financial liabilities at fair value through profit or loss	8,740	9,417
13		a) financial liabilities held for trading	1,205	1,364
13		b) financial liabilities designated at fair value	7,535	8,054
14	**4.2**	Financial liabilities at amortised cost	35,346	36,225
30	**5.**	**PAYABLES**	**8,746**	**7,774**
31	**6.**	**OTHER LIABILITIES**	**9,768**	**22,677**
3	**6.1**	Liabilities associated with non-current assets and disposal groups classified as held for sale	509	13,676
34	**6.2**	Tax payables	3,557	3,963
		a) current	1,917	1,533
		b) deferred	1,640	2,430
	6.3	Other liabilities	5,702	5,038
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**508,611**	**503,236**

INCOME STATEMENT[2]

Note		Items	31/12/2023	31/12/2022
20	1.	Insurance revenue from insurance contracts issued	49,496	45,141
20	2.	Insurance service expenses from insurance contracts issued	-43,281	-39,730
20	3.	Insurance revenue from reinsurance contracts held	3,377	2,743
20	4.	Insurance service expenses from reinsurance contracts held	-3,730	-3,382
	5.	**Insurance service result**	**5,862**	**4,772**
15	6.	Income/expenses from financial assets and liabilities at fair value through profit or loss	12,419	-18,248
15	7.	Income/expenses from investments in subsidiaries, associated companies and joint ventures	264	194
15	8.	Income/expenses from other financial assets and liabilities and investment properties	7,177	8,064
15	8.1	- Interest income calculated using the effective Interest rate method	7,479	7,376
15	8.2	- Interest expenses	-793	-608
15	8.3	- Other income/expenses	2,162	1,260
15	8.4	- Realised gains/losses	-131	292
15	8.5	- Unrealised gains/losses	-1,539	-256
16		of which: linked to credit impaired financial assets	-77	-47
	9.	**Result of investments**	**19,860**	**-9,990**
	10.	Net finance income/expenses related to insurance contracts issued	-17,696	10,756
	11.	Net finance income/expenses related to reinsurance contracts held	8	-19
	12.	**Net finance result**	**2,171**	**747**
32	13.	Other income/expenses	1,432	1,582
32	14.	Acquisition and administration costs:	-1,006	-965
	14.1	- Investment management expenses	-40	-55
	14.2	- Other administrative costs	-966	-910
32	15.	Net provisions for risks and charges	-351	-34
32	16.	Net impairment and depreciation of tangible assets	-137	-145
32	17.	Net impairment and amortisation of intangible assets	-205	-319
		of which: impairment on goodwill	-44	-193
32	18.	Other income/charges	-2,194	-1,698
	19.	**Profit (Loss) before tax**	**5,574**	**3,940**
34	20.	Income tax	-1,536	-1,378
	21.	**Profit (Loss) after tax**	**4,037**	**2,562**
	22.	Profit (Loss) from discontinued operations	84	-93
	23.	**Consolidated result of the period**	**4,122**	**2,470**
		of which attributable to the Group	3,747	2,235
		of which attributable to minority interests	375	235

2. In compliance with IFRS 8, it should be noted that, following the changes introduced by the application of the new IFRS 9 and IFRS 17, comparative data in the financial statements have been appropriately restated.

STATEMENT OF COMPREHENSIVE INCOME[3]

	Items	31/12/2023	31/12/2022
1.	**Profit (Loss) for the period**	**4,122**	**2,470**
2.	**Other items, net of taxes, that may not be reclassified to profit and loss in future periods**	**-128**	**361**
2.1	Share of valuation reserves of associated companies valued at equity method	1	0
2.2	Reserve for revaluation model of intangible assets	0	0
2.3	Reserve for revaluation model of tangible assets	0	0
2.4	Net finance expenses/income from insurance contracts issued	0	0
2.5	Result of discontinued operations	0	-0
2.6	Actuarial gains or losses arising from defined benefit plans	-158	635
2.7	Net gains and losses on equity instruments designated at fair value through other comprehensive income	29	-275
2.8	Changes in own credit risk on financial liabilities designated at fair value through profit or loss	-1	1
2.9	Other items	0	0
3.	**Other items, net of taxes, that may be reclassified to profit or loss in future periods**	**291**	**-2,585**
3.1	Foreign currency translation differences	-290	193
3.2	Net gains and losses on financial assets (other than equity instruments) at fair value through other comprehensive income	9,776	-45,645
3.3	Net gains and losses on cash flows hedging derivatives	283	-1,085
3.4	Net gains and losses on hedge of a net investment in foreign operations	-30	-23
3.5	Share of valuation reserves of associated companies valued at equity method	-4	34
3.6	Net finance expenses/income from insurance contracts issued	-9,710	44,468
3.7	Net finance expenses/income from reinsurance contracts held	123	-388
3.8	Result of discontinued operations	143	-138
3.9	Other items	0	0
4.	**TOTAL OTHER COMPREHENSIVE INCOME (EXPENSES)**	**163**	**-2,225**
5.	**TOTAL COMPREHENSIVE INCOME (EXPENSES)**	**4,285**	**245**
5.1	**of which: attributable to the Group**	**4,043**	**175**
5.2	**of which: attributable to minority interests**	**241**	**70**

3. In compliance with IFRS 8, it should be noted that, following the changes introduced by the application of the new IFRS 9 and IFRS 17, comparative data in the financial statements have been appropriately restated..

STATEMENT OF CHANGES IN EQUITY[4]

	Share capital	Other equity instruments	Capital reserves	Revenue reserves and other reserves	Own shares
Amounts at 1/1/2022	**1,581**	**0**	**7,107**	**20,106**	**-82**
of which: Change in opening balances	0	0	0	4,967	0
Result of the period allocation 2021					
Reserves	0	0	0	0	0
Dividends and other destination	0	0	0	-1,691	0
Changes in amount					
New issuance shares	6	0	0	0	0
Purchase own shares	0	0	0	0	-500
Change in owhership interest	0	0	0	60	0
Other Comprehensive Income	0	0	0	0	0
Other changes	-0	0	0	-11	-0
Amount at 31/12/2022	**1,587**	**0**	**7,107**	**18,464**	**-583**
Change in opening balances	0	0	0	0	0
Result of the period allocation 2022					
Reserves	0	0	0	2,235	0
Dividends and other destination	0	0	0	-1,790	0
Changes in amount					
New issuance shares	6	0	0	0	0
Purchase own shares	0	0	0	0	-191
Change in owhership interest	0	0	0	74	0
Other Comprehensive Income	0	0	0	0	0
Other changes	0	0	-500	176	500
Amount at 31/12/2023	**1,592**	**0**	**6,607**	**19,159**	**-273**

4. In compliance with IFRS 8, it should be noted that, following the changes introduced by the application of the new IFRS 9 and IFRS 17, comparative data in the financial statements have been appropriately restated.

Valuation reserves	Profit (Loss) for the period	Shareholders' equity attributable to the Group	Shareholders' equity attributable to minority interests	Shareholders' equity
-100	**0**	**28,612**	**2,480**	**31,091**
-5,663	0	-696	-88	-784
		0		0
0	0	0	0	0
0	0	-1,691	-219	-1,910
		0		**0**
0	0	6	0	6
0	0	-500	0	-500
0	0	60	-215	-155
-2,060	0	-2,060	-165	-2,225
0	2,235	2,223	443	2,666
-2,160	**2,235**	**26,650**	**2,323**	**28,973**
0	0	0	0	0
		0		**0**
0	0	2,235	0	2,235
0	0	-1,790	-238	-2,028
		0		0
0	0	6	0	6
0	0	-191	0	-191
0	0	74	39	113
296	0	296	-133	163
0	1,512	1,688	325	2,013
-1,863	**3,747**	**28,968**	**2,316**	**31,284**

STATEMENT OF CASH FLOWS (INDIRECT METHOD)[5]

	Amount	
	31/12/2023	31/12/2022
Net cash flow from (used in):		
- Earnings before taxes	4,122	2,470
- Net revenues and expenses from insurance contracts issued and reinsurance contracts held (-/+)	11,826	-15,509
- Gains/losses on financial assets at fair value through profit and loss (-/+)	-9,402	20,928
- Other non-monetary income and expenses arising from financial instruments, investment property and investments in subsidiaries, associated companies and joint venture (-/+)	1,672	291
- Net provisions for risks and charges (+/-)	126	153
- Interest income, dividends, interest expense, taxes (+/-)	-7,614	-7,686
- Other adjustments (+/-)	173	-142
- Interest income collected (+)	8,248	8,176
- Dividends collected (+)	2,587	2,108
- Interest paid (-)	-1,653	-1,435
- Taxes paid (-)	-806	-1,698
Net cash flow from (used in) other monetary items related to operating activities		
- Insurance contracts issued that are liabilities/assets (+/-)	-5,058	4,450
- Reinsurance contracts held that are assets/liabilities (+/-)	-1,070	800
- Liabilities from financial contracts issued by insurance companies (+/-)	-377	-30
- Receivables from banks (+/-)	103	31
- Payables to banks (+/-)	-1,640	-677
- Other financial assets and liabilities measured at fair value through profit or loss (+/-)	0	0
- Other financial assets and liabilities (+/-)	495	-1,888
Net cash flow from (used in) operating activities	**1,732**	**10,341**
Net cash flow from (used in):		
- Sales/purchases of investment property (+/-)	527	-256
- Sale/purchases of investments in associated companies and joint ventures (+/-)	0	0
- Dividends collected on investments in subsidiaries, associated companies and joint venture (+)	11	214
- Sales/purchases of financial assets measured at amortised cost (+/-)	1,948	-3,250
- Sales/purchases of financial assets at fair value through other comprehensive income (+/-)	7,753	2,093
- Sales/purchases of tangible and intangible assets (+/-)	-177	-917
- Sales/purchases of subsidiaries and business branches (+/-)	628	-1,192
- Other net liquidity flows from investing activities (+/-)	-8,407	-5,708
Net cash flow from (used in) investing activities	**2,283**	**-9,016**
Net cash flow from (used in):		
- Share capital increases (+/-)	0	0
- Issues/purchases of own shares (+/-)	-191	-500
- Dividend distribution and other (-)	-1,793	-1,909
- Disposal/acquisition of minority interests in subsidiaries	0	0
- Issues/purchases of subordinated liabilities and participating financial instruments (+/-)	572	-356
- Issues/purchases of liabilities measured at amortised cost (+/-)	-2,393	341
Net cash flow from (used in) financing activities	**-3,804**	**-2,423**
NET CASH FLOW FROM/USED IN THE PERIOD	**210**	**-1,098**

5. In compliance with IFRS 8, it should be noted that, following the changes introduced by the application of the new IFRS 9 and IFRS 17, comparative data in the financial statements have been appropriately restated.

Balance sheet items	Amount	
	31/12/2023	31/12/2022
Cash and cash equivalents opening balance	6,887	7,939
Net cash flows from (used in) for the period	210	-1,098
Cash and cash equivalents: foreign exchange effect	-28	47
Cash and cash equivalents closing balance	7,070	6,887

Notes

BASIS OF PRESENTATION AND ACCOUNTING PRINCIPLES

Basis of presentation

This document is the consolidated financial statements of Generali Group, registered under number 026 of the Insurance Groups Register, whose Parent Company is Assicurazioni Generali S.p.A., a company established in Trieste in 1831 with a share capital of € 1.592.382.832 fully paid up.
The registered office of the Group and the Parent Company is established in Trieste, Piazza Duca degli Abruzzi, 2 and is registered under the number 1,00003 of the register of insurance and reinsurance companies.
The Generali Group's consolidated financial statements at 31 December 2022 were drawn up in accordance with the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606 of 19 July 2002 and the Legislative Decree No. 58/1998, as subsequently amended.
The Legislative Decree No. 209/2005 empowered ISVAP (now IVASS) to give further instructions for financial statements and chart of accounts in compliance with the international accounting standards.
In this yearly report the Generali Group prepared its consolidated financial statements and Notes in conformity with the ISVAP (now IVASS) Regulation No. 7 of 13 July 2007 as amended by Art. 12 of IVASS Order no. 121 of 7 June 2022 and information of the Consob Communication No. 6064293 of 28 July 2006.
As allowed by the aforementioned Regulation, the Generali Group believed it appropriate to provide further details in the Notes, to fulfil also IAS/IFRS international accounting standards requirements. In particular, information on discontinued operations and their accounting treatment are included in the chapter Non-current assets or disposal group classified as held for sale in the section *Information on consolidation area and related operations*.
The consolidated financial statements at 31 December 2023 were approved by the Board of Directors on 11 March 2024.
The consolidated financial statements at 31 December 2023 are subject to audit by the firm KPMG S.p.A., in charge of the statutory audit assignment for the period 2021-29.

Consolidated Financial Statements and Notes

Consolidated statements are made up of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and Notes, as required by the ISVAP Regulation No. 7 of 13 July 2007, as amended by Art. 12 of IVASS Order no. 121 of 7 June 2022.
Tables that are mandatorily required as minimum content by the Regulator are presented within to the Notes. In case those regulatory tables foresee some cells with invalid combinations, it should be noted that Regulator required to insert a "x" to point out the non-applicability of related information.
This yearly report is drawn up in euro (the functional currency used by the entity that prepared the financial statements) and the amounts are shown in millions, unless otherwise stated, the rounded amounts may not add to the rounded total in all cases.

Consolidation methods

Investments in subsidiaries are consolidated line by line, whereas investments in associated companies and interests in joint ventures are accounted for using the equity method.
Investments in associated companies and interests in joint ventures underlying contracts with direct participation features are measured at fair value through profit or loss.
The balance sheet items of the financial statements denominated in foreign currencies are translated into euro based on the exchange rates at the end of the year.
The profit and loss account items are translated based on the average exchange rates of the year. They reasonably approximate the exchange rates at the dates of the transactions.
The exchange rate differences arising from the translation of the statements expressed in foreign currencies are accounted for in equity in an appropriate reserve and recognized in the profit and loss account only at the time of the disposal of the investments.
For what concerns the accounting criterion for the translation of the financial statements of subsidiaries operating in countries subject to hyperinflation, please refer to a subsequent section.
Exchange rates used for the translation in euro of specifically relevant currencies for Generali Group are disclosed below.

Exchange rates of the balance sheet

Currency	Exchange rate at the end of the period (€)	
	31/12/2023	31/12/2022
US dollar	1.105	1.067
Swiss franc	0.930	0.988
British pound	0.867	0.887
Argentine peso	893.105	189.026
Czech Koruna	24.689	24.154
Chinese renmimbi	7.834	7.419

Exchange rates of the income statement

Currency	Average exchange rate (€)	
	31/12/2023	31/12/2022
US dollar	1.081	1.054
Swiss franc	0.972	1.005
British pound	0.870	0.853
Argentine peso*	319.946	136.893
Czech Koruna	23.999	24.559
Chinese renmimbi	7.657	7.080

(*) in accordance with IAS 29, the items of profit or loss has been restated at the exchange rate at the end of the period.

Basis of consolidation

The consolidated financial statements of the Group include the financial statements of Assicurazioni Generali S.p.A. (Parent Company) and its subsidiaries.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing not merely protective rights that give it the current ability to direct the relevant activities of the investee, that impact meaningfully the returns of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- Group voting rights and potential voting rights.

The Group reviews periodically and systematically if there was a variation of one or more elements of control, based on the analysis of the facts and the essential circumstances.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

In preparing the consolidated financial statements:

- the financial statements of the Parent Company and its subsidiaries are consolidated line by line through specific reporting packages, which contribute to the consistent application of the Group's accounting policies. For consolidation purposes, if the financial year-end date of a company differs from that of the Parent Company, the former prepares anyhow for the financial period the financial statements closed at 31 December of each financial year;
- all intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation process (intra-group losses are eliminated, except to the extent that the underlying asset is impaired);
- the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of the shareholder's equity of each subsidiary are eliminated at the date of acquisition;
- profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The non-controlling interests, together with their share of profit are shown as separate items.

The impact of the changes in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Consequently, no additional goodwill or badwill is recognized.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in the profit or loss. Any retained investment is recognized at fair value.
Investment funds managed by the Group in which the Group holds an interest and that are not managed in the primary interest of the policyholders are consolidated based on the substance of the economic relationship and whether the conditions of control stated by IFRS 10 are satisfied. On consolidation of an investment fund, a liability is recognized to the extent that the Group is legally obliged to buy back participations held by third parties. Where this is not the case, other participations held by third parties are presented as non-controlling interests in equity.

Business combination and goodwill

Business combinations are acquisitions of assets and liabilities that constitutes a business and are accounted for by applying the so-called acquisition method. The acquisition cost is measured as the sum of the consideration transferred measured at its acquisition date fair value, including contingent consideration, liabilities assumed towards the previous owners and the amount of any non-controlling interests. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the administrative expenses.
If in a business combination achieved in stages, the acquirer's previously held equity interests in the acquiree are re-measured at its acquisition date fair value and any resulting gain or loss is recognized in the profit or loss.
Any contingent consideration to be transferred or received by the acquirer will be recognised at fair value at the acquisition date. Change in fair value of contingent consideration classified as an asset or liability is accounted for according to IFRS 9.
The assets acquired and liabilities deriving from a business combination are initially recognized at fair value at the acquisition date. Goodwill is initially measured at cost being the excess of the aggregate acquisition cost over the net value of the identifiable assets acquired and liabilities assumed. If this amount is greater than acquisition cost, difference is recognized in profit and loss (badwill).

Investments in associates and joint ventures

The investments in associates and joint ventures are consolidated trough the equity method.
An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. If an investor holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee, it is presumed that the investor has significant influence.
In general, joint arrangements are contractual agreements whereby the Group undertakes with other parties an economic activity that is subject to joint control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control exists when it is contractually agreed to share control of an economic activity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Generali Group has assessed the nature of its current joint arrangements and determined them to be joint ventures.
The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. Investments in associates and joint ventures are accounted for using the equity method and they are initially recognized at cost, which includes goodwill arising on acquisition. Any excess between the share of interest in the net fair value of the identifiable assets and liabilities of the investee compared to the initial cost is recognized in the income statement at the date of acquisition. The carrying amount of the investment is subsequently adjusted to recognize changes in the Group's share of the net assets of the associate or joint venture since the acquisition date. The income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. Dividends receivable from associates are recognized as a reduction in the carrying amount of the investment.
At each reporting date, after application of the equity method the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as share of losses of an associate in the income statement. Where the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.
Upon loss of significant influence over the associate or joint control over the joint venture the Group measures and recognizes the retained investment at its fair value. Any difference between the net proceeds and the fair value of the retained interest and the carrying amount is recognized in the income statement and gains and losses previously recorded directly through OCI are reversed and recorded through the income statement.

Investments in associated companies and joint ventures underlying contracts with direct participation features are measured at fair value through profit or loss, according to IFRS 17 Amendment to IAS 28 Investments in Associates and Joint Ventures which foresees that when an investment in an associated company or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9.

Significant judgements in determining control, joint control and significant influence over an entity

The control is normally ensured by the full ownership of the voting rights, having thus the ability to direct the relevant activities and consequently being exposed to the variability of results arising from those activities.
The Group controls all the companies for which holds more than half of the voting rights. In three cases the Group controls the company owning half of the voting rights, being exposed to the variability of returns that depend on the operating policies that the Group, in substance, has the power to direct. The Group controls one subsidiary having less than the majority of voting rights.
To a minor extent, the Group holds interests in associates and joint ventures. The agreements under which the Group has joint control of a separate vehicle are qualified as joint ventures where they give rights to the net assets.
In two cases, the Group has no significant influence on a subject for which it holds more than 20% of the voting rights as the government structure is such that the Group, in substance, does not have the power to participate in financial and operating policies of the investee.
Regardless of the legal form of the investment, the evaluation of the control is made considering the real power on the investee and the practical ability to influence relevant activities, regardless of the voting rights held by the parent company or its subsidiaries.
In the Annexes to the consolidated financial statements the list of fully consolidated subsidiaries and of associated and joint ventures valued using the equity method included in consolidated financial statements as at 31 December 2023 is presented. Unless otherwise stated, the annex shows the proportion of ownership interest held by the Group which equals the voting rights of the Group.
The qualitative and quantitative disclosures required by IFRS 12 - Disclosure of Interests in Other Entities are provided in the chapter *Information on consolidation area and related operations* in the Notes.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

IAS 29 - Financial Reporting in Hyperinflationary Economies application

At 31 December 2023, as in the previous year, the IAS 29 - Financial Reporting in Hyperinflationary Economies to the financial statement values of the Argentine companies of the Group, Caja de Seguros S.A, Europ Assistance Argentina S.A, Caja de Ahorro y Seguro S.A., Ritenere S.A. is required, in particular the cumulative inflation rate over three years exceeds 100%.

The financial statements items of the abovementioned Argentine companies have been restated, applying the Argentine Consumer Price Index, which reflects the change of general purchasing power. In particular, the following items have been restated at the unit current at the end of the reporting period:

- non-monetary assets and liabilities;
- all items of comprehensive income, applying the change of the general price index from the date when income and expenses were initially registered in the financial statements;
- the items of the income statement have been restated at the closing exchange rate;
- restatement in the first period of application of the standard of the components of owners' equity, except retained earnings and any revaluation surplus, applying the Consumer Price Index from the dates the components were contributed. Restated retained earnings derive from the restatement of assets and liabilities;
- restatement at the end of the period of the components of owner's equity, applying the Consumer Price Index at the beginning of the period.

The effects of reassessment until 31 December 2022 are included in the opening balance of shareholder's equity. The impacts at consolidated level are not material and do not require the presentation of the statements of Argentine companies.
As at 31 December 2023, as in the previous year, the conditions were still met for applying the IAS 29 - Financial Reporting in Hyperinflationary Economies to the financial statement values of the Turkish company Generali Sigorta A.S. as well. Impacts of redetermination of the financial statement values of this company are to be considered negligible for the purposes of these consolidated financial statements.

Accounting principles

The accounting standards adopted in preparing the consolidated financial statements, and the contents of the items in the financial statements are presented in this section.

New accounting principles, changes in the accounting rules and in the financial statements

Starting from 1 January 2023 the Group applies new accounting standards IFRS 9 and IFRS 17, and related amendments to other standards (with particular reference to those related to IAS 16 - Property, Plant and Equipment, IAS 40 - Investment Property and to IAS 28 concerning the fair value of investments). The first application of both standards has introduced significant changes in measurement and accounting of both (re)insurance contracts and financial instruments.
Compared to Consolidated Financial Statements as at 31 December 2022, financial statements have been modified and new tables have been added in the Notes with reference to specific areas of information as required by the ISVAP Regulation No. 7 of 13 July 2007, as amended by Art. 12 of IVASS Order no. 121 of 7 June 2022.
The Group has retrospectively applied the period of comparison to the first application of IFRS 9 for all financial instruments, to produce 2022 comparative information consistent with IFRS 9 and IFRS 17 requirements and in line with the financial information provided from 1 January 2023, as foreseen by Amendment to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 - Insurance Contracts, published by the International Accounting Standard Board (IASB) on 9 December 2021.
Main impacts related to adoption of new accounting standards IFRS 9 and IFRS 17 are described below.

Following the endorsement of the European Union, as from 1 January 2023 new minor Amendments, which are described below, shall also be applied. Finally, also the main documents issued by the IASB but not yet effective are illustrated.

Impacts of the transition to new accounting standards

Main impacts of the adoption of new standards IFRS 9 and IFRS 17 are reported below.

Impact deriving from the first-time adoption of IFRS 19 and IFRS 17

The impact on shareholders' equity from the combined application of IFRS 9 and IFRS 17 has been determined on 1 January 2022, identified as the start of the financial year immediately prior to the date of first-time application of new standards.
On the basis of realized valuations, the impact of combined application of new standards on the Group shareholders' equity at the transition date has been approximately -2%.
The table below summarizes the main impacts by presenting a reconciliation between the Group shareholders' equity as at 31 December 2021, calculated according to IAS 39 and IFRS 4, and the Group shareholders' equity at the transition date (i.e. 1 January 2022) measured with the new IFRS 9 and IFRS 17 accounting standards:

Reconciliation between the Group shareholders' equity calculated according to IAS 39 and IFRS 4, and the Group shareholders' equity measured with the new IFRS 17 and IFRS 9 accounting standards

(€ million)	
Total Shareholders' equity (31 December 2021)	**31,875**
Shareholders' equity attributable to the Group	29,308
Shareholders' equity attributable to minority interests	2,568
Change in Fair Value of assets	9,753
Voba and Deferred Acquisition Costs derecognition	-2,793
IFRS 4 insurance provisions derecognition and IFRS 17 fulfillment cash flows recognition	28,141
Risk Adjustment recognition	-2,793
Contractual Service Margin recognition	-33,170
Deferred taxes and other changes	78
Total Shareholders' equity at transition (1 January 2022)	**31,091**
Shareholders' equity attributable to the Group	28,612
Shareholders' equity attributable to minority interests	2,480
Transition effects on Shareholders' equity (*)	**-784**

(*) Impacts at transition date include the contribution of Italian bancassurance joint venture (former Cattolica Group) that are classified as disposal group held for sale. This current classification do not have any effect on impacts on shareholders' equity.

The change in the Group shareholders' equity is the result of the combined effect of the introduction of the new standards. In particular, the gross effect related to the first application of IFRS 9 and IFRS 17 is equal to € 10.6 billion, while the one related to the first application of IFRS 9 and of IFRS 17 Amendments to IAS 40, IAS 16 and IAS 28 is equal to € 9.8 billion.
Net combined effect on the two main segments in which the Group operates can instead be summarized as follows:

- in the Life segment, the reduction in equity is equal to around € 2.3 billion is mainly associated with recognition of the Contractual Service Margin (CSM) of contracts with direct participation features (business VFA) absorbing the unrealised gains and losses, previously accounted for within the equity reserve relating to available for sale assets;
- in the P&C segment, there is a positive effect on shareholders' equity equal to approximately € 1.6 billion, which mainly reflects the release of the adequacy reserve previously embedded within the measurements of the outstanding claims provisions compliant with the accounting principles applied locally.

The below table summarizes the amount of contractual service margin, net of reinsurance contract held, broken down by transition method:

Contractual service margin broken down by transition method

(€ million)	Total	Life Segment	P&C segment
Contractual Service Margin	**33,170**	**32,397**	**773**
Modified Retrospective Approach	28,534	28,532	2
Full Retrospective Approach	1,682	1,682	0
Fair Value Approach	2,954	2,182	771

It is specified that contractual service margin of group of insurance contracts that do not apply the annual cohort requirement (so called Carve-out option, referred to in the paragraph "Level of aggregation" of the section "Insurance assets and liabilities") is equal to € 28,287 million. Contractual service margin of these contracts measured at the transition date by applying the modified retrospective application amounts to € 25,515 million; the residual portion is valued with fair value and with full retrospective application for respectively € 1,850 million and € 923 million.

The contractual service margin at transition without considering the contribution of Italian bancassurance joint venture (former Cattolica Group) that are classified as disposal group held for sale is equal to € 32,888 million, of which € 33,029 million are referred to insurance contract issued.

As already described in paragraph dealing with transition within section New accounting principles of the Half-yearly consolidated financial report 2023, it is worth remembering that no impact on the statement of Comprehensive Income has been determined at the transition date on liabilities for incurred claims related to claims with an accident year prior to 2016. The indicative amount of other comprehensive income related to financial assets at fair value through other comprehensive income, addressable to cover aforementioned liabilities, is represented below gross of fiscal impact:

- € 196 mln at the transition date, 1 January 2022;
- € -559 mln at 31 December 2022;
- € -255 mln at the closing date of this financial statement.

The development of other comprehensive income is mainly attributable to the decline in reference interest rates and to the market trend of underlying assets.

Impacts of the transition on the Group Balance Sheet

The table below shows the effects from the application of IFRS 9 and IFRS 17 on the Group Balance Sheet as at 31 December 2021, highlighting the main items that have been impacted by the transition.

Impacts of the transition on the Group Balance Sheet

(€ million)	Balance Sheet as of YE 2021	Items derecognized	Items reclassified	IFRS 17/9 remeasurement	Change in consolidation scope	Pro-forma Balance Sheet at Transition	
	31/12/2021					01/01/2022	Change
Intangible assets	9,970	-595	-37		-82	9,257	-713
Tangible assets	3,990		-156		-3	3,832	-159
Insurance assets	6,646		-967	55	-115	5,619	-1,027
Investments	527,904		-2,384	9.753	-14,813	520,460	-7,444
Other financial assets	13,912		-8,522		-50	5,340	-8,572
Other assets, cash and cash equivalents	23,802	-2,198	-4,634	1.580	15,052	33,602	9,801
Non-current assets or disposal groups classified as held for sale	0				15,570	15,570	15,570
Deferred tax assets	3,633	0	-347	1,553	-216	4,623	990
TOTAL ASSETS	**586,225**	**-2,793**	**-16,701**	**11,389**	**-11**	**578,109**	**-8,116**
Insurance provisions	479,449		-6,699	7,877	-14,103	466,524	-12,926
Financial liabilities	47,713		-3,134		-206	44,373	-3,341
Payables	13,250		-6,029		-68	7,153	-6,097
Other liabilities and other provisions	13,937		-837	1,502	14,367	28,968	15,032
Liabilities associated with non-current assets and disposal groups classified as held for sale	0				14,752	14,752	14,752
Deferred tax liabilities	3,815		-757	1,502	-234	4,326	511
TOTAL LIABILITIES	**554,349**		**-16,700**	**9,379**	**-11**	**547,018**	**-7,332**
SHAREHOLDERS' EQUITY	**31,875**	**-2,793**	**-0**	**2,009**	**0**	**31,091**	**-784**

The main impacts on the Group shareholders' equity are as follows:

- the decrease in intangible assets and other assets, mainly attributable to derecognition of the VOBA and deferred acquisition costs (negative effect);
- the increase in investments mainly determined by the fair value measurement of real estate investments backing VFA business (following the choice made by the Group to measure at fair value the investment properties underlying contracts with direct participation features), and of some debt securities measured at cost according to IAS 39 (positive effect);
- the measurement of liabilities for insurance contracts due to the following reasons:
  - recognition of the portion of unrealised gains on investments to cover the liability measured according to the VFA model within the CSM (negative effect);
  - application of best estimate assumptions instead of locked -in prudential assumptions for insurance liabilities (positive effect);
  - discounting at market rates of liabilities for claims of the P&C segment previously not discounted (positive effect);
  - recognition of future profits of insurance contracts accounted for according to the General Model (GMM) and VFA within the CSM under insurance liabilities (negative effect);
- the tax effect on the changes commented on above.

In addition, the application of IFRS 17 entailed the reclassification of some assets and liabilities previously accounted for in other elements of the balance sheet under assets and liabilities of insurance contracts. These reclassification effects mainly concerned: reinsurance deposits, receivables and payables related to (re)insurance contracts, policyholder loans.

Please note that the Group considers the Italian bancassurance joint ventures (former Gruppo Cattolica) as disposal group held for sale and, in compliance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, they are separately reclassified within the Group Balance Sheet.

Reconciliation of IAS 39 and IFRS 9 balances for financial instruments as at the date of first-time application of IFRS 9

In accordance with the disclosure requirements at the date of first-time application of IFRS 9 (i.e. 1 January 2023), as referred to in IFRS 7, the following tables show the reconciliation of IAS 39 and IFRS 9 balances of financial assets and liabilities as at the date of first-time application of the new standard, together with the related impact on the balance sheet arising from changes in classification and measurement as at that date. Note that the effects on shareholders' equity of transition to the new accounting standards were recorded at 1 January 2022. The impact on the balance sheet at 1 January 2023 is therefore intended as the impacts at 1 January 2022 and the changes in value associated with the financial instruments during 2022 between the IAS 39 and IFRS 9 classification and measurement rules, and is shown in the tables reconciling IAS 39 and IFRS 9 balances for financial instruments provided below.

In the interpretation of the table reported below, the following comments are highlighted.

- The scope of financial instruments illustrated considers the financial assets classified under "investments" in the new balance sheet format envisaged by ISVAP Regulation no. 7 of 13 July 2007, as replaced by article 12, IVASS Measure no. 121 of 7 June 2022. The IAS 39 like for like perimeter does not consider elements previously included under the IAS 39 scope of application, now absorbed into the scope of IFRS 17 at the date of transition. The main differences refer to policy loans and deposits under reinsurance business accepted (approximately € -5 billion). In addition, the IAS 39 like for like perimeter does not consider financial assets held by the companies classified under IFRS 5 (around € 9.3 billion).
- The columns relating to changes in classification between accounting categories of financial assets represent reclassifications among asset items resulting from a change in the destination accounting category (at IAS 39 balance sheet values) due to the application of the new standard.
  With reference to the composition of the portfolio of financial instruments in the IFRS 9 scope at 1 January 2023, note the preponderance of financial instruments measured at fair value through other comprehensive income (FVOCI), equal to 53% (66% of available-for-sale financial assets pursuant to IAS 39). This category mainly includes debt instruments classified in line with the Group "Hold to collect and sell" business model and that pass the Solely Payments of Principal and Interest (SPPI) test, as well as equity instruments measured at fair value through other comprehensive income without recycling to the income statement, the option adopted by the Group for equity instruments underlying non-VFA business.
  Financial instruments measured at fair value through profit or loss are 42% (27% in IAS 39), while those measured at amortised cost are 6% (7% in IAS 39). In particular, 46% of the financial instruments measured at fair value through profit or loss relate to non-unit-linked instruments. Of these, 81% relate to VFA business portfolios and therefore not directly impacting the income statement, as changes in the fair value of the underlying financial assets are offset by symmetrical movement in the reference insurance liabilities.
  The reclassification as financial instruments at fair value through profit or loss (around € 65 billion) mainly includes investment fund units and debt securities that do not pass the SPPI test, to which there is limited exposure, and equity instruments measured at fair value through profit or loss that are essentially attributable to VFA business.
- In terms of measurement, the total balance sheet impact on financial assets is € -0.5 billion, mainly related to loans and unlisted debt instruments. Note that, at 1 January 2023, the total reserve for valuation gains or losses on debt instruments and loans at FVOCI was € -27,643 million, including minorities, of which € -671 million referring to debt instruments previously recognised at amortised cost.
- The column "Other impacts" mainly includes accrued interest previously classified under "Other assets" (outside the investments category) and the effect of the change in presentation of some fully consolidated investment fund units measured at fair value through profit or loss. Consequently, these changes had no impact on shareholders' equity.

Reconciliation of IAS 39 and IFRS 9 balances for financial assets as at the date of first-time application of IFRS 9

(€ million)	Change in classification						
	IAS39 like-for-like perimeter	FVtPL prev. at AC	FVOCI prev. at AC	FVTPL prev. at AFS	AC prev. at AFS	FVOCI prev. at FVTPL	AC prev. at FVTPL
	31/12/2022						
FINANCIAL ASSETS	**417,188**	**14**	**-**	**-**	**-**	**-**	**-**
Financial assets at amortised cost	**29,684**	**-851**	**-15,447**	**-**	**9,549**	**-**	**2**
Financial assets at FVOCI	**275,012**	**-**	**15,447**	**-64,026**	**-9,549**	**2,629**	**-**
Bonds	216,585	-	11,513	-7,724	-9,549	2,614	-
Other financial instruments	58,427	-	3,934	-56,302	-	14	-
Financial assets at FVTPL	**112,492**	**865**	**-**	**64,026**	**-**	**-2,629**	**-2**
Bonds	3,365	488	-	7,724	-	-2,614	-
Other financial instruments	109,127	376	-	56,302	-	-14	-2
Fiscal impact							
Impacts on Shareholders' Equity net of fiscal impact							

Reconciliation of IAS 39 and IFRS 9 balances for financial liabilities as at the date of first-time application of IFRS 9

(€ million)	IAS 39 like-for-like perimeter	Other impacts	IFRS 9 carrying amount
	31/12/2022		01/01/2023
Financial liabilities	**44,619**	**493**	**45,111**
Financial liabilities at fair value through profit or loss	9,393	25	9,417
Financial liabilities at amortised cost	35,226	468	35,694

The IAS 39 like for like perimeter does not consider elements previously included under the IAS 39 scope of application, now absorbed into the scope of IFRS 17 at the date of transition, mainly associated with financial liabilities relating to investment contracts and deposits with ceding companies (around € 3.3 billion).

There were no changes to the classification and measurement of financial liabilities. Other impacts refer mainly to accrued interest previously classified under "other liabilities".

Reconciliation between the closing balance of the IAS 39 provision for impairments and the opening balance of the IFRS 9 provision for impairments

(€ million)	Impairment allowance under IAS 39	Reclassification impact	Increase/Decrease due to new ECL calculation	Total ECL reserve/ allowance
Financial assets at amortised cost	**-55**	**-**	**11**	**-44**
Impairment on bonds	-	-	-8	-8
Impairment other financial instruments	-55	-	19	-36
Available for sale investments/Financial assets at fair value	**-70**	**-**	**-413**	**-482**
Impairment on bonds	-37	-	-428	-465
Impairment other financial instruments	-32	-	15	-17
Expected credit losses on financial guarantees issued and loan commitment issued	**-**	**-**	**-**	**-**
Total impairment	**-125**	**-**	**-402**	**-527**

	Change in measurement							
FVTPL prev. at AC	FVOCI prev. at AC	AC prev. at AFS	AC prev. at FVTPL	Reversal of impairment (AC)	Other impacts	Impairment allowance (AC)	IFRS 9 carrying amount	Shareholders' equity impact
							01/01/2023	
-41	**-722**	**287**	**-**	**55**	**2,872**	**-44**	**419,609**	**-468**
-	**-**	**287**	**-**	**55**	**61**	**-44**	**23,297**	**300**
-	**-722**	**-**	**-**	**-**	**2,531**	**-**	**221,322**	**-724**
-	-671	-	-	-	2,905	-	215,673	-673
-	-51	-	-	-	-374	-	5,648	-51
-41	**-**	**-**	**-**	**-**	**280**	**-**	**174,991**	**-44**
-45	-	-	-	-	127	-	9,045	-45
3	-	-	-	-	153	-	165,946	1
								149
								-319

Amendments that shall be applied from 1 January 2023

New amendments to existing standards, effective from 1 January, are illustrated below.

Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules

On 23 May 2023, IASB published the International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) according to which large Multinational Entities Groups (more than € 750 million turnover) pay a minimum level of tax (15%) on income arising in each of the jurisdictions where they run their businesses. The Generali Group falls within the scope of the application of the above mentioned tax regime, provided by the Directive (EU) 2022/2523 of 14 December 2022, adopted in Italy by Legislative Decree 209 of 27 December 2023, which has the objective of guaranteeing a level of global minimum tax for the multinational groups and national groups operating on a large scale in the European Union.

The Amendments introduce:
- a mandatory temporary exception – the use of which is required to be disclosed – to the disclosure of information and the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules,
- a requirement to disclose separately the current taxes arising from the application of the Pillar Two Model Rules,
- disclosure requirements (both qualitative and quantitative) for affected entities to help users of financial statements better understand the entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date,
- the possibility to disclose a statement in which the information about the progress in assessing the exposure to the impacts of the Pillar Two Model Rules are described - to the extent that information is not reasonably estimable.

The mandatory temporary exception applies retrospectively and immediately upon issuance of the Amendments.
The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim period ending on or before 31 December 2023.

The Amendment has been endorsed on 9 November 2023.

The Group, on the basis of paragraph 4.A of the Amendment to IAS 12, proposes not to recognize and communicate information on deferred tax assets and liabilities relating to income taxes arising from the application of the Pillar Two Model Rules. Furthermore, no current taxes relating to income taxes deriving from the application of the Pillar Two Model Rules were recognized since the rules are not effective at the closing date of these financial statements.
The exposure to the income taxes concerned follows, with regard to all the companies of the Group and all the jointly controlled entities located in each individual jurisdiction, from the level of effective taxation which, at the level of each jurisdiction, depends on various factors including interconnected with each other such as mainly the generated income, the level of the nominal rate, tax rules for determining the taxable base, provisions, type and impact of incentives or other tax benefits.
Furthermore, taking into consideration the novelty and complexity inherent in the determination of the level of effective taxation, the legislation of the Pillar Two Model Rules provides, for the first periods of effectiveness (so-called transitional regime valid for the periods starting before 31 December 2026 and ending no later than 30 June 2028) the possibility of applying a simplified regime (so-called transitional safe harbours) based mainly on accounting information available for each relevant jurisdiction which, in the event of passing at least one of three tests, involves the reduction of the costs of regulatory requirement and the possibility of assuming the taxes deriving from the application of the Pillar Two Model Rules as nil.
The exposure of the Generali Group to income taxes resulting from the application of the Pillar Two Model Rules on the basis of information known, or reasonably estimable, at the closing date of the financial year is assessed as not significant also on the basis of the simplified regime. In particular, based on information known or reasonably estimable:
- in connection with the majority of the Group entities and jointly controlled entities, which are located in jurisdictions that satisfy at least one of the three tests required by the transitional safe harbours, the conditions for considering the taxes deriving from the application of the Pillar Two Model Rules as nil are satisfied, and
- for the other Group entities and jointly controlled entities, located in jurisdictions that do not satisfy any of the three tests required by the transitional safe harbors, the exposure is not significant as the level of effective taxation of these jurisdictions is closer to the minimum amount of 15% or profits in such jurisdictions are not material compared to the Group's total profits.

The Group is organizing and preparing for the obligations required by the legislation - also for subsequent periods - through the preparation of adequate systems and procedures aimed at:
- identify, locate and characterize, also continuously, all Group companies and jointly controlled entities in scope for the purposes of the relevant legislation; and
- calculate the simplified tests for each relevant jurisdiction, in order to benefit from the advantages in terms of reduction of compliance costs and to assume as nil the taxes deriving from the application of the Pillar Two Model Rules; and
- proceed with complete and detailed calculations of the relevant amount as required by the legislation in force for any jurisdictions that do not pass any of the aforementioned tests.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

On 7 May 2021 IASB published Amendments to IAS12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which modified paragraphs 15, 22 and 24 and added paragraphs 22A and 98J-98L, in order to clarify cases in which it is necessary to recognize deferred taxation, in particular for transactions such as leases and decommissioning obligations.
In particular, with amendments to paragraphs 15 and 14, it was clarified that the exemption from recognition of a deferred tax liability or deferred tax asset does not apply in case of initial recognition of an asset or liability in a transaction that, even if it is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit, gives rise to equal and offsetting temporary differences.
Moreover, new paragraph 22A added by Amendments, gives as an example for the non-application of exemption foreseen by paragraphs 15 and 24 the case of a lease transaction, which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of the asset and liability in such a transaction. The exemption provided by paragraphs 15 and 24 does not apply to such temporary differences and the lessee recognises any resulting deferred tax liability and asset.
The effective date of Amendments is 1 January 2023. Amendments have been endorsed on 11 August 2022.

There are negligible impacts on shareholders' equity from the application of the Amendments as at 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies; Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

On 12 February 2021, IASB issued following Amendments:
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.

The effective date of Amendments is 1 January 2023. Amendments have been endorsed on 2 March 2022.
These Amendments have no impacts for the Group.

Amendments not yet applicable

Below are reported the Amendments published by the IASB which are not yet applicable and which are expected to have marginal or completely not significant impacts for the Group.

Standard	Amendments	Date of publication	Effective date
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date	23 January 2020	1 January 2024
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current - Deferral of Effective Date	15 July 2020	1 January 2024
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	31 October 2022	1 January 2024
IFRS 16	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	22 September 2022	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	25 May 2023	1 January 2024
IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15 August 2023	1 January 2025

On 15 August 2023, IASB published Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. These Amendments introduce a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.
Effective date of Amendments is 1 January 2025. Amendments have not yet been endorsed.
Considering the currency exposures held by the Group and the current macroeconomic conditions, the provisions of Amendments for currencies that cannot be exchanged into another currency apply to the Argentine Peso.
To date, the potentially estimated impacts linked to the future application of the Amendment are not significant for the Group.

Balance sheet - Assets

Intangible assets

In accordance with IAS 38 – Intangible Assets, an intangible asset is recognised if, and only if, it is identifiable and controllable, and it is probable that the expected future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably.
This category includes goodwill and other intangible assets, such as goodwill recognised in the separate financial statements of the consolidated companies, software and intangible assets arising from insurance business combinations and related to bancassurance operations.
This item also includes right of use of leased assets which are allocated to the individual macro-items in the financial statements on the basis of the nature of the assets.

Goodwill

Goodwill is the sum of future benefits not separately identifiable acquired in a business combination. At the date of acquisition, the goodwill is equal to the excess between the sum of the consideration transferred, including contingent consideration, liabilities assumed towards the previous owners the fair value of non-controlling interests as well as, in a business combination achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree and the fair value of net amount of the separately identifiable assets and liabilities acquired.
After initial recognition, goodwill is measured at cost less any impairment losses and it is no longer amortised. According to IAS 36 - Impairment of Assets, goodwill is not subject to amortisation. Realized gains and losses on investments in subsidiaries include the related goodwill. Goodwill is tested at least annually in order to identify any impairment losses.
The purpose of the impairment test on goodwill is to identify the existence of any impairment losses on the carrying amount recognised as intangible asset. In this context, cash-generating units or group of cash-generating units to which the goodwill is allocated are identified and tested for impairment. Cash-generating units or group of cash-generating units (hereinafter "CGU") usually represent the consolidated units within the same primary segment in each country. Any impairment is equal to the difference, if negative, between the carrying amount and the recoverable amount, which is the higher between the fair value of the cash-generating unit and its value in use, i.e. the present value of the future cash flows expected to be derived from the cash-generating units. The fair value of the CGU is determined on the basis of current market quotation or usually adopted valuation techniques (mainly Dividend Discount Model - DDM or alternatively Market Value Balance Sheet or appraisal value). The Dividend Discount Model is a variant of the Cash flows method. In particular the Dividend Discount Model, in the excess capital methodology, states that the economic value of an entity is equal to the discounted dividends flow, together with any excess capital quota, calculated considering the capital requirements consistent with the Risk Appetite Framework (RAF) defined by the Group for specific CGU. Such models are based on the projections on budgets/forecasts approved by management or conservative or prudential assumptions covering a maximum period of five years. Cash flow projections for a period longer than five years are extrapolated using estimated among others growth rates. The discount rates reflect the free risk rate, adjusted to take into account specific risks. Should any previous impairment losses no longer exist, they cannot be reversed.
For further details see section *Information on consolidation area and related operations* in the Notes.

Other intangible assets

Intangible assets with finite useful life are measured at acquisition or production cost less any accumulated amortisation and impairment losses. Specifically, the purchased software expenses are capitalised on the basis of the cost for purchase and usage.
The costs related to their development and maintenance are charged to the profit and loss account of the period in which they are incurred.
The amortisation is based on the useful life and begins when the asset is available for use.
In particular, licenses for the use of software are amortised based on the expected technological obsolescence and in any case generally no longer than a period of 10 years. Intangible assets related to bancassurance operations are generally amortised over a period corresponding to the duration of the contracts.
Other intangible assets with indefinite useful life are not subject to amortisation. They are periodically tested for impairment.
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is de-recognised.
Other intangible assets include the right of use of leased assets and is subject to the recoverability test, carried out with a view to the overall Cash Generating Unit, as illustrated in the section *Leasing*.

Tangible assets

This item comprises land and buildings used for own activities and other tangible assets.

Land and buildings (Self-Used)

In accordance with IAS 16, this item includes land and buildings used for own activities.
Land and buildings (self-used) are measured applying the cost model set out by IAS 16. The cost of the self-used property comprises purchase price and any directly attributable expenditure.
The depreciation is systematically calculated applying specific economic/technical rates which are determined locally in accordance with the residual value over the useful economic life of each individual component of the property. For the purposes of determining the useful life of the different types of properties, the Group has adopted appropriate internal procedures which have led to determining a useful life of between 20 and 125 years.
Land and buildings (self-used) are measured at cost less any accumulated depreciation and impairment losses. Land and agricultural properties are not depreciated but periodically tested for impairment losses. Costs, which determine an increase in value, in the functionality or in the expected useful life of the asset, are directly charged to the assets to which they refer and depreciated in accordance with the residual value over the assets' useful economic life. Cost of the day-to-day servicing are charged to the profit and loss account.
For land and buildings underlying contracts with direct participation features (for a share at least equal to or greater than 50%), the Group adopts fair value measurement through profit or loss, according to the model foreseen by IAS 40 and in line with provisions of paragraph 29A of IAS 16. For additional details on the measurement of these land and buildings, please refer to section *Fair Value*.
This item also includes right of use of leased assets that are allocated to the specific balance sheet items based on the nature of the assets and that are accounted for according to IFFRS 16. For further information please refer to section *Leasing*.

Other tangible assets

Property, plant, equipment, furniture and property inventories are classified in this item as property inventory. In particular, property, plant, equipment and furniture, as provided by IAS 16, are initially measured at cost and subsequently recognised net of any accumulated depreciation and any impairment losses. They are systematically depreciated on the basis of economic/technical rates determined in accordance with their residual value over their useful economic life. Other tangible assets are depreciated over useful lives of between 2 and 16 years.
Inventories, as stated by IAS 2 - Inventories, are measured at the lower of cost (including cost of purchase, cost of conversion and cost incurred the inventories to their present location and condition) and net realizable value, i.e. the estimated selling price in the ordinary course of business less the estimated cost of completion and costs to sell. An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
This item also includes right of use of leased assets that are allocated to the specific balance sheet items based on the nature of the assets and that are accounted for according to IFFRS 16. For further information please refer to section *Leasing*.

Capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Insurance assets and liabilities

The IFRS 17 standard establishes the accounting rules for insurance contracts based on a measurement model structured on a Building Block Approach based on the Fulfilment Cash Flows (FCF), which comprise the present value of future cash flows, weighted by the probability of occurrence (Present Value of Future Cash Flows – PVFCF), and the adjustment for non-financial risk (Risk Adjustment - RA), and on the expected value of the unearned profit for the services provided (Contractual Service Margin - CSM). The adoption of a simplified approach (Premium Allocation Approach - PAA) is allowed if the contractual coverage period is less than one year or if the model used for the measurement provides a reasonable approximation with respect to the building block approach. The simplification applies to the measurement of the Liability for Remaining Coverage (LRC), which does not have to be broken down into PVFCF, RA and CSM, but is essentially based on the premium received net of acquisition costs. As it pertains to the Liability for Incurred Claims (LIC), the measurement is applied consistently with the General Measurement Model (GMM), for which all the claims occurred are subject to discounting and the calculation of the Risk Adjustment is executed accordingly.

The Variable Fee Approach (VFA) is envisaged for contracts entailing the direct participation of the policyholders in the Company's financial and/or insurance results; this is an alternative model to GMM, which provides for a different treatment of changes in cash flows linked to financial variables whose impact is rep orted in the CSM rather than directly in the other comprehensive income.

Insurance revenues and costs for insurance services gross of reinsurance will be presented with the reinsurance result included in the costs of the insurance service. Pursuant to the IFRS 17, insurance liabilities are subject to discounting; the periodic unwinding of discounting will be a financial charge included in the financial result.

Scope and separation of components of an insurance contract

IFRS 17 provisions apply to all contracts that meet the definition of an insurance contract, including:
- insurance contracts, including reinsurance contracts (i.e., assumed business), issued;
- reinsurance contracts held; and
- investment contracts with discretionary participation features (DPF) issued if the entity also issues insurance contracts.

A contract is classified as an insurance contract based on assessment of the significance of the insurance risk transferred to the entity issuing the policy, agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

The Group has classified policies of the Life segment as insurance contracts or investments contracts on the basis of the following steps:
- identification of the characteristics of products (guarantees/options, discretionary participation features) and services provided;
- determination of the level of insurance risk in the contract;
- application of the applicable international principle.

Insurance contracts create a bundle of rights and obligations that work together to generate a package of cash flows. Indeed, while some types of insurance contracts only provide insurance coverage (e.g., most short-term non-life contracts), other types of insurance contracts could contain one or more components that would be within the scope of another Standard if they were separate contracts. For example, some insurance contracts may contain:
- investment components (e.g., pure deposits, such as financial instruments whereby an entity receives a specified sum and undertakes to repay that sum with interest);
- good and service components (e.g., services other than insurance contract services, such as pension administration, risk management services, asset management or custody services); and
- embedded derivatives (e.g., financial derivatives, such as interest rate options or options linked to an equity index).

In certain cases, specifically defined by IFRS 17, the above-mentioned components must be separately considered and measured under another IFRS standard.

IFRS 17 requires separating from the host contract the distinct investment components only. Indeed, the investment component is distinct if, and only if, both of the following criteria are met:
- the investment component and the insurance component are not highly interrelated. The two components are highly interrelated if the value of one component varies with the value of the other component and hence the entity is unable to measure each component without considering the other one. The components are also highly interrelated if the policyholder is unable to benefit from one component unless the other is also present;
- a contract with terms equivalent to the investment component is sold, or could be sold, separately in the same market or same jurisdiction.

If the investment component does not satisfy the two conditions above, it would be identified as non-distinct and IFRS 17 would apply on the contract as a whole (no separation from host contract).

With reference to service component, the latter is considered as a separate component when cash flows and its associated risks are not closely related with the one arising from the primary insurance contract and therefore there is no evidence of an integration between service and insurance component.

Level of aggregation

IFRS 17 requires that an entity should aggregate issued contracts at inception in groups for recognition, measurement, presentation and disclosure. The groups are established at initial recognition and their composition shall not be reassessed subsequently.

The starting point for aggregating contracts is to identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together.

The assessment of “similar risks” should take into consideration the prevailing risks of the contracts. In case the prevailing risks are similar, then two contracts can be considered as exposed to similar risks.

The Group apply level of aggregation criteria requested by IFRS17 valuing portfolios of contracts on the basis of a variety of characteristics that consider underlying contracts risk as well as products features that can influence management and profitability of contracts. A non-exhaustive list of segmentation drivers can be represented by:
- line of business;
- individual policies vs group policies;
- contract features that imply different measurement models (e.g. multiyear vs annual contracts or participating contract vs non participating contract).

Group also considers currency segmentation as driver for portfolio definition when it has a significant impact on profitability.
In case of mutualised business, the "mutualised portfolio" is generally set in line with the level of granularity where mutualisation applies.

With reference to reinsurance contracts, the Group's position is that a portfolio of reinsurance contracts could be composed by one or more reinsurance treaties grouped together that are managed together if exposed to similar risks. Type of coverage (proportional or non-proportional, Loss Occurring or Risk Attaching), as well as the nature of reinsurance contracts, can be considered as drivers that may be used to determine whether reinsurance contracts belong to the same portfolio.

The contracts in each portfolio shall be divided on initial recognition into the following groups:
- group of contracts that are onerous at initial recognition;
- group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- group of the remaining contracts in the portfolio.

Same group of contracts cannot include contracts issued more than one year apart in the same group. Therefore, each portfolio should be disaggregated into annual cohorts, or cohorts consisting of periods of less than one year. The Group applies the amendment done in the endorsement phase of IFRS 17 that, at Art.2 of European Commission Regulation (EU) 2021/2036, grants an entity applying IFRS 17 the option (i.e., Carve-out option) to not to apply the requirement laid down in paragraph 22 of the IFRS 17 (i.e., annual cohort requirement) to:
- groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features as defined in Appendix A to the Annex to the Regulation , and with cash flows that affect or are affected by cash flows to policyholders of other contracts as laid down in paragraphs B67 and B68 of Appendix B of that Annex;
- groups of insurance contracts that are managed across generations of contracts and that meet the conditions laid down in Article 77b of Directive 2009/138/EC and have been approved by supervisory authorities for the application of the matching adjustment.

Measurement models

General Model Measurement

The GMM represents the standard measurement model envisaged by the standard for the measurement of insurance assets and liabilities.

Within the Life segment, the Group applies the GMM measurement model mainly to pure risk multiyear products and traditional savings policies not eligible for application of the VFA business. Within the P&C segment, the broad eligibility for the simplified PAA model determines a residual application of the standard measurement model.

Variable Fee Approach

The VFA is the mandatory measurement model to be applied for insurance contracts with direct participation features.

The Group classifies as contract with direct participation features (i.e. direct participating contract) a contract for which:
- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items,
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substan tial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

In addition to the transfer of significant insurance risk to the issuer, a direct participating contracts includes a significant investment-related service. Underlying items can include different type of items such as a reference portfolio of assets, technical items, the net assets of the entity, or a specified subset of the net assets of the entity. The nature of underlying items mainly depends on local regulation and products' features.
The Group assesses whether the conditions above are met using its expectations at inception of the contract and do not expect the repeat the assessment unless the contract is modified.

The Group applies the VFA predominantly to the insurance portfolio of the Life segment. The VFA measurement model is mainly applied to traditional savings policies underwritten in the EU market and unit-linked policies. For contracts characterised by direct participation features and with cash flows that affects or are affected by cash flows to policyholder of other contracts, the Group make use of the exemption from the application of the requirement of annual cohorts (i.e. carve-out option). Finally, as part of this approach, the Group applies for some groups of contracts the option provided for in paragraph B115 of IFRS 17 (so-called risk mitigation option).

Premium Allocation Approach

This is a simplified method for the measurement of insurance contracts. It can be applied for contracts having a coverage period shorter than one year or when the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the standard measurement model. Using the Premium Allocation Approach, the Liability for Remaining Coverage is equal premiums received at initial recognition less any insurance acquisition cash flows and any amounts recognized on a pro-rata temporis basis as insurance revenue at the closing date. The GMM remains applicable for the measurement of the Liability for Incurred Claims.

This model is predominantly applied to the insurance portfolio of the P&C segment. With reference to the life segment, the application of this measurement model is limited only to groups of contracts with a duration not exceeding one year.

Initial recognition

A group of insurance contracts issued is recognized from the earliest of the following events:
- the beginning of the coverage period;
- the date when the first payment from a policyholder in the group becomes due;
- for a group of onerous contracts, when the group becomes onerous.

With reference to reinsurance contracts held, the initial recognition is set:
- at the beginning of the coverage period, except reinsurance contracts for which the initial recognition is postponed until the date that the underlying insurance contract is initially recognised;
- at the date the entity recognizes an onerous group of underlying insurance contracts if the entity entered into the related reinsurance contract at or before that date.

Initial recognition of contracts acquired in a transfer of insurance contracts or in a business combination is set at acquisition date.

Contract boundaries valuation on initial recognition

The measurement of a group of insurance contracts includes all the expected cash flows within the boundary of each contract within the group. Generali Group considers the contract boundary requirements as linked to the entity ability to fully reprice a contract. All future premiums and policyholder options should be included in the initial projections if the entity does not have the ability to fully reprice the contract when the premium is paid/the option is exercised.
According to this requirement, the contract boundaries will be set considering the insurance contract as a whole and not considering each single component independently, leading to difference compared to the current approach applied in Solvency II, with particular reference to multi-risk contracts, where different risk components may have different contracts boundaries.

On initial recognition, groups of insurance contracts are valued as the sum of:
- Fulfilment Cash Flows, that include the discounted and probability weighted estimate of future cash flows, and the Adjustment for Non-financial Risks; and
- the Contractual Service Margin.

Expected Future Cash Flows

Expected Future Cash Flows are the first element of Fulfilment Cash Flows and represents an estimate of future cash flows within the contract boundary.
The estimate of future cash flows shall: i) incorporate, in an unbiased way, all reasonable and supportable information available; ii) reflect the perspective of the entity, provided that the estimates of any relevant market variables are consistent with observable market prices for those variables, iii) be current and iv) be explicit.

Where not required by specific regulatory requirements, the operating assumptions underlying the projections of Expected Future Cash Flows are generally in line with the ones adopted by the Group within the Solvency II framework. However, as regard expense perimeter, differences may arise because of the IFRS 17 requirement envisaging that only expenses directly attributable to insurance and reinsurance contracts must be considered for the measurement of Expected Future Cash Flows.

Time value of money (discount rates)

IFRS 17 requires adjusting the estimates of expected cash flows to reflect the time value of money and the financial risks associated with those cash flows to the extent that the financial risks are not already included in the cash flow estimates.

In order to comply with the market consistent approach prescribed by the principle, the Group will apply a bottom-up approach to define the discount rates to apply to insurance and reinsurance contracts, consistently with Solvency II framework, where appropriate.

In detail, the Group's position is to apply a risk neutral approach for IFRS 17 both for participating and non-participating business for the purpose of fulfilling market consistency requirements. In this context, the IFRS 17 discount curve, for each currency in the portfolio, will be determined as the sum of:

- a risk-free base curve; and
- an adjustment for the illiquidity premium (so-called IFRS 17 adjustment).

As regards the risk-free base curve, the approach is aligned with the parameterization and the current Solvency II method. In particular, the same extrapolation algorithm is applied (i.e., the Smith-Wilson method) and the same convergence rate (i.e. ultimate forward rate) is used for all currencies.

To determine the IFRS 17 adjustment, the Group considers the average spread of a reference asset portfolio, adjusted to exclude credit risk components (i.e., risk corrections) and the effect of potential misalignments of cash flows of underlying assets with respect to the portfolio of liabilities. In particular:

- for the GMM and PAA businesses, the same Solvency II adjustment is used (i.e., the volatility adjustment);
- for the VFA business, an adjustment for the specific illiquidity premium is calibrated for each insurance company in order to ensure a better economic representation of the life business and avoid creating artificial volatility in the balance sheet and in the income statement due to the movement of market spreads.

The illiquidity premium of the VFA business is based on the following Group entity specific characteristics:

- asset mix (instead of the EIOPA reference portfolio considered by Solvency II);
- a duration ratio aimed to better reflect the assets and liabilities matching (instead of 65% required by Solvency II)).

Tables below include the zero-coupon rate of the main markets in which the Group operates, divided for VFA e not-VFA portfolios.

IFRS 17 discounting curve ZC - Contract portfolios measured under VFA

Currency	Italy		France		Germany		Austria		Switzerland		Czech Republic		China	
	EUR		EUR		EUR		EUR		CHF		CZK		CNY	
Maturity (years)	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	4.15%	4.03%	3.86%	3.72%	3.85%	3.72%	3.77%	3.63%	1.25%	1.60%	5.19%	6.51%	2.15%	2.44%
2	3.48%	4.14%	3.19%	3.83%	3.18%	3.83%	3.10%	3.74%	1.22%	1.69%	4.14%	6.23%	2.19%	2.63%
3	3.23%	4.05%	2.94%	3.74%	2.93%	3.74%	2.85%	3.65%	1.18%	1.78%	3.68%	5.78%	2.29%	2.80%
4	3.14%	4.00%	2.85%	3.69%	2.84%	3.69%	2.76%	3.60%	1.15%	1.87%	3.49%	5.36%	2.40%	2.93%
5	3.11%	3.98%	2.82%	3.67%	2.81%	3.67%	2.73%	3.58%	1.13%	1.95%	3.41%	5.05%	2.51%	3.04%
6	3.11%	3.96%	2.82%	3.65%	2.81%	3.65%	2.73%	3.56%	1.14%	2.01%	3.37%	4.87%	2.58%	3.12%
7	3.12%	3.94%	2.83%	3.63%	2.82%	3.63%	2.74%	3.54%	1.16%	2.06%	3.36%	4.75%	2.63%	3.19%
8	3.14%	3.94%	2.85%	3.63%	2.84%	3.63%	2.76%	3.54%	1.18%	2.11%	3.36%	4.68%	2.68%	3.26%
9	3.16%	3.94%	2.87%	3.63%	2.86%	3.63%	2.78%	3.54%	1.21%	2.15%	3.37%	4.64%	2.73%	3.31%
10	3.18%	3.94%	2.89%	3.63%	2.88%	3.63%	2.80%	3.54%	1.24%	2.18%	3.38%	4.60%	2.78%	3.37%
15	3.26%	3.87%	2.97%	3.56%	2.96%	3.56%	2.88%	3.47%	1.41%	2.27%	3.42%	4.49%	3.03%	3.58%
20	3.20%	3.61%	2.91%	3.30%	2.90%	3.30%	2.82%	3.21%	1.56%	2.27%	3.44%	4.38%	3.26%	3.73%
25	3.18%	3.49%	2.91%	3.20%	2.90%	3.20%	2.83%	3.11%	1.69%	2.24%	3.45%	4.26%	3.43%	3.84%
30	3.20%	3.44%	2.95%	3.18%	2.94%	3.18%	2.88%	3.10%	1.78%	2.20%	3.46%	4.17%	3.57%	3.93%
35	3.22%	3.42%	3.00%	3.19%	2.99%	3.19%	2.93%	3.12%	1.86%	2.16%	3.46%	4.08%	3.69%	3.99%
40	3.23%	3.41%	3.04%	3.20%	3.03%	3.20%	2.98%	3.14%	1.93%	2.13%	3.46%	4.02%	3.78%	4.05%
45	3.25%	3.41%	3.08%	3.22%	3.07%	3.22%	3.03%	3.17%	1.98%	2.09%	3.46%	3.96%	3.85%	4.09%
50	3.27%	3.41%	3.11%	3.24%	3.11%	3.24%	3.06%	3.19%	2.02%	2.07%	3.46%	3.91%	3.91%	4.13%

IFRS 17 discounting curve ZC - Contract portfolios measured under non - VFA

Currency	EUR		CHF		CZK		CNY	
Maturity (years)	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	3.56%	3.37%	1.14%	1.48%	5.34%	6.75%	1.97%	2.16%
2	2.89%	3.48%	1.11%	1.57%	4.29%	6.47%	2.01%	2.35%
3	2.64%	3.39%	1.07%	1.66%	3.83%	6.02%	2.11%	2.52%
4	2.55%	3.34%	1.04%	1.75%	3.64%	5.60%	2.22%	2.65%
5	2.52%	3.32%	1.02%	1.83%	3.56%	5.29%	2.33%	2.76%
6	2.52%	3.30%	1.03%	1.89%	3.52%	5.11%	2.40%	2.84%
7	2.53%	3.28%	1.05%	1.94%	3.51%	4.99%	2.45%	2.91%
8	2.55%	3.28%	1.07%	1.99%	3.51%	4.92%	2.50%	2.98%
9	2.57%	3.28%	1.10%	2.03%	3.52%	4.88%	2.55%	3.03%
10	2.59%	3.28%	1.13%	2.06%	3.53%	4.84%	2.60%	3.09%
15	2.67%	3.21%	1.31%	2.15%	3.57%	4.73%	2.87%	3.32%
20	2.61%	2.95%	1.48%	2.16%	3.58%	4.60%	3.12%	3.51%
25	2.63%	2.87%	1.61%	2.14%	3.58%	4.46%	3.32%	3.65%
30	2.70%	2.89%	1.72%	2.11%	3.58%	4.34%	3.47%	3.76%
35	2.77%	2.93%	1.81%	2.08%	3.57%	4.24%	3.60%	3.85%
40	2.84%	2.98%	1.88%	2.06%	3.56%	4.15%	3.70%	3.92%
45	2.90%	3.02%	1.94%	2.03%	3.55%	4.08%	3.78%	3.98%
50	2.95%	3.06%	1.98%	2.01%	3.54%	4.02%	3.85%	4.03%

Risk Adjustment

The Risk Adjustment corresponds to the component of the insurance liability that captures the uncertainty the entity bears on the amount and timing of cash flows arising from non-financial risk. In evaluating the Risk Adjustment, the Group considers the following scope of risks:

- Life and Health Underwriting risks (i.e., mortality and mortality catastrophe, longevity, lapse, morbidity);
- P&C Underwriting risks (i.e., Reserving risk and Pricing risk, Lapse and CAT risks);
- Expense risk.

The Group RA reflects the risk diversification at legal entity level only, not benefitting from diversification among different legal entities and between life and property & casualty segments.

Differently from Solvency II framework for which the Cost of Capital method is applied to quantify the Risk Margin, IFRS 17 does not prescribe a specific method to calculate the Risk Adjustment. In this context, the Group defines the RA as the value at risk at the 75th percentile of the PVFCF probability distribution, leveraging on methodology and calculation models developed for the Solvency II Internal Model, and therefore with the so called "one-year view" for the calibration of the underlying shocks, anyway, applied over the whole cash flows projection.

For the sake of comparison, please note that the 75-th percentile applied by the Group adopting a "one-year" approach is estimated to be approximately equivalent, at Group level, to the following percentiles determined on the basis of an "ultimate" view, i.e., considering a risk distribution that reflects cash -flows volatility on a multi-year horizon, consistent with liability's duration:

- the 60-th percentile for Life segment – assuming a normal distribution of future cash flows;
- the 70-th percentile for P&C segment – deriving from "ultimate" distribution of P&C Underwriting risks.

Contractual Service Margin

The Contractual Service Margin reflects the estimate of the unearned profit of a group of insurance contracts that has not yet been recognized in profit or loss at the reporting date, because it relates to future service still to be provided.

The carrying amount of the CSM at the end of the reporting period is equal to the carrying amount at the beginning of the reporting period adjusted by:

- the New Business contribution;
- the impact of changes in non-financial variables on future fulfilment cash flows or experience variances of the reporting period related to future services (i.e., operating variances). Not exhaustive examples of these variances, can be represented by updates of operating assumptions or by differences between expected and observed cash flows relating to non-distinct investment components (e.g., surrenders for savings products);
- the impact of financial variables on current and future fulfilment cash flows (i.e., economic variances), which includes:
  - under GMM measurement model, interest accreted on CSM. Interest accreted is determined on the basis of discount rates identified at the date of initial recognition of the group of contracts (the so called locked- in rate);
  - under VFA measurement model, the unwinding of discount on the carrying amount of the CSM determined at current rates, the systematic economic variance due to the expected realization of the real- world assumptions over risk-free rates in the reporting period and the other non-systematic economic variances;
- the effect of currency exchange differences;
- CSM release in the income statement including both the systematic economic variance due to expected realization of real-world assumptions over risk-free rates and a quota of opening CSM, new business, operating variances, unwinding and non-systematic economic variances based on the pattern of services rendered over time defined by means of appropriate coverage units.

Contractual Service Margin release

IFRS 17 requires to calculate the release of CSM in accordance to the pattern of the coverage units that are determined by considering for each contract the quantity of the benefits provided to the policyholder and its expected coverage duration.

Depending on the type of service provided, the coverage unit and the related quantity of benefit are defined by the Group Legal entities following centrally defined Group rules that varies on the basis of product's features and type of coverage:

- in case of Saving contracts, the coverage units are generally defined as a function of the assets under management;
- in case of contracts providing only insurance services, the coverage units are generally defined as a function of the sum insured;
- in case of contracts that envisages a bundling of services, hybrid approaches are generally adopted (e.g., combination of assets under management and sum insured).

Future coverage units used to determine the CSM release are generally discounted. In details:

- for GMM business, coverage units are discounted using the reference locked -in curve of each group of insurance contracts,
- for VFA business, in order to avoid undue CSM release volatility caused by the fluctuations of interest rates, a 10- year rolling weighted average curve is applied.

The coverage unit mechanics spread over the duration of the insurance contracts the opening and new business CSM as well as the variances, including the systematic economic variance, defined as the impact on the CSM of the excess of real-world returns over risk-free rates over a projection horizon that is consistent with the reporting period.
According to the Group's position, this "systematic" variance reflects the investment-related services provided to the policyholder and, as such, consistently with IFRS 17 requirements, is considered as an adjustment to the coverage units of the reporting period. This approach allows to avoid the deferral of the systematic economic variance and its concentration towards the end of the projection horizon (so called "bow-wave" effect).
The systematic variance is determined with expected hypotheses defined at the beginning of the reporting period assuming that a long-term risk premium (so-called over-the-cycle) is achieved for some classes of risky assets; for the Euro area for example:
- for equity investments, the Group applies a risk premium of 4% above the yield of the ten-year German government bond,
- for real estate investments, the Group applies a risk premium of 3% above the yield of the ten-year German government bond,
- for investments in private equity the Group applies a risk premium of 6.5% above the yield of the ten-year government bond.

No risk premium is taken into account for corporate and government bonds, as market risk-adjusted spreads are already included in the illiquidity premium.

Acquisition cash flows

Insurance acquisition cash flows (IACF) are generally identified under IFRS 17 with reference to those acquisition costs incurred at initial recognition of insurance contracts. Any insurance acquisition cash flows paid in advance (i.e., before the coverage period starts) or unconditionally paid to the distribution channels embedding a renewal probability are considered out of contractual boundaries and recognized as an asset. In applying the PPA model, the insurance acquisition cash flows occurred after the inception date are not recognize as expenses if paragraph 59(a) of IFRS 17 applies.
The IACF asset is allocated on a systematic basis on the group of insurance contracts to which they belong to. Consequently, the allocated amount of IACF asset is recognized as part of:
- the fulfilment cash flows and reduce the CSM of the related group of contracts for contracts measured under GMM and VFA;
- the liability for remaining coverage for contracts measured under PAA.

When applying GMM and VFA, the amortisation of the IACF asset follows the same coverage unit pattern used for releasing the CSM. If, however, the IACF asset relates to insurance contracts accounting for under the PAA model, the amortisation follows the release of the LRC.
For group of contracts to be recognized or for the future renewals or for contracts that have a delay in the beginning of the coverage, in case the expected net inflow (including Risk Adjustment) does not exceed the IACF assets, an impairment of the asset should be considered and reported in profit or loss. At each reporting date, if a reversal of impairment is recognized based on the outcome of the impairment test, the IACF asset is increased, and a gain is recognized in profit or loss.

Insurance finance income and expenses

The Group applies the disaggregation approach to its existing portfolio of insurance contracts issued and reinsurance contracts held recognizing any change in discount rates into other comprehensive income. This accounting policy choice is applied consistently at the level of a portfolio of insurance contracts issued and reinsurance contracts held.

Investments

Land and Buildings (Investment Properties)

In accordance with IAS 40, this item includes land and buildings held to earn rentals or for capital appreciation or both. Land and buildings for own activities and property inventories are instead classified as tangible assets.
To measure the value of land and buildings (investment properties), the Group applies the cost model set out by IAS 40 and adopts the depreciation criteria defined by IAS 16. Please refer to the paragraph on land and buildings (self-used) for information about criteria used by the Group.
For investment properties underlying contracts with direct participation features (for a share at least equal to or greater than 50%), the Group adopts fair value measurement through profit or loss, in line with provisions of paragraph 32A of IAS 40. For additional details on the measurement of these land and buildings, please refer to section *Fair Value*.

Leases of land and buildings are accounted for according to IFRS 16. For further information please refer to section *Leasing*.

Investments in subsidiaries, associated companies and joint ventures

This item includes investments in subsidiaries and associated companies valued at equity or at cost. Immaterial investments in subsidiaries and associated companies, as well as investments in associated companies and interests in joint ventures valued using the equity method belong to this category.

For investments in subsidiaries, associated companies and joint ventures underlying contracts with direct participation features (for a share at least equal to or greater than 50%), the Group adopts fair value measurement through profit or loss, in line with provisions of paragraph 18 of IAS 28. For additional details on the measurement of these investments, please refer to section *Fair Value*.

A list of such investments, excluding investments in subsidiaries, associated companies and joint ventures at cost, is shown in attachment to this Consolidated financial statement.

Financial assets

IFRS 9 envisages a classification approach for financial instruments based on models through which financial instruments are managed (business models) and on their contractual cash flow characteristics (SPPI test - Solely Payments of Principal and Interest).

The standard identifies three possible business models:
- “Hold to collect” with the aim of holding financial assets to maturity and collecting the contractual cash flows.
- “Hold to collect and sell” with the aim of holding financial assets, both to collect the contractual cash flows and to realise gains from their sale.
- “Other” which covers all cases not included in the previous two business models.

The “Hold to collect and sell” model is the main business model for the Group. There are a limited number of exceptions, largely referring to the banking business, for which the specific business characteristics were considered in determining the main business model and were consistently reflected in the accounting classification of the related portfolios.

In addition to the analysis related to the business model, the standard requires analysis of the contractual terms of financial assets. To allow their classification at amortised cost or at fair value through other comprehensive income, cash flows generated by the financial asset must be represented by Solely Payments of Principal and Interest (SPPI test). This analysis is conducted, in particular, for debt securities and loans, at individual financial instrument level, and from the moment of initial recognition in the financial statements.

The contractual cash flow analysis for a financial asset must be based on the general concept of “basic lending arrangement”. Where specific contractual clauses introduce exposure to risk or volatility of contractual cash flows that are not consistent with this concept, the contractual flows are not compliance with the SPPI requirements (e.g., cash flows exposed to changes in share, index or commodity prices). If there are contractual conditions that modify the time value of money element, a “benchmark cash flows test” should be performed - considering quantitative and qualitative elements - to confirm whether the contractual cash flows still satisfy the SPPI requirements.

In accordance with the results of the business model and SPPI test, financial assets can be classified in the following accounting categories.

Financial assets at amortised cost

Financial assets at amortised cost include debt instruments managed under the “Hold to collect” business model, the contractual terms for which are represented solely by payments of principal and interest (SPPI test passed).

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include debt instruments managed under the “Hold to collect and sell” business model, the contractual terms for which are represented solely by payments of principal and interest (SPPI test passed). Moreover, this category includes equity instruments held in portfolios other than those covering contracts underlying insurance contracts with direct participation features (VFA business), for which the Group has adopted the option of designation at fair value through other comprehensive income without recycling in the income statement.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include all financial assets managed under the "Other" business model and financial assets compulsorily measured at fair value due to failing the SPPI test.

For equity instruments, the standard requires the measurement at fair value through profit or loss, except for instruments that are not held for trading purposes, for which the option of irrevocable designation at fair value through other comprehensive income is adopted. If this option is adopted, income components other than dividends cannot be recycled in the income statement.

There is also the option, on initial recognition, to designate a financial instrument at fair value through profit or loss if that would eliminate or significantly reduce the accounting mismatch in the measurement of assets or liabilities or recognition of gains and losses related to them.

Other financial assets

The category includes other financial assets not included in item Investments, such as trade receivables, receivables towards insurance intermediaries and financial assets referred to in IFRS 15 – Revenue from Contracts with Customers.

Impairment

In line with IFRS 9 accounting standard dictates, Generali Group introduced an impairment model to determine expected credit losses (ECL) in accordance with the principle's guidelines which recommends, for each financial instrument categorized as either bond, loans or trade receivables and it is accounted for as amortised cost or fair value through other comprehensive income, the assessment of its credit risk (probability of default, PD) and potential consequential loss (loss given default, LGD) necessary to determine the corresponding expected loss.
Above mentioned parameters must be estimated based on all information available without undue costs or efforts regarding past events, current economic situation, and future forecasts, and considering a pool of possible scenarios. The Group decided to determine expected losses starting from three scenarios: a baseline one and two alternative scenarios, respectively an optimistic and a conservative one both compared to the central estimate of the evolution of macroeconomic variables.
The standard foresees also three different credit risk stages in which an entity should classify various financial assets:

- in the first stage falls all debt securities and loans that do not show a significant increase in credit risk since the initial recognition date or that present low credit risk at reporting date. For these assets, expected losses for the next 12 months (one year ECL) are recognized in the income statement. Interest income recognized on these assets is calculated on the gross carrying amount of the financial asset.
- the second stage includes all debt instruments and loans that, at reporting date, present a significant increase in credit risk compared to the initial recognition, but do not show evidences of impairment. For these assets, expected losses resulting from all possible default events over the entire remaining life of the instrument (lifetime ECL) are recognized in the income statement. Interest income recognized on these assets is calculated on the gross carrying amount of the financial asset.
- the third stage consist of all debt instruments and loans that show evidence of impairment. For these assets, the expected loss is defined as the difference between the present value of contractual cash flows and the present value of cash flows estimated in relation to the default process. Interest income recognized on these assets is calculated on the net carrying amount of the financial assets.

With regards to its own investment portfolio and the assessment of expected losses, Generali Group has devised two distinct models, tailored to the unique characteristics of main financial asset classes within the portfolio. Specifically:

- bonds and bond likes; and
- trade receivables and loans to individuals.

Regarding investments in Bond and bond likes, the calculation of expected credit losses is based on the assessment of each single position, intended as the sum of exposures to a specific instrument which have identical characteristics at the time of acquisition.
The identified positions undergo an evaluation that quantifies their creditworthiness, considering the respective sector and country of risk, thereby defining a specific probability of default and consequential loss.
More in detail, the definition of probability of default, intended as the inability to meet the expected payment of principal or interest, originates from the quantification of the generic credit risk (through the cycle) of the issuer, expressed through the usage of credit ratings. Subsequently, each position is associated with a probability of default related to the issuer's credit risk in the specific economic context (point in time) and with a probability of default related to future expectations (forward-looking) according to specific models designed to consider sector and country of risk characteristics.
These pieces of information are used both for estimating the twelve-month probability of default and the lifetime probability of default. Subsequently, the same quantitative information, combined with qualitative elements and managerial assessments, is utilized to define any significant increase in credit risk.
It is worth noting that within the methodologies used by the Group for quantifying the significant increase in credit risk, the so-called low credit risk exemption is not directly taken into account, whereas for what regards the classification within the third stage, the process can originate from by the quantitative results of the stage allocation process or by a managerial decision, but it is always subjected to a final approval by a dedicated internal committee.

The probability of default thus identified, combined with a loss given default also parameterized at single instrument level, based on issuer's characteristics and debt seniority, is then attributed to each single position exposure at default, in order to finally determine the expected credit loss.
For what concerns trade receivables and loans to individuals, also referred to as 'other than bonds,' a dedicated ECL model has been defined to allow the quantification of the probability of default, despite their intrinsic characteristics that do not permit the use of public or market information (e.g., ratings).
According to this model, the probability of default and the related loss given default result from a retrospective analysis of each company's portfolio. This analysis aims to identify trends and define risk classes among companies' positions, which are then used to classify borrowers based on the duration of non-performing periods and subsequently define corresponding PD and LGD.
In particular, starting from these risk classes and constantly observing the evolution of the loan portfolio over time, a point-in-time probability of default is then determined. This probability is subsequently transformed into a forward-looking estimate through the usage of a dedicated satellite model which aims at linking the evolution of the probability of default to specific macroeconomic indexes.
Also stage allocation process leverages on the analysis of non-performing positions and it foresees, for installment loans, the possibility of allocation to first, second, or third stage, while for trade receivables, a simplification allowed by IFRS 9 is applied where stage allocation process is bypassed, and expected credit losses are calculated directly throughout the instruments' entire life.
It is worth noting that, given the heterogeneous composition of trade receivables and loans to individuals portfolios within Group's companies, as well as the Group's nature of financial conglomerate, the adoption of specific local procedures is encouraged where deemed more suitable to the peculiarities of the business or operational context.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:
- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Other assets

Non-current assets or disposal groups classified as held for sale, tax receivables, deferred tax assets, and other assets not classified in other items of assets are classified in this item.

Non-Current Assets or Disposal Groups Classified as Held For Sale

This item comprises non-current assets or disposal groups classified as held for sale under IFRS 5. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification
They are measured at the lower of their carrying amount and fair value less costs to sell.
Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in profit or loss after tax from discontinued operations in the income statement.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences between the carrying amounts of assets and liabilities and the corresponding amounts recognized for tax purposes.
In the presence of tax losses carried forward or unused tax credits, deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the aforementioned tax losses or unused tax credits.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are measured at the tax rates that are expected to be applied in the year when the asset is realized, based on information available at the reporting date.
Deferred tax assets are not recognized in the following cases provided in paragraph 24 of IAS 12:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised;
- for all deductible temporary differences between the carrying amount of assets or liabilities and their tax base to the extent that it is probable that taxable income will be available, against which the deductible temporary differences can be utilised.

Tax receivables

Receivables related to current income taxes as defined and regulated by IAS 12 are classified in this item. They are accounted for based on the tax laws in force in the countries where the consolidated subsidiaries have their offices.
Current income tax relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other assets

This item comprises deferred commissions for investment management services related to investment contracts. Deferred fee and commission expenses include acquisition commissions related to investment contracts without DPF fair valued as provided for by IFRS 9 as financial liabilities at fair value through profit or loss. Acquisition commissions related to these products are accounted for in accordance with the IFRS 15. For further information please refer to paragraph Revenues from contracts with customers within to scope of IFRS 15.
Deferred commissions for investment management services are amortised, after assessing their recoverability in accordance with IAS 36.
Tax credits not arising from Income Taxes, therefore out of the scope of IAS 12 (including tax credits acquired on the market) are also included among Other assets).

Cash and cash equivalents

Cash in hand and equivalent assets, cash and balances with banks payable on demand (including treasury current accounts with negative balances at the end of the period) and with central banks are accounted for in this item at their carrying amounts.
Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value are included in this item. Investments are qualified as cash equivalents only when they have a short maturity of 3 months or less from the date of the acquisition.

Balance sheet - Equity and Liabilities

Shareholder’s equity

Shareholder’s Equity Attributable to the Group

Share Capital

Ordinary shares are recognized as share capital and their value equals the nominal value.

Other equity instruments

The item includes preference shares and equity components of compound financial instruments.

Capital reserves

The item includes the share premium account of the Parent Company.

Revenue reserves and other reserves

The item comprises retained earnings or losses adjusted for the effect of changes arising from the first-time application of IAS/IFRS (including IFRS 9 and IFRS 17), the reserve deriving from the derecognition of equity instruments designated at fair value through other comprehensive income, the reserve for changes in fair value with impact on other comprehensive income of investments in subsidiaries, associated companies and joint ventures measured at fair value, the reserve deriving from the application of the IAS 29, reserves for share-based payments, legal reserves envisaged by the Italian Civil Code and special laws before the adoption of IAS, as well as reserves from the consolidation process.

Own shares

As provided for by IAS 32, the item includes equity instruments of the Parent company held by the same company or by its consolidated subsidiaries.

Valuation reserves

The item mainly includes:
- exchange differences to be recognised in equity in accordance with IAS 21, which derive from accounting for transactions in foreign currencies and from the translation of subsidiaries' financial statements denominated in foreign currencies;
- gains or losses arising from changes in the fair value of financial assets at fair value through other comprehensive income, as previously described in the corresponding item of investments. The amounts are accounted for net of the related deferred taxes and deferred policyholder liabilities;
- gains or losses arising from changes in the fair value of equity instruments designated at fair value through other comprehensive income, as previously described in the corresponding item of investments. The amounts are accounted for net of the related deferred taxes and deferred policyholder liabilities;
- finance income and expenses related to existing insurance contracts issued and reinsurance contracts held for which the Group applies the disaggregation approach;
- gains or losses on cash flow hedging instruments and gains or losses on hedging instruments of a net investment in a foreign operation;
- profits and losses relating to defined benefit plans; and
- the part of the balance sheet reserves whose variation is part of the comprehensive income of participations and those relating to non-current assets or disposal groups classified as held for sale.

Shareholder's Equity attributable to minority interests

The item comprises equity instruments attributable to minority interests. It also includes also unrealized gains and losses on financial assets at fair value through other comprehensive income and any other gains or losses recognized directly in equity attributable to minority interests.

Result of the period attributable to the Group

The item refers to the Group consolidated result of the period. Dividend payments are accounted for after the approval of the shareholders' general meeting.

Result of the period attributable to minority interests

This item refers to the consolidated result of the period attributable to minority interests.

Other provisions

Provisions for risks and charges are provided only when it is deemed necessary to respond to an obligation (legal or implicit) arising from a past event and it is probable that an outflow of resources whose amount can be reliably estimated, as required by IAS 37 - 37 – Provisions Contingent Liabilities and Contingent Assets.
Within this item are also included financial guarantees issued within the scope of IFRS 9 and related loss allowance, commitments to provide a loan at a below-market interest rate and related loss allowance, and loss allowance on loan commitments that are not within the scope of IFRS 9.

Financial liabilities

Financial liabilities at fair value through profit or loss and financial liabilities at amortised cost are included in this item.

Financial liabilities at fair value through profit or loss

The item refers to financial liabilities at fair value through profit or loss, as defined and regulated by IFRS 9. In detail, it includes financial liabilities related to investment contracts where the investment risk is borne by the policyholders, other financial liabilities designated at fair value through profit or loss, as well as derivative liabilities.
IFRS 9 requires that the amount of change in fair value of financial liabilities at fair value through profit or loss attributable to changes in the credit risk of that liability shall be presented in other comprehensive income. The Group does not hold liabilities with own credit risk. The only financial liabilities designated at fair value through profit or loss are investment contracts, the value change of which is therefore linked to the underlying asset and not to credit risk of the liability.

Financial liabilities at amortised cost

The item includes financial liabilities measured at amortised cost within the scope of IFRS 9.
This item comprises both subordinated liabilities, which, in the case of bankruptcy, are to be repaid only after the claims of all other creditors have been met, and hybrid instruments.
Bond instruments issued are measured at issue price, net of costs directly attributed to the transaction. The difference between the aforesaid price and the reimbursement price is recognised along the duration of the issuance in the profit and loss account using the effective interest rate method.
Furthermore, it includes liabilities to banks or customers, deposits received from reinsurers, bonds issued, lease liabilities, other loans and financial liabilities at amortised cost related to investment contracts that do not fall under IFRS 17 scope.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Payables

This item includes other financial liabilities not included in item Financial liabilities. In particular within this item are included provisions for the Italian *trattamento di fine rapporto* (employee severance pay). These provisions are accounted for in accordance with IAS 19 - Employee Benefits.

Other liabilities

The item comprises liabilities not elsewhere accounted for. In detail, it includes liabilities directly associated with non-current assets and disposal groups classified as held for sale, tax payables and deferred tax liabilities and other liabilities.

Liabilities Associated With Non-Current Assets and Disposal Groups Classified As Held For Sale

The item includes liabilities directly associated with a disposal group, for which assets are equally classified as held for sale, as by defined by IFRS 5.

Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amount of assets and liabilities and their tax base, Deferred tax liabilities are measured at the tax rates that are expected to be applied in the year when temporary differences will be taxable, are based on the tax rates and tax laws enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
Deferred tax liabilities are not recognized in the following cases provided for in paragraph 15 of IAS 12:
- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Tax payables

The item includes payables due to tax authorities for current taxes. Current income tax relating to items recognised directly in equity is recognised in equity and in the comprehensive income, while not in the income statement. This item includes also the uncertainties in the accounting treatment of income taxes, as required by IFRIC 23 – Uncertainty over Income Tax Treatments.

Other liabilities

This item includes provisions for defined benefit plans, such as termination benefit liabilities and other long-term employee benefits (the Italian provision for *trattamento di fine rapporto* is excluded and classified within Payables). In compliance with IAS 19, these provisions are measured according to the project unit credit method. This method implies that the defined benefit liability is influenced by many variables, such as mortality, employee turnover, salary trends, expected inflation, expected rate of return on investments, etc. The liability recognised in the balance sheet represents the net present value of the defined benefit obligation less the fair value of plan assets (if any), adjusted for any actuarial gains and losses and any past service costs not amortised. The rate used to discount future cash flows is determined by reference to market yields on high-quality corporate bonds. The actuarial assumptions are periodically tested to confirm their consistency. The actuarial gains and losses arising from subsequent changes in variables used to make estimates are recognised shall be accounted for in other comprehensive income without any possibility of recycling to profit and loss. Deferred fee and commission income include acquisition loadings related to investment contracts without DPF, which are classified as financial liabilities at fair value through profit or loss, according to IFRS 9.
Acquisition loadings related to these products are accounted for in accordance with IFRS 15.

Profit and loss account

Insurance service result

This item includes insurance revenue and insurance expenses related to insurance contracts issued or reinsurance contracts held.

Insurance revenue from insurance contracts issued or from reinsurance contracts held

This item includes revenue from insurance contracts issued which reflect the portion of the consideration received from the policyholder which is deemed to be due for the services provided in the period. The recognition of insurance revenues in the income statement depends on the measurement model applied.
For insurance contracts that fall within the General Measurement Model or the Variable Fee Approach, the revenues recognized in the reference period are mainly represented by the release of the CSM (on the basis of the coverage units as better detailed in the chapter Contractual Service Margin release); by the adjustment for the non-financial risk relating to current services and from changes in liabilities for remaining coverage for incurred claims and other expenses for expected insurance services, in addition to the recovery of the relevant share of acquisition costs.
In the context of the Premium Allocation Approach model, the insurance revenues for the period are instead equal to the amount of expected premium receipts attributed to the period (excluding investment components) on the basis of the passage of time. In the event that the expected pattern of release of insurance risk during the coverage period differs significantly from the passage of time, a release model is identified on the basis of the expected timing of future claims and costs.

With reference to reinsurance contracts held, this item includes the amounts recovered from the reinsurers such as, for example, the amount of losses recovered on insurance contracts, in addition to the positive balance between recoveries and value adjustments connected with the expected losses arising from the risk of default by the reinsurer.

Insurance service expenses from insurance contracts issued or from reinsurance contracts held

Insurance service expenses from insurance contracts issued are mainly composed of:
- claims incurred during the year (excluding investment components) and other directly attributable expenses;
- change in liabilities for incurred claims;
- losses on onerous groups of contracts;
- commissions and expenses for the acquisition of insurance contracts, amortised or entirely recognised in profit or loss in the period;
- management expenses related to investments backing insurance contracts to which VFA is applied.

For reinsurance contracts held, expenses of the period are represented by the allocation of the premiums paid in the period, net of the amounts expected by the reinsurers which are not connected with the claims relating to the underlying insurance contracts, in addition to the other acquisition costs entirely recognized in profit or loss and the negative balance between recoveries and value adjustments connected with expected losses deriving from the risk of default by the reinsurer.

Result of investments

Income/expenses from financial assets and liabilities at fair value through profit or loss

The item comprises realized gains and losses, interests, dividends and unrealized gains and losses on financial assets and liabilities measured at fair value through profit or loss.

Income/expenses from investments in subsidiaries, associated companies and joint ventures

The item comprises income and expenses of investments in associated companies and joint ventures, which are accounted for in the corresponding asset item of the balance sheet and it is related to the Group share of result attributable to each associate or joint venture.

Income/expenses from other financial assets and liabilities and investment properties

The item includes income and expenses from financial instruments not at fair value through profit or loss and from land and buildings (investment properties). In detail, it includes interest income calculated using the effective interest method, interest expenses, other income including dividends from equity instruments which are recognised when the right arises, income from properties used by third parties, expenses on land and buildings (investment properties) (such as general property expenses and maintenance and repair expenses not recognised in the carrying amount of investment properties); realized gains and realized losses from financial assets, financial liabilities and investment properties; depreciations, impairment and reversals of impairment of investment properties; unrealized gains and losses from investment properties underlying contracts with direct participation features.
This item includes also the balance, positive or negative, between expected credit losses allocation and reversal on financial assets at amortised cost and at fair value through other comprehensive income.

Net finance result

Net finance result is composed of result of investments, net finance income/expenses related to insurance contracts issued and net finance income/expenses related to reisurance contracts held.

Net finance income/expenses related to insurance contracts issued

The item includes the balance, positive or negative, of changes in carrying amount of insurance contracts issued related to effects of time value of money, as well as effects of financial risks arising from cash flows of insurance contracts issued, different from those that are recognized in other comprehensive income.
As previously highlighted, the Group applies the disaggregation approach to its existing portfolio of insurance contracts issued and reinsurance contracts held recognizing any change in discount rates into other comprehensive income. In particular:
- for insurance contracts measured under VFA, the insurance finance expenses to be included in profit or loss are an amount that offsets the finance income arising on the financial underlying items, resulting in the net of the separately items being nil;
- for insurance contracts measured under GMM and for the LRC of insurance contracts measured under PPA, the insurance finance expenses to be included in profit or loss are only the amount arising by discounting insurance liabilities with the discount rates determined at initial recognition (i.e. locked-in rate). Any changes in financial assumptions arising from the application of currents rates are accounted for in the other components of the statement of comprehensive income;
- for the LIC of insurance contracts measured under PAA the insurance finance expenses to be included in profit or loss are only the amount arising by discounting LIC with the discount rates determined at incurred claims date (i.e. “accident-year” rate). Any changes in financial assumptions arising from the application of currents rates are accounted for in the other components of the statement of comprehensive income.

This item also includes changes of groups of insurance contracts with discretionary participation features related to effects and variations of financial risks that do not modify contractual service margin because subject to mitigation of financial risks with the use of derivatives, financial instruments measured at fair value through profit or loss, or reinsurance contracts held (so-called risk mitigation).

Net finance income/expenses related to reinsurance contracts held

The item includes the balance, positive or negative, of changes in carrying amount of reinsurance contracts held related to effects and variations of time value of money, as well as effects and variations of financial risks arising from cash flows of reinsurance contracts held, different from those that are recognized in other comprehensive income.

Other income/expenses

The item includes revenue arising from sale of goods and rendering of services other than financial services, gains and losses on foreign currency accounted for under IAS 21, realized gains and losses and impairment, depreciation and reversals of impairment on self-used land and buildings, tangible assets and other assets, unrealized gains and losses from properties underlying contracts with direct participation features and gains and losses on the re-measurement of non-current assets or disposal groups classified as held for sale, other than discontinued operations. The item includes also fee and commission expenses for financial services rendered by companies belonging to the financial segment and fee and commission expenses related to investment contracts.

Acquisition and administration costs

The item includes acquisition and administration costs for investment management, such as overheads and personnel expenses for investment management and other administration expenses, including overheads and personnel expenses related to the acquisition and administration of investment contracts without discretionary participation features and administration expenses of non-insurance companies.

Net provisions for risks and charges

The item contains the balance, positive or negative, between the provisions and any profit or loss releases relating to the provisions for risks and charges.

Net impairment and depreciation of tangible assets

The item contains the balance, positive or negative, between impairment, depreciation and reversals of impairment on tangible assets different than those related to investment properties, those related to leased assets and right of use assets acquired with the lease and related to the use of tangible assets.

Net impairment and amortisation of intangible assets

The item contains the balance, positive or negative, between impairment, depreciation and reversals of impairment on intangible assets, including those related to leased assets and right of use assets acquired with the lease and related to the use of intangible assets.

Other income/charges

The item includes income and charges not attributable to the other items that contribute to the determination of the profit (loss) before tax.

Income tax

The item includes income taxes for the period and for previous years, deferred taxes and tax losses carried back, as well as the tax benefit from tax losses. This item includes also the uncertainties in the accounting treatment of income taxes, as required by IFRIC 23.

Profit (Loss) from discontinued operations

The item includes income and expenses from discontinued operations, net of taxes.

Statement of Comprehensive income

The statement of comprehensive income was introduced by the revised IAS 1 issued in September 2007 by the IASB, approved by the EC Regulation No 1274/2008. The statement comprises items of income and expenses different from those included in profit or loss, recognised directly in equity other than those changes resulting from transactions with shareholders.
In accordance with the ISVAP (now IVASS) Regulation No. 7 of 13 July 2007, as amended by Art. 12 of IVASS Order no. 121 of 7 June 2022, items of income and expenses are net of taxes. Total comprehensive income is divided by distinguishing the part attributable to the Group from that attributable to minority interests.

Statement of changes in equity

The statement was prepared in accordance with the requirements of the ISVAP (now IVASS) No. 7 of 13 July 2007, as amended by Art. 12 of IVASS Order no. 121 of 7 June 2022 and explains all the variations of equity.

Statement of cash flows

The report, prepared using the indirect method, is drawn up in accordance with the ISVAP (now IVASS) requirements n. 7 of 13 July 2007, as amended by Art. 12 of IVASS Order no. 121 of 7 June 2022, and distinguishing its component items among operating, investing and financing activities.

Other information

Fair value

IFRS 13 - Fair Value Measurement provides guidance on fair value measurement and requires disclosures about fair value measurements, including the classification of financial assets and liabilities in fair value hierarchy levels.
With reference to the investments, Generali Group measures financial assets and liabilities at fair value in the financial statements, or discloses the contrary in the notes.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In particular, an orderly transaction takes place in the principal or most advantageous market at the measurement date under current market conditions.
A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:
- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value is equal to market price if market information is available (i.e. relative trading levels of identical or similar instruments) into an active market, which is defined as a market where the items traded within the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public.
If there isn't an active market, a valuation technique should be used which shall maximise the observable inputs. If the fair value cannot be measured reliably, amortised cost is used as the best estimate in determining the fair value.
As for measurement and disclosure, the fair value depends on the unit of account, depending on whether the asset or liability is a stand-alone asset or liability, a group of assets, a group of liabilities or a group of assets and liabilities in accordance with the related IFRS.
However, when determining fair value, the valuation should reflect its use if in combination with other assets.
With reference to non-financial assets, fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use of a non-financial asset takes into account the use of the

asset that is physically possible and legally permissible taking into account financial feasibility. However, an entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.
For the liabilities, the fair value is represented by the price that would be paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price).
When a quoted price for the transfer of an identical or a similar liability or entity's own equity instrument is not available and the identical item is held by another party as an asset, an entity shall measure the fair value of the liability or equity instrument from the return perspective of a market participant that holds the identical item as an asset at the measurement date. This return perspective is determined, where relevant, also having regard to the remuneration of the capital necessary to assume this liability.

Fair value hierarchy

Assets and liabilities measured at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in IFRS13, which consists of three levels based on the observability of inputs within the corresponding valuation techniques used.
The fair value hierarchy levels are based on the type of inputs used to determine the fair value with the use of adequate valuation techniques, which shall maximize the market observable inputs and limit the use of unobservable inputs:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (i.e. quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; market-corroborated inputs).
- Level 3 inputs are unobservable inputs for the asset or liability, which reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk (of the model used and of inputs used).

The fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.
A fair value measurement developed using a present value technique might be categorised within level 2 or level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which those inputs are categorised.
If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within the level attributable to the input with the lowest level utilized.
Adequate controls have been set up to monitor all measurements including those provided by third parties. If these checks show that the measurement is not considered as market corroborated the instrument is classified in level 3. In this case, generally the main inputs used in the valuation techniques are volatility, interest rate, yield curves, credit spreads, dividend estimates and foreign exchange rates.

Valuation techniques

Valuation techniques are used when a quoted price is not available or shall be appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
Single or multiple valuation techniques valuation technique will be appropriate. If multiple valuation techniques are used to measure fair value, the results shall be evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.
Three widely used valuation techniques are:

- market approach: uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities;
- cost approach: reflects the amount that would be required currently to replace the service capacity of an asset; and
- income approach: converts future income to the related current (i.e. discounted amount).

Application to assets and liabilities

Debt securities

Generally, if available and if the market is defined as active, fair value is equal to the market price.
In the opposite case, the fair value is determined using the market and income approach. Primary inputs to the market approach are quoted prices for identical or comparable assets in active markets where the comparability between security and benchmark defines the fair value level. The income approach in most cases means a discounted cash flow method where either the cash flow or the discount curve is adjusted to reflect credit risk and liquidity risk, using interest rates and yield curves commonly observable at frequent intervals. Depending on the observability of these parameters, the security is classified in level 2 or level 3. In particular, for level 3 instruments, the fair value is determined using expert judgement estimates or risk-adjusted value ranges.

Equity securities

Generally, if available and if the market is defined as active, fair value is equal to the market price.
In the opposite case, the fair value is determined using the market and income approach. Primary inputs to the market approach are quoted prices for identical or comparable assets in active markets where the comparability between security and benchmark defines the fair value level. The income approach in most cases means a discounted cash flow method estimating the present value of future dividends. Depending on the observability of these parameters, the security is classified in level 2 or level 3.

Investment funds and SICAV

Generally, if available and if the market is defined as active, fair value is equal to the market price.
The fair value of investment funds is mainly determined using net asset values (NAV) at the balance sheet date or audited financial statements provided by the responsible subjects, in case adjusted for the illiquidity of the same funds. The level of fair value hierarchy is assigned consistently with the quality of the inputs used. If at the balance sheet date such information is not available, the latest official net asset value is used.
With reference to SICAV, if fair value is not available or if the market is not active, the fair value is mainly determined using net asset values provided by the responsible subjects. This value is based on the valuation of the underlying assets carried out through the use of the most appropriate approach and inputs. Depending on how the share value is collected, directly from public providers or through counterparts, the appropriate hierarchy level is assigned. If this NAV equals the price at which the quote can be effectively traded on the market in any moment, the Group considers this value comparable to the market price.

Derivatives

Generally, if available and if the market is defined as active, fair value is equal to the market price.
In the opposite case, the fair value of derivatives is determined using internal valuation models or provided by third parties. In particular, the fair value is determined primarily on the basis of income approach using deterministic or stochastic models of discounted cash flows commonly shared and used by the market.
The main input used in the valuation include volatility, interest rates, yield curves, credit spreads, dividend estimates and exchange rates observed at frequent intervals.
With reference to the fair value adjustment for credit and debt risk of derivatives (credit and debt valuation adjustment CVA / DVA), the Group considered this adjustment as not material for the valuation of its positive and negative derivatives, as almost entirely of them is collateralized. Their evaluation does not take into account for these adjustments.

Financial assets where the investment risk is borne by the policyholders and related to pension funds

Generally, if available and if the market is defined as active, fair value is equal to the market price. On the contrary, fair value is determined by reference to the fair value of the underlying assets.

Financial liabilities

Generally, if available and if the market is defined as active, fair value is equal to the market price.
If there is not an active market, the fair value is determined primarily on the basis of the income approach using discounting techniques.
In particular, the fair value of debt instruments issued by the Group is valued using discounted cash flow models based on the current marginal rates of funding of the Group for similar types of loans, with maturities consistent with the maturity of the debt instruments subject to valuation.
The fair value of liabilities relating to investment contracts is determined by reference to the fair value of the underlying assets.

Real estate properties

Real estate properties are mainly valuated on the basis of inputs for similar assets in active markets for similar property in terms of location and condition and subject to similar lease and other contracts or via discounted cash flows of future income and expenses of the rental considered as part of the higher and best use by a market participant. In particular, the valuation takes into consideration not only the discounted net future income but also the peculiarities of the properties such as intended use and location as well as the size of the vacancy rate. Fair value is determined according to the characteristics of the real estate under assessment. However, the hierarchy used for choosing valuation models foresees the market approach as the model to be preferred, followed by income approach and finally by the cost approach.

In order to guarantee homogeneous methodology for fair valuation, the Group defined a structured process of evaluation of both properties directly owned by the Group and those held through vehicles.
The fair market value of real estate properties is updated using valuations provided by independent appraisers. All appraisers appointed comply with the international professional standards, local legal requirements and guidelines published by the Royal Institution of Chartered Surveyors (RICS). The valuation methodology for properties leads to the determination of the market value

of the properties, which should reflect the definitions and methodologies stated within the international valuation standards (Red Book and Blue Book). Generali provides the appraisers with all relevant information related to the properties (e.g., detailed tenancy schedules, capex plan, certifications) which they use to make their assessment of projected rental revenue in addition to their own leasing assumptions (e.g., estimated rental values, vacancy). The appraisers also make their own estimates of discount rates, exit capitalization rates and estimated rental value (ERV). The terminal value is calculated based on net rental income capitalized by an exit yield.

The change in valuation during 2023 was mainly attributable in the main changes in appraisers' assumptions: negative impact by increase in discount and exit rates linked to interest rates outbreak, partially compensated by new indexation and ERV projections.

Accounting for derivatives

Derivatives are financial instruments or other contracts with the following characteristics:

- their value changes in response to the change in interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or other pre-defined underlying variables;
- they require no initial net investment or, if necessary, an initial net investment that is smaller than one which would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- they are settled at a future date. Derivatives are classified as at fair value through profit or loss.

The Group carries out hedging transactions accounted for using the hedge accounting technique.
With reference to emissions of some subordinated liabilities, the Group has entered into hedging transactions of the interest rates volatility and exchange rate fluctuations GBP/EURO, which for accounting purposes is designated as hedging the volatility of cash flows (cash flow hedge).
According to this accounting model the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in an appropriate item of comprehensive income while the ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss.
The amount accumulated in the other components of comprehensive income is reversed to profit and loss account in line with the economic changes of the hedged item.
When the hedging instrument expires or is sold, or the hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instruments, that remains recognized directly in the other components of other comprehensive income from the period when the hedge was effective, remains separately recognized in comprehensive income until the forecast transaction occurs. However, if the forecasted transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognized directly in the other components of comprehensive income from the period when the hedge was effective is immediately recognized in profit or loss.
Further the Group set cash flow hedges on forecast refinancing operations of subordinated liabilities that are accounted for as hedge of forecast operations, that are highly probable and could affect profit or loss.
In addition, Group set also hedges of a net investment in a foreign operation that are accounted for similarly to cash flow hedges: the effective portion of gain or loss on the hedging instrument is recognized among the components of profit or loss, while the part is not effective be recognized in the separate income statement.

Finally, the Group applies the fair value hedge accounting technique in order to cover the change in the fair value of financial instruments deriving from financial risk.
The fair value hedge is accounted for as follows:

- the book value of the hedged instrument is adjusted for the change in fair value attributable to the hedged risk. This change is recognized in the income statement (i.e. in other comprehensive income in the case of hedging of equity securities designated at fair value through other comprehensive income In the case of debt instruments classified at amortised cost, the adjustment to the book value (so-called basis adjustment) is amortised in the income statement, based on the effective interest rate method, over the duration of the hedged item.
  In the case of debt instruments measured at fair value through other comprehensive income, the book value is not adjusted; the adjustment consists of the cumulative amount of gains and losses, on which depreciation is calculated;
- the hedging derivative is recognized in the income statement (except for derivatives hedging equity securities designated at fair value through other comprehensive income, for which hedging changes are recognized in other comprehensive income).

If the fair value hedge relationship is fully effective, the gain or loss on the hedging derivative is fully compensated by the change in fair value attributable to the hedged risk of the hedged item.

Revenues from contracts with customers within to scope of IFRS 15

The Generali Group is a predominantly insurance group. The revenues arising from this business are defined by IFRS 17; the other revenues arising from the sale of goods and services different from financial and insurance services, and arising from asset management are defined and disciplined by IFRS 15. These revenues are included in the income statement items Other income/expenses and Other income/charges. In particular, within Generali Group, entities specialized in in banking, asset management and other residual businesses included in the segment Holding and other activities operates.
Revenues from contracts with customers for Generali Group are mainly financial and real estate asset manager, investment and pension funds commissions, as well as service and assistance. These revenues are not multi-annual and recognized on accrual

basis during the financial year. In some cases, in particular in case of asset and pension fund management, the revenues are linked to managed amounts or to the performance of the assets. Despite this, significant judgements in estimate and measurement of revenues are rarely needed, as for example the definition of transfer price and timing.

Use of estimates

The preparation of financial statements compliant to IFRS requires the Group to make estimates and assumptions that affect items reported in the consolidations financial balance sheet and income statement and the disclosure of contingent assets and liabilities.
The use of estimates mainly refers to as follows:
- assets and liabilities related to insurance contracts issued and reinsurance contracts held;
- financial instruments measured at fair value classified in level 3 of the fair value hierarchy;
- expected credit losses on financial assets;
- the analysis in order to identify durable impairments on intangible assets (e.g. goodwill) booked in in the balance sheet (impairment test);
- other provisions;
- deferred and anticipated taxes;
- defined benefit plan obligation;
- share-based payments.

Estimates and valuations are periodically verified by the Group and are based on best knowledge of current facts and circumstances. However, due to the complexity and uncertainty affecting the abovementioned items, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.
Further information on the process used to determine assumptions affecting the abovementioned items and the main risk factors are included in the paragraphs on accounting principles and in the risk report.
In particular, macroeconomic variables such as inflation, interest rate trends, and other financial variables were taken into account in the valuation of assets and liabilities, as well as in the recoverability analyses listed above.

Share-based payments

The stock option plans granted by the Board in past periods configure as share based payments to compensate officers and employees. The fair value of the share options granted is estimated at the grant date and is based on the option pricing model that takes into account, at the grant date, factors such as the exercise price and the life of the options, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares and the risk-free interest rate as well as the specific characteristics of the plan itself. The pricing model is based on a binomial simulation that takes into account the possibility of early exercise of the options. If present, the pricing model estimates separately the option value and the probability that the market conditions are satisfied. Therefore, the abovementioned values determine the fair value of equity instruments granted.
Long term incentive plans, aimed at strengthening the bond between the remuneration of management and expected performance in accordance with the Group strategic plan, as well as the link between remuneration and generation of value in comparison with peers, are also treated as an equity-settled share-based payment.
The fair value of the right to obtain free shares in relation to market condition is assessed at grant date and is based on a model that takes into account factors such as historical volatility of the Generali share price and of the peer group, the correlation between these shares, the dividends expected on the shares, the risk-free interest rate as well as the specific characteristics of the plan itself. The pricing model is based on simulation models generally used for this type of estimation. Other conditions different than market condition are considered external to this valuation. The probability that these conditions are satisfied, combined with the estimated fair value of the right to obtain free shares, defines the overall plan cost.
The cost is charged to the profit and loss account and, as a double-entry, to equity during the vesting period, taking into account, where possible, the probability of satisfaction of the vesting condition related to the rights granted.
The charge or credit to the profit or loss for a period represents the change in cumulative expense recognised as at the beginning and end of that period.
No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or a non-vesting condition. These are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.
When the terms of an equity-settled award are modified, the minimum expense to be recognised is the expense had the terms had not been modified, only if the original terms of the award are met.
An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Information of financial and insurance risk

In accordance with IFRS 7 and IFRS 17, the information which enables the users of financial statements to evaluate the Group exposure to financial and insurance risks and how these risks are managed is disclosed in the section Risk report in the Management Report. It provides a description of the principal risks to which the Group is exposed and risk governance.
Further information regarding risk exposures are included in the Notes.

SEGMENT REPORTING

Generali activities could be split in different lines of business according to the products and services offered. In particular, in accordance to IFRS 8, four main sectors of activity have been defined in line with the performance monitoring made by the Chief Operating Decision Maker (CODM):
- Property & Casualty segment, which includes insurance activities performed in the Property & Casualty business;
- Life segment, which includes insurance activities performed in the Life business;
- Asset & Wealth Management;
- Holding and other business segment.

The performances from each single segment are reported in the Management Report, in the section *Our financial performance* at page 105.

Life segment

Activities of Life segment include saving and protection business, both individual and for family, as well as unit-linked products with investment purposes and complex plans for multinationals.
Investment vehicles and entities supporting the activities of Life companies are also reported in this segment.

Property & Casualty segment

Activities of Property & Casualty segment include both motor and non-motor businesses, among which motor third party liabilities, casualty, accident and health. It includes also more sophisticated covers for commercial and industrial risks.
Investment vehicles and entities supporting the activities of Property & Casualty companies are also reported in this segment.

Asset & Wealth Management

This segment, in addition to including the activities of the Banca Generali group, operates as a supplier of products and services both for the insurance companies of the Generali Group and for third-party customers identifying investment opportunities and sources of income for all of its customers, simultaneously managing risks. These products include equity and fixed-income funds, as well as alternative products.
The segment includes companies that may specialize in institutional or retail clients, rather than on Group insurance companies or on third-party customers, or on products such as real assets, high conviction strategies or more traditional solutions.

Holding and other businesses

This grouping is a heterogeneous pool of activities different form insurance and asset & wealth management – included in the above-mentioned segments - and in particular it includes financial holding activities, activities for the supply of international services and other activities that the Group considers ancillary to the core insurance business as well as the expenses related to the management and coordination activities and to the Group business financing. The holding expenses mainly include the holding and regional sub-holding expenses regarding coordination activities, the expenses related to parent company stock option and stock grant plans as well interest expenses on the Group financial debt.

Methods of disclosure presentation

According to IFRS 8, the disclosure regarding operating segments of the Group is consistent with the evidence reviewed periodically at the highest managerial level for the purpose of making operational decisions about resources to be allocated to the segments and assessment of the results.
Assets, liabilities, income and expenses of each segment are prepared as defined by the ISVAP Regulation No. 7 of 13 July 2007 as replaced by article 12 of IVASS Order no. 121 of 7 June 2022.
Segment data derives from a separate consolidation of the amounts of subsidiaries and associated companies in each business segment, eliminating the effects of transactions between companies belonging to the same segment and, where applicable, eliminating the carrying amount of the investments in subsidiaries and the related shareholder's equity quota. The reporting and control process implemented by the Group implies that assets, liabilities, income and expenses of the companies operating in different business segments are allocated to each segment directly by the entity through specific segment reporting. Intra-group balances between companies belonging to different business segments are accounted for in the consolidation adjustments column in order to reconcile segment information with consolidated information.
In this context, the Group adopts a business approach on segment reporting, characterized by the fact that some transactions between companies belonging to different segments are eliminated within each segment.
The main impacts are explained below:

- the elimination in the Property & Casualty segment and Holding and other businesses segment of participations and loans to companies of other segments, belonging to the same country, as well as related income (dividends and interests);
- the elimination in the Property & Casualty segment and Holding and other businesses segment of the realized gains and losses arising from intra-segment operations;
- the elimination in the Life segment of the participations and loans to companies of other segments, belonging to the same country, as well the related income (dividends and interests) if not backing technical reserves;
- the elimination in the Life segment of the realized gains and losses arising from intra-segment operations if not backing technical reserves.

Furthermore, loans and related interest expenses on loans between Group companies belonging to different segments are eliminated directly in each segment.
This approach allows to reduce consolidation adjustments, which in this view principally consist of investments in subsidiaries and dividends received by Life and Property & Casualty companies from companies belonging to other segments, intragroup financing and related interest income and fee and commissions income and expenses on financial services rendered or received by Group companies, still allowing for an adequate performance presentation for each segment.
Assets, liabilities, income and expenses of each segment are presented here below.

Statement of financial position by business segment

(€ million)		Property&Casualty		Life business	
Items/Business segments		31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	**INTANGIBLE ASSETS**	**4,781**	**4,838**	**4,666**	**4,674**
2	**TANGIBLE ASSETS**	**2,335**	**2,587**	**810**	**821**
3	**INSURANCE ASSETS**	**4,322**	**3,291**	**554**	**863**
3.1	Insurance contracts that are assets	0	10	315	233
3.2	Reinsurance contracts that are assets	4,322	3,281	239	631
4	**INVESTMENTS**	**43,388**	**42,863**	**408,696**	**394,616**
4.1	Land and buildings (investment properties)	2,838	3,022	20,985	22,601
4.2	Investments in subsidiaries, associated companies and joint ventures	2,983	2,577	3,129	5,252
4.3	Financial assets at amortised cost	4,096	5,431	4,568	4,452
4.4	Financial assets at fair value through other comprehensive income	26,821	25,471	195,964	194,968
4.5	Financial assets at fair value through profit or loss	6,651	6,363	184,051	167,343
5	**OTHER FINANCIAL ASSETS**	**2,874**	**2,497**	**2,772**	**3,413**
6	**OTHER ASSETS**	**4,446**	**3,872**	**5,188**	**19,287**
7	**CASH AND CASH EQUIVALENTS**	**2,455**	**2,309**	**3,549**	**3,379**
	TOTAL ASSETS	**64,602**	**62,258**	**426,235**	**427,054**
1	**SHAREHOLDERS' EQUITY**				
2	**OTHER PROVISIONS**	**876**	**1,160**	**800**	**629**
3	**INSURANCE PROVISIONS**	**35,369**	**33,463**	**377,040**	**362,301**
3.1	Insurance contracts that are liabilities	35,347	33,453	376,978	362,262
3.2	Reinsurance contracts that are liabilities	21	10	63	39
4	**FINANCIAL LIABILITIES**	**4,505**	**7,978**	**20,451**	**19,857**
4.1	Financial liabilities at fair value through profit or loss	230	243	8,361	9,040
4.2	Financial liabilities at amortised cost	4,275	7,734	12,090	10,817
5	**PAYABLES**	**4,068**	**3,667**	**3,202**	**2,676**
6	**OTHER LIABILITIES**	**5,504**	**4,389**	**3,342**	**17,444**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

Asset&Wealth Management		Holding and Other Businesses		Consolidation adjustments		Total	
31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
495	**489**	**48**	**30**	**0**	**0**	**9,990**	**10,031**
200	**218**	**437**	**444**	**-100**	**-108**	**3,683**	**3,963**
0	**0**	**0**	**0**	**0**	**0**	**4,876**	**4,154**
0	0	0	0	0	0	315	243
0	0	0	0	0	0	4,561	3,912
14,221	**16,554**	**15,481**	**11,849**	**-15,740**	**-18,152**	**466,046**	**447,728**
0	0	8	4	0	0	23,831	25,627
11	14	122	118	-3,533	-5,469	2,712	2,492
12,244	13,931	10,767	10,402	-10,442	-10,919	21,232	23,297
1,186	1,661	1,153	985	-1,765	-1,764	223,359	221,322
780	948	3,431	339	0	-1	194,912	174,991
508	**424**	**180**	**150**	**0**	**0**	**6,334**	**6,484**
782	**749**	**250**	**259**	**-54**	**-180**	**10,613**	**23,988**
810	**993**	**457**	**380**	**-201**	**-173**	**7,070**	**6,887**
17,017	**19,428**	**16,853**	**13,110**	**-16,095**	**-18,613**	**508,611**	**503,236**
						31,284	**28,973**
314	**268**	**300**	**349**	**29**	**0**	**2,318**	**2,406**
0	**0**	**-0**	**-0**	**0**	**0**	**412,409**	**395,764**
0	0	-0	-0	0	0	412,325	395,715
0	0	0	0	0	0	84	49
13,125	**15,077**	**9,591**	**6,076**	**-3,586**	**-3,346**	**44,086**	**45,642**
133	124	17	11	0	-1	8,740	9,417
12,992	14,954	9,574	6,065	-3,586	-3,346	35,346	36,225
460	**537**	**1,016**	**894**	**-0**	**0**	**8,746**	**7,774**
641	**742**	**325**	**265**	**-43**	**-163**	**9,768**	**22,677**
						508,611	**503,236**

Income statement by business segment

(€ million)		Property&Casualty		Life	
Items/Business segments		31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	Insurance revenue from insurance contracts issued	30,498	28,141	18,979	16,997
2	Insurance service expenses from insurance contract issued	-28,342	-26,032	-15,291	-14,050
3	Insurance revenue from reinsurance contracts held	2,131	1,443	1,246	1,300
4	Insurance service expenses from reinsurance contracts held	-2,139	-1,990	-1,591	-1,392
5	**Insurance service result**	**2,148**	**1,562**	**3,344**	**2,855**
6	Income/expenses from financial assets and liabilities at fair value through profit or loss	330	-193	12,047	-18,081
7	Income/expenses from investments in subsidiaries, associated companies and joint ventures	166	215	322	202
8	Income/expenses from other financial assets and liabilities and investment properties	937	648	6,316	7,686
9	**Result of investments**	**1,433**	**670**	**18,685**	**-10,193**
10	Net finance income/expenses related to insurance contracts issued	-262	24	-17,434	10,732
11	Net finance income/expenses related to reinsurance contracts held	17	-7	-9	-12
12	**Net finance result**	**1,188**	**686**	**1,242**	**528**
13	**Other income/expenses**	**180**	**260**	**144**	**218**
14	**Acquisition and administration costs**	**-117**	**-126**	**-163**	**-205**
15	**Other income/charges**	**-1,174**	**-1,013**	**-723**	**-275**
	Profit (Loss) before tax	**2,225**	**1,369**	**3,843**	**3,121**

Asset&Wealth Management		Holding and Other Businesses		Consolidation adjustments		Total	
31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
0	0	0	0	19	3	49,496	45,141
-11	-7	-0	0	363	360	-43,281	-39,730
0	0	0	0	0	0	3,377	2,743
0	0	0	0	0	0	-3,730	-3,382
-11	**-7**	**-0**	**0**	**381**	**363**	**5,862**	**4,772**
7	57	34	-32	0	0	12,419	-18,248
48	56	90	71	-362	-351	264	194
400	168	-388	-376	-88	-61	7,177	8,064
455	**282**	**-264**	**-337**	**-449**	**-412**	**19,860**	**-9,990**
0	0	0	0	-0	0	-17,696	10,756
0	0	0	0	0	0	8	-19
455	**282**	**-264**	**-337**	**-449**	**-412**	**2,171**	**747**
1,451	**1,475**	**125**	**146**	**-468**	**-518**	**1,432**	**1,582**
-748	**-678**	**-120**	**-107**	**141**	**151**	**-1,006**	**-965**
-158	**-121**	**-757**	**-785**	**-73**	**-3**	**-2,886**	**-2,196**
990	**952**	**-1,016**	**-1,082**	**-468**	**-419**	**5,574**	**3,940**

INFORMATION ON CONSOLIDATION AREA AND RELATED OPERATIONS

1. Consolidation area

Based on IFRS 10, the Consolidated financial statements include the figures for both the Parent company and the subsidiaries directly or indirectly controlled.
As at 31 December 2023, the consolidation area totaled 529 companies (542 at 31 December 2022), of which 467 subsidiaries consolidated line by line and 62 associated companies valued at equity.
Changes in the consolidation area compared to the previous year and the table listing companies included in the consolidation area are attached to these Notes, in the Appendix related to the change in the consolidation area, compared to 2022.

2. Disclosures on interests in other entities

2.1. Interests in subsidiaries

Non-controlling interests

A summary of the financial information relating to the most significant subsidiaries that have non-controlling interests material for the Group is provided here below. The amounts disclosed are before inter-company eliminations (except for the items Net result, presented net of dividends paid to Banca Generali by its subsidiaries, and cumulated non-controlling interests and profit or loss attributable to non-controlling interests that are disclosed from a consolidated perspective).

Non-controlling interests

Principal place of business	Banca Generali Group Italy		Generali China Life Insurance Co. Ltd China	
(€ million)	31/12/2023	31/12/2022	31/12/2023	31/12/2022
BALANCE SHEET				
Investments	13,751	15,112	17,300	15,238
Other assets	1,332	1,320	165	342
Cash and cash equivalents	627	826	68	159
TOTAL ASSETS	**15,710**	**17,257**	**17,534**	**15,739**
Technical provisions	-	-	14,014	13,086
Financial liabilities	13,416	15,311	2,215	1,173
Other liabilities	1,066	1,093	65	74
Shareholders' equity	1,227	853	1,240	1,406
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**15,710**	**17,257**	**17,534**	**15,739**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**495**	**403**	**576**	**665**
INCOME STATEMENT				
Insurance revenues	-	-	1,055	1,116
Fee and commissions income from financial service activities	1,096	1,078	-	-
NET RESULT	324	214	183	164
OTHER COMPREHENSIVE INCOME	-10	11	289	140
TOTAL COMPREHENSIVE INCOME	314	225	472	304
TOTAL COMPREHENSIVE ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**157**	**103**	**86**	**76**
DIVIDENDS PAID TO NON-CONTROLLING INTERESTS	**105**	**104**	**30**	**30**
CASH FLOW				
cash flow from operating activities	95	-592	810	110
cash flow from investing activities	-27	-21	-638	44
cash flow from financing activities	-223	-233	-262	-58

Equity investments in exclusively controlled companies with significant third party interests

Entity name	% Minority interests	% Availability of votes in the ordinary meeting by third parties	Dividend distributed to third parties	Consolidated profit (loss) attributable to minority interests	Shareholders' equity attributable to minority interests
Banca Generali S.p.A.	48.68%	48.68%	105	158	495
Generali China Life Insurance Co. Ltd	50.00%	50.00%	30	92	576

Significant restrictions

In relation to the Group's interests in subsidiaries, no significant restrictions exist on the Group's ability to access or use its assets and settle its liabilities.

2.2. Interests in associates

The most significant associates entities for the Group[6], accounted for according to the equity method, are the following ones:

Material Group associates

Company	Deutsche Vermogensberatung Aktiengesellshaft DVAG	Guotai Asset Manegement Company	Alliance Klesia Generali	Generali 3Banken
Nature of the relationship with the Group	DVAG is the leading sales network for financial services in Germany and has an exclusive distribution partnership with a company held by Generali Deutschland Group.	Guotai is one of the first professional fund management companies in China. The company manages mutual funds and several Social Security Fund (SSF) portfolios.	AKG is the holding company which helds the participation in the French mutual insurance company Klesia SA.	G3B is a holding company which holds shares in three significant Austrian regional banks (Bank für Tirol und Vorarlberg Aktiengesellschaft, BKS Bank AG and Oberbank AG).
Principal Place of business	Germany	China	France	Austria
Profit rights/voting rights held (if different)	30% / 40%	30%	43%	50%

The summarised financial information relating to the most material associates in which the Group has an interest including the reconciliation with the related carrying amounts (including goodwill, where present) are provided here below.

Summarized financial information - material associates

(€ million)	Deutsche Vermogensberatung Aktiengesellshaft DVAG		Guotai Asset Manegement Company		Alliance Klesia Generali		Generali 3Banken	
	31/12/2022(*)	31/12/2021(*)	31/12/2023	31/12/2022	31/12/2022(*)	31/12/2021(*)	31/12/2022(*)	31/12/2021(*)
INCOME STATEMENT								
Revenues	2,232	2,262	433	478	624	695	15	1
Profit from continuing operations	**246**	**242**	**198**	**249**	**41**	**31**	**14**	**1**
Profit from discontinued operations after taxes	0	0	0	0	0	0	0	0
Net result after taxes	**246**	**242**	**149**	**187**	**31**	**27**	**12**	**1**
Other comprehensive income	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME	**246**	**242**	**149**	**187**	**31**	**27**	**12**	**1**
BALANCE SHEET								
Intangible Assets	57	74	12	15	0	0	0	0
Property, Plant and Equipment	270	275	0	0	0	0	0	0
Amounts ceded to reinsurers from insurance provisions	0	0	0	0	339	339	0	0
Investments	679	526	721	646	1,247	1,279	165	135
Other assets	329	115	188	179	11	15	0	0
Cash and cash equivalents	204	421	61	65	0	0	2	1
TOTAL ASSETS	**1,539**	**1,409**	**982**	**904**	**1,597**	**1,633**	**168**	**136**
Other provisions	0	0	0	0	0	0	0	0
Technical provisions	0	0	0	0	1,290	1,275	0	0
Financial liabilities	167	139	0	0	0	7	0	0
Other liabilities	707	671	319	312	0	0	18	7
TOTAL LIABILITIES	**874**	**811**	**319**	**312**	**1,290**	**1,282**	**18**	**7**
SHAREHOLDERS' EQUITY	**665**	**599**	**663**	**593**	**307**	**351**	**149**	**130**

(*) The financial information are referred to the last approved financial statements by the respective Shareholders' meeting of each associated company.

6. Please note that associates are related parties of the Group.

Carrying amount reconciliation - material associates

(€ million)	Deutsche Vermogensberatung Aktiengesellshaft DVAG		Guotai Asset Manegement Company		Alliance Klesia Generali		Generali 3Banken	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Carrying amount in investee as at 31 December previous year	**292**	**230**	**274**	**244**	**135**	**81**	**132**	**118**
Total comprehensive income attributable to the Group	68	108	32	43	27	54	31	14
Dividends received during the year	-45	-46	-13	-12	0	0	0	0
Carrying amount in investee as at the end of the year	**315**	**292**	**293**	**274**	**162**	**135**	**163**	**132**

As part of the commercial relationships in the German area with the distribution partner DVAG, we inform that the current controlling shareholder hold a put option exercisable in respect of Generali Group.
At the reporting date no liability has been accounted for because the put option refers to an associate and therefore it does not fall into the category of the options on non-controlling interests referred to in par. 23 of IAS 32. The potential outflow of resources will be defined by the parties when and if the option is exercised on the basis of the fair value measurement criteria of the option itself.
Furthermore, the Group holds interests in associates which are not individually material that are accounted for according to the equity method (for an amount of € 182 million) and, on a minor extent, held at cost (for an amount of € 24 million). The associates in which the Group has interest mainly operate in the insurance and financial services industries.
For these associates aggregated summarised financial information are provided here below:

Aggregated information on other associates

(€ million)	31/12/2023	31/12/2022
Carrying amount of interests in not significant associates	**205**	**234**
Aggregated Group's share of:		
Profit from continuing operations	3	3
Profit from discontinued operations after taxes	0	0
Other comprehensive income	0	0
Total comprehensive income	**3**	**3**

In relation to the Group's interests in associates, no significant contractual, legal or regulatory restrictions exist on the Group's ability to access or use its assets and settle its liabilities.

2.3. Joint ventures

The most significant joint venture for the Group, accounted for using the equity method, is Saxon Land B.V., a real estate investment company that owns the "One Fen Court" building, located in the heart of the financial district in London. The company is now jointly controlled with Munich RE, which during the year acquired a 50% stake in the company from the Generali Group.

The value of the investment stands at € 338 million at Group level. Below is a summary of the economic-financial data for the company.

Summarized financial information - material joint ventures

(€ million)	Saxon Land B.V.	
	31/12/2022(*)	31/12/2021(*)
INCOME STATEMENT		
Revenues	29	27
Profit from continuing operations	**19**	**77**
Profit from discontinued operations after taxes	0	0
Net result after taxes	16	61
Other comprehensive income	0	0
TOTAL COMPREHENSIVE INCOME	**16**	**61**
BALANCE SHEET		
Intangible Assets	0	0
Property, Plant and Equipment	0	0
Amounts ceded to reinsurers from insurance provisions	0	0
Investments	601	614
Other assets	69	78
Cash and cash equivalents	19	17
TOTAL ASSETS	**689**	**710**
Other provisions	0	0
Technical provisions	0	0
Financial liabilities	0	0
Other liabilities	44	23
TOTAL LIABILITIES	**44**	**23**
SHAREHOLDERS' EQUITY	**645**	**686**

(*) The financial information are referred to the last approved financial statements by the respective Shareholders' meeting of company.

Here below please find the information on Group joint ventures:

Aggregated information on joint ventures

(€ million)	31/12/2023	31/12/2022
Summarized carrying amount on associates and joint ventures	**1,023**	**1,214**
Aggregated Group's share of:		
Profit from continuing operations	-116	40
Profit from discontinued operations after taxes	0	0
Other comprehensive income	2	-1
Total comprehensive income	**-114**	**38**

The carrying value related to interests in joint ventures is basically stable compared to last year and it mainly includes real estate investment vehicles.

Significant restrictions

In relation to the Group's interests in joint ventures, no significant contractual, legal or regulatory restrictions exist on the Group's ability to access or use its assets and settle its liabilities, nor significant commitments exist.

2.4. Unconsolidated structured entities

As of 31 December 2023, Generali Group holds no interests in unconsolidated structured entities that expose the Group to the variability of returns arising from their performance.
However, please find below the following case. In June 2021, Assicurazioni Generali S.p.A. stipulated a reinsurance contract with Lion III Re DAC, an Irish special purpose company, which for a period of four years will cover the possible catastrophic losses suffered by the Generali Group following storms in Europe and earthquakes in Italy. The Lion III Re transaction transfers part of the risk to bond investors, thus optimizing the Group's protection against disasters. Generali paid an annual premium of 3.83% for a total of € 200 million of reinsurance coverage. This amount will be returned by Lion III Re DAC to investors if during the 4 years of operation of the transaction no events occur on the Generali Group, deriving respectively from storms in Europe or earthquake in Italy, in excess of pre-established damage thresholds for each type of risk.
The aforementioned vehicle is not consolidated as the Generali Group has no control over the entity and is not exposed to the resulting variable returns.

3. Non-current assets or disposal group classified as held for sale

Generali Deutschland Pensionskasse

On 12th December 2023, Generali has completed the disposal of Generali Deutschland Pensionskasse AG (GDPK) to Frankfurter Leben following the approval by the German Federal Financial Supervisory Authority (BaFin) and the relevant German antitrust authorities.
The transaction, at consolidated level, has generated an after-tax gain from disposal of € 255 million, recorded in the fourth quarter of 2023, with a positive impact on the reported net result and no impact on the adjusted net result.

Italian bancassurance joint ventures (former Gruppo Cattolica)

On 12 of October 2022, the Board of Directors approved the termination of the bancassurance agreement in place between Cattolica Assicurazioni S.p.A. and ICCREA Banca S.p.A., through the exercise of the option to sell the two companies BCC Vita and BCC Assicurazioni, agreed upon the renewal of the bancassurance partnership in July 2019. The completion of this operation took place on 27th September 2023. The reference price for 70% of the shares is equal to € 189 million, with an overall negative impact on the reported net result if € 5 million and no impact on the adjusted net result.
Moreover, on 29 of May, Banco BPM exercised the call option provided for in the agreements signed in 2021 with Cattolica Assicurazioni, on 65% of the share capital of Vera Vita S.p.A. and Vera Assicurazioni S.p.A., companies in which Banco BPM already owned a 35% stake. Vera Vita, in turn, holds the entire share capital of Vera Financial DAC, an insurance company incorporated under Irish law, while Vera Assicurazioni holds 100% of the share capital of Vera Protezione S.p.A..
The completion of this operation took place on 14th September 2023. The reference price for 65% of the shares is equal to € 439 million, with an overall positive impact on the reported net result if € 54 million and no impact on the adjusted net result.

TUA Assicurazioni

On 12 October 2023, Generali reached an agreement with Allianz for the sale of TUA Assicurazioni S.p.A..
TUA Assicurazioni is an insurance company focused on the non-life business in the Italian market. The company operates mainly in the automotive sector, which represents approximately 60% of the volume of premiums issued, through a distribution network made up mainly of agents and intermediaries without mandate constraints.
The consideration for the transaction is equal to € 280 million in cash and is subject to adjustments in line with market practice for this type of transaction. The transaction was completed on 1st March 2024.

Cronos Vita

Finally, it should be noted that as part of the agreements aimed at implementing a systemic solution to Eurovita crisis, the Group classified the stake in Cronos Vita owned 22.5% by Generali Italia for € 49.5 million, as a non-current asset held for sale. This classification took into consideration the existence, from the concept of the operation, of the intention to maintain this participation for a limited period of time, as a planned step in the broader overall intervention process.
It was also verified that at 31 December 2023 the fair value of the investment, net of sales costs, was not lower than the book value.

4. Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint venture

(€ million)	31/12/2023	31/12/2022
Investments in subsidiaries, associated companies and joint ventures at cost or at equity	1,889	1,532
Investments in non-consolidated subsidiaries at cost	211	211
Investments in associated companies at equity	1,030	969
Investments in joint ventures at equity	648	352
Investments in other associated companies at equity	0	0
Investments in subsidiaries, associated companies and joint ventures at fair value through profit or loss	823	961
Investments in associated companies at fair value through profit or loss	116	102
Investments in joint ventures at fair value through profit or loss	706	859
Total	**2,712**	**2,492**

Item Investments in non-consolidated subsidiaries at cost includes interests in entities non-consolidated as not material and that carry which mainly perform ancillary services to the insurance business.

The change in Investments in joint ventures at equity is attributable to the inclusion of Saxon Land B.V. as a result of the change in consolidation method arising from the sale of 50% of the stake formerly fully owned.

Significant investments in subsidiaries, associated companies and joint venture: book value, fair value and dividends received

Entity name	Type (1)	Balance Sheet Value	Fair value	Dividends received
Joint venture				
Saxon Land B.V.	c	339		17
Associates				
Deutsche Vermögensberatung Aktiengesellschaft DVAG	b	315		45
Guotai Asset Management Company	b	293		13
Aliance Klesia Generali	b	162		
Generali 3 Banken Holding AG	b	163		
Total		**1,272**	**0**	**75**

(1) a=subsidiaries (only for IAS/IFRS financial statements); b= connected; c= joint venture

Please note that the fair value, by provisions of the Regulator, must be entered only for listed companies.

5. Goodwill and other intangible assets

Intangible asset: composition

(€ million)	Total 31/12/2023		Total 31/12/2022	
Activities/Values	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill	**X**	**7,841**	**X**	**7,895**
A.1.1 attributable to the Group	X	7,841	X	7,895
A.1.2 attributable to minority interests	X	0	X	0
A.2 Other intangible assets	**2,130**	**20**	**2,116**	**20**
A.2.1 Assets measured at cost	**2,130**	**20**	**2,116**	**20**
a) Self developed intangible assets	362	0	311	0
b) Other assets	1,768	20	1,805	20
A.2.2 Assets valued at restated value:	**0**	**0**	**0**	**0**
a) Self developed intangible assets	0	0	0	0
b) Other assets	0	0	0	0
Total	**2,130**	**7,861**	**2,116**	**7,915**

Intangible asset: variations

(€ million)	Goodwill	Other intangible assets: self-developed		Other intangible assets: others		Total
		Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life	
A. Opening balances	**8,201**	**1,071**	**0**	**4,209**	**20**	**13,502**
A.1 Accumulated depreciation and impairment	-307	-760	0	-2,405	0	-3,471
A.2 Net opening balance	**7,895**	**311**	**0**	**1,805**	**20**	**10,031**
A.2.a Adjustment opening balances	0	0	0	0	0	0
B. Increases	**3**	**142**	**0**	**190**	**0**	**335**
B.1 Acquisitions	0	125	0	133	0	257
B.2 Increases in self-developed intangible assets	X	0	0	7	0	7
B.3 Reversals of impairment losses	X	0	0	0	0	0
B.4 Positive changes in restated value	0	0	0	0	0	0
- through comprehensive income statement	X	0	0	0	0	0
- through profit or loss	X	0	0	0	0	0
B.5 Positive exchange differences	0	0	0	0	0	0
B.6 Other changes	3	17	0	50	0	70
C. Decreases	**-57**	**-92**	**0**	**-227**	**0**	**-376**
C.1 Sales	0	-11	0	-53	0	-64
C.2 Changes in value	-44	-81	0	-161	0	-286
- Amortisations	X	-81	0	-136	0	-217
- Impairment losses	-44	0	0	-25	0	-69
- through comprehensive income statement	X	0	0	0	0	0
- through profit or loss	-44	0	0	-25	0	-69
C.3 Negative changes in restated value	0	0	0	0	0	0
- through comprehensive income statement	X	0	0	0	0	0
- through profit or loss	X	0	0	0	0	0
C.4 Transfers to non-current assets held for sale	0	0	0	0	0	0
C.5 Negative exchange differences	-13	0	0	-14	0	-27
C.6 Other changes	0	0	0	0	0	0
D. Net final carrying amount	**7,841**	**362**	**0**	**1,767**	**20**	**9,990**
D.1 Accumulated depreciation and impairment	-351	-892	0	-2,371	0	-3,614
E. Gross book value	**8,191**	**1,254**	**0**	**4,139**	**20**	**13,603**
F. Measured at cost	8,191	1,254	0	4,159	0	13,603

Deferred tax liabilities were accounted for with reference to the above mentioned intangible assets. Further information on calculation method are detailed in the paragraph *Other intangible assets* of the section *Basis for presentation and accounting principles*.

As at 31 December 2023 Group's goodwill amounted to € 7,841 million. The change is attributable to the conclusion of Purchare Price Allocation (PPA) process of MPI Generali Insurans Berhad, Generali Insurance Malaysia Berhad, and Generali Life Insurance Malaysia Berhad. For further details of the PPA please refer to the chapter *New Entites Acquisition*.
The exchange differences are mainly attributable to the currency translation of goodwill booked on Generali CEE Holding e Generali Schweiz Holding AG.
Item C.2. Impariment losses includes the write-down of the entire residual goodwill allocated to the CGU India Property&Casualty.

For details related to the price allocation process, as defined by IFRS 3, please refer to the chapter *New Entites Acquisition*.

Cash generating units (or group of cash generating units) were established in accordance with the Group's participation structure, the manner in which management monitors operations and the business of the CGUs and considering the IFRS 8 requirements relating to operating segments, which Assicurazioni Generali identified as Life, Property&Casualty and Asset&Wealth Management, in continuity with the previous year.

The table below shows the details of the Group's goodwill by CGU:

Goodwill by CGU at 31 december 2023

(€ million)	Life	Property&Casualty	Asset&Wealth Management	Total
Generali Deutschland Holding	562	1,617	0	2,179
Alleanza Assicurazioni	1,461	0	0	1,461
Generali Italia	640	692	0	1,332
Gruppo Generali CEE Holding	420	385	62	868
Gruppo Generali France	319	248	0	567
Generali Seguros - Portogallo	0	372	0	372
Gruppo Europ Assistance	0	269	0	269
Generali Schweiz Holding AG	0	240	0	240
Multiboutique	0	0	227	227
Generali Versicherung AG	76	77	0	154
Generali Malaysia	0	60	0	60
Others				113
Goodwill				**7,841**

Goodwill by CGU at 31 december 2022

(€ million)	Life	Property&Casualty	Asset&Wealth Management	Total
Generali Deutschland Holding	562	1,617	0	2,179
Alleanza Assicurazioni	1,461	0	0	1,461
Generali Italia	640	692	0	1,332
Gruppo Generali CEE Holding	429	387	58	874
Gruppo Generali France	319	248	0	567
Generali Seguros - Portogallo	0	372	0	372
Gruppo Europ Assistance	0	278	0	278
Generali Schweiz Holding AG	0	233	0	233
Multiboutique	0	0	227	227
Generali Versicherung AG	76	77	0	153
Generali Malaysia	0	62	0	62
Others				157
Goodwill				**7,895**

The goodwill booked was subject to impairment tests as stated by IAS 36.
The cash generating units have been defined consistently with IAS 36; with regard to the measurement of the recovery value, of the cash generating unit of Generali Deutschland Holding, Generali Italia, Alleanza Assicurazioni, Generali CEE Holding Group, Generali Schweiz Holding AG, Europ Assistance, Generali Versicherung AG, Generali France, Multiboutique, Generali Seguros – Portugal and Generali Malaysia (split by operating segment Life, Property&Casualty and Asset Management) the Dividend Discount Model (DDM) has been used, as described in the basis of presentation and accounting principles, for the determination of the recovery value.
This method represents a variant of the method of cash flows. In particular, the Excess Capital variant, defines the entity's economic value as the discounted dividend maintaining an appropriate capital structure taking into consideration the capital constraints imposed by the Supervisor as the solvency margin. This method results in the sum of discounted value of future dividends and the cash generating unit terminal value.
The application of this criterion entailed in general the following phases:

- explicit forecast of the future cash flows to be distributed to the shareholders in the planned time frame, taking into account the limit due to the necessity of maintaining an adequate capital level;
- calculation of the cash generating unit's terminal value, that was the foreseen value of the cash generating unit at the end of the latest year planned.

The cash flow are defined by local financial plans approved by the competent bodies of the entities that make up the relevant CGU More specifically, the detailed data were taken from the 2024 - 2026 financial plans drawn up by the CGUs taking into account the indications shared by the Group's Strategic Planning, Monitoring and Control and the Group's Cash & Capital Management functions. The projections of Own Funds and the Solvency Capital Requirement for the companies belonging to the CGUs to which the goodwill is allocated are taken from the Group Capital Management Plan for the three-year period 2024-2026 approved by the Board of Directors in December 2023, from the Group Risk Appetite Framework and the local Capital Management Plans for the three-year period 2024-2026.

In order to extend the analysis horizon to a 5 years period, the main economic and financial data were estimated for a further two years (2027 and 2028). The net result (2027 e 2028) was mainly calculated using a sustainable growth rate for each CGU.

The table below shows the evaluation parameters used for the main CGU:
A) Nominal Growth Rate (g):

Goodwill: nominal growth rate (g)

(€ million)	31/12/2023	31/12/2022
Generali Deutschland Holding	2.0%	2.0%
Alleanza Assicurazioni	2.0%	1.5%
Generali Italia	2.0%	1.5%
Gruppo Generali CEE Holding	2.5%	2.5%
Gruppo Generali France	2.0%	2.0%
Generali Seguros - Portogallo	1.0%	1.0%
Gruppo Europ Assistance	2.0%	2.0%
Generali Schweiz Holding AG	1.0%	1.0%
Multiboutique	2.0%	2.0%
Generali Malaysia	3.0%	3.0%
Generali Versicherung AG	2.0%	2.0%

B) Cost of Equity of the company net of taxes (Ke):

Goodwill: cost of equity net of taxes (Ke)

	31/12/2023	31/12/2022
Generali Deutschland Holding		
Life	9.4%	8.8%
Property&Casualty	7.9%	7.5%
Alleanza Assicurazioni		
Life	11.2%	10.9%
Generali Italia		
Life	11.2%	10.9%
Property&Casualty	9.7%	9.6%
Gruppo Generali CEE Holding		
Life	11.8%	12.6%
Property&Casualty	10.4%	10.9%
Asset&Wealth Management	13.7%	16.7%
Generali France Group		
Life	9.9%	9.3%
Property&Casualty	8.5%	8.0%
Generali Seguros - Portogallo		
Property&Casualty	8.6%	8.5%
Europ Assistance Group		
Property&Casualty	10.1%	9.6%
Generali Schweiz Holding AG		
Property&Casualty	6.3%	6.6%
Multiboutique		
Asset&Wealth Management	11.5%	12.3%
Generali Malaysia		
Property&Casualty	8.3%	8.7%
Generali Versicherung AG		
Life	10.0%	9.4%
Property&Casualty	8.5%	8.2%

The cost of equity (Ke) for each entity is extrapolated based on the Capital Asset Pricing Model (CAPM) formula eventually adjusted to reflect specifics and identified risks.
In detail:

- Risk free rate was defined as the average value - observed during the last three months of 2023 of the 10-years government bond of the reference country of operation of the CGU, on which the goodwill has been allocated;
- The Beta coefficient was determined based on a homogeneous basket of securities of the non-life and life insurance sectors, which was compared to market indexes. The observation period was 5 years with weekly frequency;
- The market risk premium amounts to 5.5% for all Group's CGUs.

The impairment test results have confirmed the recoverability of all CGU carrying amount.
Furthermore, within the goodwill impairment test, a sensitivity analysis was performed on the results, by changing the cost of own capital of the company (Ke) (+/-1%) and the perpetual growth rate of distributable future cash flows (g) (+/-0.5%).
Variations of financial assumptions have for the sensitivity has not been reflected, for prudency reasons, on the cash flows detailed in the plan used for the test, and on the CGUs carrying amounts.
For Life and Asset&Wealth management the sensitivity analysis have confirmed the recoverability of carrying amounts.
For Property&Casualty segment the sensitivity analysis on financial hypothesis highlighted that for the CGUs Europ Assistance and Generali Malaysia Property&Casualty a balance between recoverable amount and carrying amount is reached by increasing Ke by 0.8% and 0.3% respectively. With reference to the CGU Generali Seguros – Portogallo, the balance between recoverable amount and carrying amount is reached by increasing Ke by 0.57% and decrese of (g) by 0.18%. Following this evidence, which in any case confirms the recoverability of the book values recorded in the financial statements, the Group is going to monitor the performance of these CGUs in order to identify any future elements of attention.

6. New entities acquisition

As reported in the Annual Integrated Report and Consolidated Financial Statement 2022 approved by Board of Director on 13 March 2023, in relation to the acquisition of the AXA Affin Life Insurance (AALI) joint venture renamed Generali Life Insurance Malaysia Berhad, AXA Affin General Insurance (AAGI) joint venture renamed Generali Insurance Malaysia Berhad and MPI Generali Berhad the evaluation period and, consequently, the PPA process, as defined in the IFRS 3 par. 45 is concluded as the allocation of the price paid to the fair value of the technical provision and other intangible assets has been completed. As regards the methodological note on the accounting of the acquisition, please refer to what has been published in the Integrated Annual Report and Consolidated Financial Statements 2022.

The conclusion of the process generated the following result:

MPI Generali Insurans Berhad

In the context of the aggregation by the Generali Group of MPI Generali Insurans Berhard, 30 August 2022 constitutes the date of acquisition of control pursuant to IFRS 10 as it corresponds to the time of the transfer to Assicurazioni Generali of the ownership of the shares.
In view of the short time lapse between the acquisition date (30 August 2022) and the reference date of the last financial statements and in the absence of significant events occurring between the two dates, for the purposes of applying IFRS 3 it was deemed appropriate to refer to the fair values of the assets acquired and liabilities assumed determined with reference to 31 August 2022. The results of operations of MPIG were, therefore, consolidated as of 1 September 2022.
The acquisition cost, is equal to the price paid to Multi-Purpose Capital Holdings Berhad (MPHB Capital) for the purchase of 51% of the shares of MPIG, to which was added the value of the previously held 49% stake.

Acquisition Cost - MPI Generali Insurans Berhad

(€ million)		
Price paid for the acquisition of 51% from Multi-Purpose Capital Holdings Berhad (MPHB Capital)	116	a
Quota Previously Held	112	b
Total Acquisition Cost	**228**	**c = b + a**

The following table illustrates the details with reference to the calculation of the goodwill arising from the PPA process:

Purchase Price Allocation - MPI Generali Insurans Berhad

(€ million)		
Net Asset Value at 31/08/2022	**163**	
Intangible Asset Recognition	17	
Fair value Adjustment on Financial Investment	0	
Fair value Adjustment on Technical Provision	1	
Other Adjustment	1	
Tax Effect	-4	
Fair Value of Net Asset at 31 August 2022	**177**	
Non Controlling Interest	0	
Fair Value of Net Assets at 31 August 2022 net of Non Controlling Interest	**177**	**a**
Acquisition Cost	228	b
Goodwill	**51**	**c = b - a**

The main difference from the previously provisional PPA is attributable to the measurement of technical reserve for and the corresponding tax effect.

The following table summarises the balance sheet of the first-time consolidation of MPIG:

First consolidation Balance Sheet - MPI Generali Insurans Berhad

(€ million)	
Intangible Assets	**28**
Insurance Asset	161
Investments	315
Other Financial Asset and Other Asset	45
Cash and cash equivalents	1
Total Asset	**550**
Other Provision, Payables and Other Liabilities	28
Insurance Liabilities	344
Financial liabilities	1
Total Liabilities	**373**
Fair Value of Net Asset at 31 August 2022	**177**

Generali Insurance Malaysia Berhad (ex AXA Affin General Insurance)

In the context of the Generali Group's aggregation of Generali Insurance Malaysia Berhad (formerly AXA Affin General Insurance - AAGI) joint venture, 30 August 2022 constitutes the date of acquisition of control within the meaning of IFRS 10 as it corresponds to the time of the transfer to Assicurazioni Generali of the ownership of the shares.

In consideration of the short time lapse between the acquisition date (30 August 2022) and the reference date of the latest financial statements and in the absence of relevant events occurring between the two dates, for the purposes of applying IFRS 3 it was deemed appropriate to refer to the fair values of the assets acquired and liabilities assumed determined with reference to 31 August 2022. The results of operations of AAGI were, therefore, consolidated as of 1 September 2022. The acquisition cost, determined in accordance with IFRS 3 par. 37, is equal to the price paid to AXA-Affin joint venture for the purchase of 53% of the shares of AAGI.

Acquisition Cost - Generali Insurance Malaysia Berhad

(€ million)	
Price paid for acquisition of 53% from Axa-Affin joint venture	165
Total Acquisition Cost	**165**

The following table illustrates the details with reference to the calculation of the goodwill arising from the PPA process:

Purchase Price Allocation - Generali Insurance Malaysia Berhad

(€ million)		
Net Asset Value at 31/08/2022	**272**	
Intangible Asset Recognition	24	
Fair value Adjustment on Financial Investment	0	
Fair value Adjustment on Technical Provision	-12	
Other Adjustment	-3	
Tax Effect	-2	
Fair Value of Net Asset at 31 August 2022	**279**	
Non Controlling Interest	-131	
Fair Value of Net Assets at 31 August 2022 net of Non Controlling Interest	**148**	**a**
Acquisition Cost	165	b
Goodwill	**17**	**c = b - a**

The conclusion of the price allocation process showed no significant differences from the provisional price allocation as at 31 December 2022.

The following table summarises the balance sheet of the first-time consolidation of Generali Insurance Malaysia Berhad:

First consolidation Balance Sheet - Generali Insurance Malaysia Berhad

(€ million)	
Intangible Assets	**31**
Insurance Asset	106
Investments	684
Other Financial Asset and Other Asset	86
Cash and cash equivalents	9
Total Asset	**916**
Other Provision, Payables and Other Liabilities	107
Insurance Liabilities	520
Financial liabilities	10
Total Liabilities	**637**
Fair Value of Net Asset at 31 August 2022	**279**

Generali Life Insurance Malaysia Berhad (ex AXA Affin Life Insurance)

In the context of the aggregation by the Generali Group of Generali Life Insurance Malaysia Berhad (former AXA Affin Life Insurance - AALI) joint venture, 30 August 2022 constitutes the date of acquisition of control in accordance with IFRS 10 as it corresponds to the moment of the transfer to Assicurazioni Generali of the ownership of the shares.

In view of the short time lapse between the acquisition date (30 August 2022) and the reference date of the latest financial statements and in the absence of material events occurring between the two dates, for the purposes of applying IFRS 3 it was deemed appropriate to refer to the fair values of the assets acquired and liabilities assumed determined with reference to 31 August 2022. The results of operations of AALI were, therefore, consolidated as of 1 September 2022.

The acquisition cost is equal to the price paid to AXA-Affin joint venture for the acquisition of 70% of the shares of AALI:

Acquisition cost - Generali Life Insurance Malaysia Berhad

(€ million)	
Price paid for acquisition of 70% from Axa-Affin joint venture	36
Total Acquisition Cost	**36**

The following table illustrates the details with reference to the calculation of the goodwill arising from the PPA process:

Purchase Price Allocation - Generali Life Insurance Malaysia Berhad

(€ million)		
Net Asset Value at 31/08/2022	**50**	
Intangible Asset Recognition	7	
Fair value Adjustment on Financial Investment	1	
Fair value Adjustment on Technical Provision	-10	
Other Adjustment	0	
Tax Effect	2	
Fair Value of Net Asset at 31 August 2022	**51**	
Non Controlling Interest	-15	
Fair Value of Net Assets at 31 August 2022 net of Non Controlling Interest	**36**	a
Acquisition Cost	36	b
Goodwill	**0**	c = b - a

The conclusion of the price allocation process showed no significant differences from the provisional price allocation as at 31st December 2022

The following table summarises the balance sheet of the first-time consolidation of Generali Life Insurance Malaysia Berhad.

First consolidation Balance Sheet - Generali Life Insurance Malaysia Berhad

(€ million)	
Intangible Assets	7
Insurance Asset	3
Investments	570
Other Financial Asset and Other Asset	10
Cash and cash equivalents	13
Total Asset	**603**
Other Provision, Payables and Other Liabilities	61
Insurance Liabilities	491
Financial liabilities	1
Total Liabilities	**552**
Fair Value of Net Asset at 31 August 2022	**51**

7. Transactions with related parties

With regards to transactions with related parties, the main activities, set on an arm's length basis, mainly consist in relations of insurance, reinsurance and co-insurance, also including claims settlement, administration and management of securities and real estate assets, leasing, loans and guarantees, financial advice, IT and administrative services.
When carried out with companies belonging to the Group, these operations substantially aim at guaranteeing the streamlining of operational functions, an exploitation of synergies, greater economies in overall management and an appropriate level of service.

For further information regarding related parties' transactions - and in particular regarding the procedures adopted by the Group to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness - please refer to the paragraph *Related Party Transactions Procedures* included in section Internal control and risk management system of the *Corporate governance and Ownership Report*.

The total remuneration due to the Members of the Board of Directors, the Board of Statutory Auditors and the Managers with Strategic Responsibilities and the shareholdings held by the same are shown, as per Consob regulations, in the Report on Remuneration Policy and Payments, in the specific tables 1, 3a, 3b and 4 of Part II of Section II of the report itself. The remuneration components were assigned and quantified according to the Remuneration Policy approved by the Shareholders' Meeting on 28th of April 2023, following implementation, when required, of the procedure for transactions with related parties, as required by law.

Remuneration Components

(€ million)	Non-executive Directors and Members of the Board of Statutory Auditors(*)	Other Managers with Strategie Responsibilities(**)
a Short-term employee benefits	5	35
b Post-employment benefits	-	2
c Other long-term employee benefits	-	1
d Termination benefits	-	0
e Share-based payment	-	15
Total	**5**	**54**

(*) It includes 18 individuals.
(**) It includes 21 individuals, including the Managing Director/Group CEO.

Below we highlight the economic and financial transactions relating to loans and interest income and expenses with Group companies not included in the area of full consolidation and with other related parties.
The transactions between Group companies consolidated line-by-line have been eliminated in the consolidation and are not disclosed in the Notes.

As shown in the table below, the impact of such transactions, if compared on a Group basis, is not material.

Related parties

(€ million)	Subsidiaries with significant control not consolidated	Associated companies and joint-ventures	Other related parties	Total	% on balance sheet item
Loans	6	756	0	762	0.16%
Loans issued	-3	-6	-14	-25	0.06%
Interest income	0	15	0	15	-0.20%
Interest expense	-0	-0	0	-0	-0.05%

In particular, the subtotal Associated companies and Joint ventures includes loans to Group companies valued with equity method for € 756 million, mostly related to real estate companies.

With reference to the related parties as stated by IAS 24 par 19 letter b, it should be noted that with regard to transactions with Mediobanca Banca di Credito Finanziario S.p.A. – company that exerts significant influence over the Generali Group – and its subsidiaries, the main balances on assets and liabilities at 31 December 2023 are represented by investment funds (approximately € 400 million), debt securities issued by Mediobanca and its subsidiaries (approximately € 80 million) and equity investments (approximately € 28 million), as well as collateralised hedging derivatives for about € -5 million. The main impacts on the profit and loss account at 31 December 2023 amounted to about € -27 million, mainly due to costs related to commercial relations, in force in Italy on insurance activity, as well as to the net commissions.
These relationships, regulated at market conditions, have not a significant impact on the size of the Generali Group.

With reference to the paragraph 18 of *Related Party Transactions Procedures* relating to periodic reporting requirements, there were no (i) Related Party Transactions of major importance concluded during the reporting period (ii) Related Party Transactions, concluded during the reference period, which influenced the Group's financial statements or profit to a significant extent (iii) changes or developments of the Transactions described in the previous annual report that have had a significant effect on the Group's financial statements or profit.

INVESTMENTS

The table below detailed the Group's total investments, which include:
- General Account investments, presented by nature (equity investments, fixed income investments, land and building – investment properties and similar investments, other investments and cash and cash equivalents); and
- Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds.

General Account investments are further split into the relevant IFRS categories, as presented in the Balance Sheet.
Given their short-term investments nature, the reverse repurchase agreements are reclassified within cash and cash equivalents. Furthermore, repurchase agreements are reclassified in the same item. Derivatives instruments are presented net of derivatives held as financial liabilities and hedging derivatives which are presented within Other investments, as well as specific items classified in the financial statement among other assets. Investment funds units (IFUs) are allocated to respective asset classes based on prevailing underlying assets, therefore, they allocated within equity investments, fixed income investments, land and buildings (investment properties and similar investments), cash and cash equivalents.
Financial assets where investment risk is borne by the policyholders are unit-linked and index-linked related to investment contracts within the scope of IFRS 9 and pension funds.
Comments on the specific financial statement items are reported in the following paragraphs.

Investments table

(€ million)	31/12/2023		31/12/2022	
	Total Book value	Impact (*)	Total Book value	Impact (*)
Equity investments	**25,291**	**5.4%**	**26,129**	**5.8%**
At fair value through other comprehensive income	2,460	0.5%	2,464	0.6%
At fair value through profit or loss	22,831	4.9%	23,665	5.3%
Fixed income investments	**280,665**	**60.1%**	**280,489**	**62.7%**
Bonds	233,835	50.1%	235,386	52.6%
At amortised cost	9,636	2.1%	10,691	2.4%
At fair value through other comprehensive income	216,149	46.3%	215,649	48.2%
At fair value through profit or loss	8,050	1.7%	9,045	2.0%
Other fixed income investments	46,830	10.0%	45,104	10.1%
At amortised cost	9,339	2.0%	10,051	2.2%
At fair value through other comprehensive income	4,475	1.0%	2,973	0.7%
At fair value through profit or loss	33,016	7.1%	32,079	7.2%
Land and buildings (investment properties and similar investments)	**27,038**	**5.8%**	**28,942**	**6.5%**
At acquisition cost	3,064	0.7%	3,515	0.8%
At fair value	23,973	5.1%	25,427	5.7%
Other investments	**8,233**	**1.8%**	**5,878**	**1.3%**
Investments in subsidiaries, associated companies and joint ventures at cost or at equity	1,889	0.4%	1,532	0.3%
Investments in subsidiaries, associated companies and joint ventures at fair value through profit or loss	823	0.2%	961	0.2%
Derivatives	-164	0.0%	-71	0.0%
Financial assets at fair value through profit or loss	1,041	0.2%	1,292	0.3%
Financial liabilities at fair value through profit or loss	-1,205	-0.3%	-1,364	-0.3%
Receivables from banks or customers	2,014	0.4%	2,122	0.5%
Other Investments	3,672	0.8%	1,335	0.3%
At fair value through other comprehensive income	5	0.0%	112	0.0%
At fair value through profit or loss	2,249	0.5%	328	0.1%
Other assets	1,418	0.3%	895	0.2%
Cash and cash equivalents	**17,352**	**3.7%**	**10,606**	**2.4%**
At cost/nominal	3,104	0.7%	3,676	0.8%
At fair value through other comprehensive income	269	0.1%	123	0.0%
At fair value through profit or loss	13,978	3.0%	6,807	1.5%
Total General Account investments	**358,578**	**76.8%**	**352,044**	**78.7%**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	108,265	23.2%	95,251	21.3%
Group's total investments	**466,843**	**100.0%**	**447,295**	**100.0%**

General Account investments are investments reported in the financial statements (excluding financial assets categorized as unit/index-linked contracts and deriving from investment contract management) and cash and cash equivalents. They also include some liabilities, with features similar to investments, among which derivative liabilities referred to the investment portfolio and repurchase agreements (REPOs).The item Cash and cash equivalents includes repurchase agreements accounted for as liabilities for € -4,209 million (€ -3,644 million at 31 December 2022), while the items Derivatives and Other investments include derivative instruments accounted for as liabilities for € -3,481 million (€ -4,572 million at 31 December 2022) as well as other assets for € 1,142 million (€ 900 million at 31 December 2022).

8. Financial assets valued at amortised cost

The table below details the carrying amounts and the fair value hierarchy, by product composition, of financial assets valued at amortised cost.

Financial assets valued at amortised cost: product composition, percentage composition and fair value hierarchy

(€ million)	31/12/2023						31/12/2022					
Items/Values	Carrying Amounts	Comp. %	L1	L2	L3	Fair value	Carrying Amounts	Comp. %	L1	L2	L3	Fair value
1) Debt securities	9,636	45.4%	9,190	267	75	9,532	10,679	45.8%	10,007	295	78	10,381
Government bonds	7,288	34.3%	X	X	X	X	8,085	34.7%	X	X	X	X
a) listed	7,288	34.3%	X	X	X	X	8,085	34.7%	X	X	X	X
b) unlisted	0	0.0%	X	X	X	X	0	0.0%	X	X	X	X
Other bonds	2,348	11.1%	X	X	X	X	2,594	11.1%	X	X	X	X
a) listed	2,348	11.1%	X	X	X	X	2,594	11.1%	X	X	X	X
b) unlisted	0	0.0%	X	X	X	X	0	0.0%	X	X	X	X
2) Loans and receivables	11,596	54.6%	279	8,477	2,764	11,521	12,618	54.2%	429	9,266	2,682	12,377
Total	**21,232**	**100.0%**	**9,469**	**8,745**	**2,839**	**21,053**	**23,297**	**100.0%**	**10,436**	**9,561**	**2,760**	**22,758**

The category includes 4.6% (5.2% at 31 December 2022) of the amount recognized in the investments item presented in the balance sheet. The exposures mainly refer to bonds, equal to 45.4% (45.8% at 31 December 2022) of the category, attributable to the operations of the Group's banking companies, and to mortgage loans, equal to 26.2% (24 .2% as of December 31, 2022) of this category.
The decrease recognized compared to 31 December 2022 is attributable to the decrease in exposures in bonds which amounts to € 9,636 million (€ 10,679 at 31 December 2022), in particular in government bonds, equal to € 7,288 million (€ 8,085 million at 31 December 2022).

The table below illustrates the amount of unrealized gains and losses for financial assets classified at amortised cost.

Financial assets at amortised cost: unrealized gains and losses

(€ million)	Book Value		Fair value		Unrealized gains/ losses	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Bonds	9,636	10,679	9,532	10,381	-104	-299
Loans and receivables	11,596	12,618	11,521	12,377	-75	-241
Total	**21,232**	**23,297**	**21,053**	**22,758**	**-179**	**-539**

The table below shows the details of financial assets valued at amortised cost by nature and credit risk stages.

Financial assets at amortised cost: product composition and credit risk stages

(€ million)	Carrying Amounts 31/12/2023			Carrying Amounts 31/12/2022		
	First stage	Second stage	Third stage	First stage	Second stage	Third stage
Government bonds	7,288	0	0	8,085	0	0
Other bonds	2,326	22	0	2,565	29	0
Loans and receivables	11,293	249	54	12,292	272	54
a) to banks	3,187	0	0	4,182	0	0
b) to customers	8,106	249	54	8,110	272	54
- mortgage loans	5,687	56	26	5,556	62	30
- policy loans	0	0	0	0	0	0
- other loans and receivables	2,419	193	28	2,554	210	25
Total 31/12/2023	**20,907**	**271**	**54**	**0**	**0**	**0**
Total 31/12/2022	**0**	**0**	**0**	**22,942**	**302**	**54**

Financial assets at fair value through other comprehensive income: gross carrying amount and ECL allocation

(€ million)	Gross amount				Net expected credit losses allocation				Total 31/12/2023	Total 31/12/2022
	First stage	of which: Assets with low credit risk	Second stage	Third stage	First stage	of which: Assets with low credit risk	Second stage	Third stage		
Government bonds	7,291	0	0	0	-3	0	0	0	7,288	8,085
di cui investment grade	7,158	0	0	0	-2	0	0	0	7,156	7,754
of which non investment grade	33	0	0	0	-0	0	0	0	33	160
of which not rated	100	0	0	0	-1	0	0	0	98	171
Other bonds	2,329	0	22	0	-3	0	-0	0	2,348	2,594
di cui investment grade	2,147	0	2	0	-1	0	-0	0	2,147	2,437
of which non investment grade	71	0	0	0	-1	0	0	0	70	85
of which not rated	111	0	20	0	-1	0	-0	0	130	79
Loans and receivables	11,307	0	251	111	-26	0	-2	-45	11,596	12,619
- to banks	3,186	0	0	12	-11	0	0	0	3,187	4,182
- to customers	8,121	0	251	99	-15	0	-2	-45	8,409	8,437
Total 31/12/2023	**20,927**	**0**	**273**	**111**	**-32**	**0**	**-2**	**-45**	**21,232**	**0**
Total 31/12/2022	**22,966**	**0**	**305**	**80**	**-25**	**0**	**-3**	**-26**	**0**	**23,297**

In line with the stage allocation methodology adopted by the Group, which does not explicitly provide for the use of the low credit risk exemption, the column relating to assets with low credit risk allocated in the first stage is not filled in.
The table below presents the evolution of the credit risk stages of financial assets valued at amortised cost.

Financial assets at amortised cost: credit risk stages roll forward

	31/12/2023			
	Fist stage	Second stage	Third stage	Total
Opening balance	**-25**	**-3**	**-26**	**-53**
Purchases and issues	-5	-0	-1	-6
Sales and pay-backs	5	0	4	10
ECL remeasurement	-17	0	-15	-32
Reclassification from first stage		-0	0	-0
Reclassification from second stage	0		0	0
Reclassification from third stage	1	1		2
Other variations	9	-0	-8	0
Closing balance	**-32**	**-2**	**-45**	**-79**

9. Financial assets at fair value through other comprehensive income

The table below details the carrying amounts, by product composition, of financial assets valued through other comprehensive income.

Financial assets at fair value through other comprehensive income: composition and impact

(€ million)	31/12/2023		31/12/2022	
	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %
Equities	2,074	0.9%	2,039	0.9%
a) quoted	1,379	0.6%	1,389	0.6%
b) unquoted	695	0.3%	650	0.3%
Bonds	216,149	96.8%	215,673	97.4%
Government bonds	128,178	57.4%	130,411	58.9%
a) quoted	121,443	54.4%	124,231	56.1%
b) unquoted	6,734	3.0%	6,181	2.8%
Other bonds	87,971	39.4%	85,262	38.5%
a) quoted	82,041	36.7%	79,228	35.8%
b) unquoted	5,930	2.7%	6,034	2.7%
Other financial assets	5,135	2.3%	3,609	1.6%
Total	**223,359**	**100%**	**221,322**	**100%**

The category includes 47.9% (49.4% at 31 December 2022) of the amount recognized in the investments item presented in the balance sheet. It mainly consists of bonds, corresponding to 96.8% (97.4% at 31 December 2022) of the total amount recognized in the accounting category, reflecting the Group's hold to collect and sell business model, aimed at holding the assets financial assets both for the purpose of collecting the contractual cash flows and for realization purposes. These exposures mainly consist of bonds with a rating equal to or higher than BBB, the rating class assigned to Italian government bonds.
Equities held in portfolios relating to products without discretionary profit participation, amounting to € 2,074 million (€ 2,039 million at 31 December 2022), are also included in this category.
The increase recorded compared to 31 December 2022 is attributable to the greater incidence of other bonds, equal to € 87,971 million (€ 85,262 million at 31 December 2022) and as well as to other financial assets, equal to € 5,135 million (€ 3,609 million at 31 December 2022), in particular other loans, amounting to € 4,213 million (€ 2,973 million at 31 December 2022).

Equity investments designated at fair value through other comprehensive income without recycling to the income statement amounted to € 2,074 million (€ 2,039 million at 31 December 2022), a slight increase, following net acquisitions of shares included in the aforementioned category.
Dividends recognized in the income statement, deriving from equity investments designated at fair value through other comprehensive income without recycling to the income statement, amounted to € 130 million at 31 December 2023 (€ 119 million at 31 December 2022), of which € 6 million (€ 40 million at 31 December 2022) relating to assets sold during the year.
The fair value of the equity investments included in this category sold during the year is € 1,300 million (€ 1,358 million in 2022).
The realized gains recognized in equity reserve during the year amounted to € 36 million (€ -59 million at 31 December 2022).
The item "Other financial assets", which amounts to € 5,135 million (€ 3,609 million at 31 December 2022), also includes other investments considered equity investments, whose dividends amount to € 125 million at 31 December 2023.

The table below shows unrealized profits and losses for financial assets at fair value through other comprehensive income.

Financial assets through other comprehensive income: unrealized gains and losses

(€ million)	Book Value		Amortised cost		Unrealized gains/ losses	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Equity investments	2,074	2,039	1,901	1,983	173	56
Bonds	216,149	215,673	240,646	253,229	-24,497	-37,556
Other financial assets	5,135	3,609	4,834	3,745	302	-136
Total	**223,359**	**221,322**	**247,381**	**258,958**	**-24,022**	**-37,636**

The table below shows the detail of financial assets at fair value through other comprehensive income by nature and stage of credit risk.

Financial assets at fair value through other comprehensive income: gross carrying amount and ECL allocation

(€ million)	Gross amount				Net expected credit losses allocation				Total 31/12/2023	Total 31/12/2022
	First stage	of which: Assets with low credit risk	Second stage	Third stage	First stage	of which: Assets with low credit risk	Second stage	Third stage		
Government bonds	128,156	0	22	1	-112	0	-17	-12	128,038	130,190
of which investment grade	121,362	0	0	0	-90	0	0	0	121,273	124,086
of which non investment grade	876	0	17	0	-18	0	-16	0	860	1,169
of which not rated	5,917	0	4	1	-4	0	-1	-12	5,905	4,568
Other bonds	87,372	0	453	146	-241	0	-35	-72	87,623	84,849
of which investment grade	82,443	0	234	0	-193	0	-9	0	82,474	78,156
of which non investment grade	4,733	0	209	27	-26	0	-25	-45	4,873	5,454
of which not rated	196	0	11	119	-21	0	-1	-28	276	1,165
Other financial assets	4,748	0	1	0	-32	0	-0	0	4,717	3,173
Total 31/12/2023	**220,276**	**0**	**476**	**146**	**-385**	**0**	**-52**	**-84**	**220,378**	**0**
Total 31/12/2022	**217,130**	**0**	**1,186**	**548**	**-559**	**0**	**-46**	**-48**	**0**	**218,212**

In line with the stage allocation methodology adopted by the Group, which does not explicitly provide for the use of the low credit risk exemption, the column relating to assets with low credit risk allocated in the first stage is not filled in.
The table below shows the evolution of the credit risk stages of financial assets through other comprehensive income.

Financial assets at fair value through other comprehensive income: credit risk stages roll forward

(€ million)	31/12/2023			
	Fist stage	Second stage	Third stage	Total
Opening balance	**-559**	**-46**	**-48**	**-652**
Purchases and issues	-48	-0	-0	-49
Sales and pay-backs	63	2	22	88
ECL remeasurement	120	-0	-44	76
Reclassification from first stage	0	-22	-9	-32
Reclassification from second stage	3	0	0	3
Reclassification from third stage	0	0	0	0
Other variations	36	14	-5	45
Closing balance	**-385**	**-52**	**-84**	**-520**

10. Financial assets at fair value through profit or loss

The table below shows the carrying amounts, by product composition, of financial assets at fair value through profit or loss. It should be noted that the financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds, are included, by convention, in the item "Financial assets designated at fair value".

Financial assets at fair value through profit or loss: composition and impact

(€ million)	Financial assets held for trading				Financial assets designed at fair value				Financial assets mandatorily measured at fair value			
	31/12/2023		31/12/2022		31/12/2023		31/12/2022		31/12/2023		31/12/2022	
Items/Values	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %
Equities	1	0.1%	1	0.1%	5,796	5.3%	5,299	5.5%	4,359	5.1%	5,974	7.7%
a) quoted	1	0.1%	1	0.1%	4,304	4.0%	3,417	3.6%	3,788	4.5%	5,645	7.3%
b) unquoted	0	0.0%	0	0.0%	1,492	1.4%	1,882	2.0%	571	0.7%	328	0.4%
Own shares	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Own financial liabilities	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Bonds	0	0.0%	14	1.1%	9,363	8.6%	6,651	6.9%	8,050	9.5%	9,018	11.6%
a) quoted	0	0.0%	14	1.1%	9,153	8.4%	6,443	6.7%	7,283	8.6%	8,618	11.1%
b) unquoted	0	0.0%	0	0.0%	210	0.2%	208	0.2%	767	0.9%	400	0.5%
Investment fund units	55	5.0%	38	2.8%	91,896	84.5%	81,741	85.2%	58,212	68.4%	49,239	63.4%
Derivatives	1,041	94.9%	1,292	96.0%	-186	-0.2%	-251	-0.3%	0	0.0%	0	0.0%
Hedging derivatives	0	0.0%	0	0.0%	437	0.4%	649	0.7%	0	0.0%	0	0.0%
Other financial assets	0	0.0%	0	0.0%	1,395	1.3%	1,853	1.9%	14,492	17.0%	13,473	17.3%
Total	**1,097**	**100%**	**1,346**	**100%**	**108,701**	**100%**	**95,942**	**100%**	**85,114**	**100%**	**77,703**	**100%**

The category represents 41.8% (39.1% at 31 December 2022) of total investments. In particular, these investments are mainly concentrated in the Life segment, equal to 94.4% of the total amount (€ 184,051 million at 31 December 2023). The increase recorded compared to 31 December 2022 is mainly attributable to the increase in carrying amounts of financial assets designated at fair value, in particular of investment fund units, almost entirely attributable to financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds, and quoted bonds.

11. Investment properties

The table below shows, split by measurement model, the amount of investment properties held for the purpose of receiving rent and/ or to achieve objectives of appreciation of the invested capital.

Investment properties: composition

(€ million)	At cost		At fair value	
Activities/Values	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1. Land and buildings (investment properties) owned	**956**	**961**	**9,338**	**9,739**
a) land	83	101	2	2
b) buildings	873	861	9,336	9,738
2. Land and buildings (investment properties) subject to operating leases	**2,109**	**2,554**	**11,429**	**12,373**
a) land	164	180	357	363
b) buildings	1,945	2,373	11,072	12,009
Total	**3,064**	**3,515**	**20,767**	**22,112**

Land and buildings (investment properties) amounted to € 23,381 million (€ 25,627 million at 31 December 2022).
In term of incident, land and buildings (investment properties) measured at fair value represent 86.9% (86.3% at 31 December 2022) of the total of this category and mainly consists of backing contracts with direct participation feature.

The table below presents the main changes that occurred in the period and the detail of fair value:

Investment properties: variations

(€ million)	Land	Buildings	Total
A. Opening balances	**646**	**25,884**	**26,530**
A.1 Accumulated depreciation and impairment	0	-903	-903
A.2 Net opening balance	**646**	**24,981**	**25,627**
A.2.a Adjustment opening balances	0	0	0
B. Increases	**22**	**1,672**	**1,694**
B.1 Acquisitions	20	859	879
B.2 Capitalized expenses	0	115	115
B.3 Positive changes in fair value	0	346	346
B.4 Reversals of impairment losses	0	0	0
B.5 Positive exchange differences	0	96	96
B.6 Transfers from self-used properties	2	256	258
B.7 Other changes	0	0	0
C. Decreases	**-63**	**-3,428**	**-3,490**
C.1 Sales	-55	-1,161	-1,217
C.2 Depreciations	0	-60	-60
C.3 Negative changes in fair value	0	-1,828	-1,828
C.4 Impairment losses	0	-51	-51
C.5 Negative exchange differences	-0	0	-0
C.6 Transfers to:	-0	-236	-236
a) self-used properties for own use	-0	-236	-236
b) non-current assets and disposal groups held for sale	0	0	0
C.7 Other changes	-7	-92	-99
D. Net final carrying amount	**606**	**23,225**	**23,831**
D.1 Accumulated depreciation and impairment	0	-905	-905
D.2 Gross book value	**606**	**24,130**	**24,736**
E. Fair value measurement	614	25,464	26,078

The fair value of the investment properties at the end of the period was determined on the basis of appraisals commissioned mainly from third parties.

12. Cash and cash equivalents

Cash and cash equivalents

(€ million)	31/12/2023	31/12/2022
Cash and cash equivalents	148	332
Cash and balances with central banks	578	706
Cash at bank and credit balances with banks payable on demand	6,344	5,849
Total	**7,070**	**6,887**

During the year, cash and cash equivalents increased to €7,070 million (€ 6,887 million at 31 December 2022). This trend is consistent with the aim of supporting any liquidity needs arising from Life segment operations.

13. Financial liabilities at fair value through profit or loss

The below table provides the breakdown of the carrying value, by composition, of financial liabilities measured at fair value through profit or loss.

Financial liabilities at fair value through profit or loss: composition and impact

(€ million)	Financial liabilities held for trading				Financial liabilities designated at fair value				Total			
	31/12/2023		31/12/2022		31/12/2023		31/12/2022		31/12/2023		31/12/2022	
Items/Values	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %
Investment contracts issued IFRS 9:	0	0.0%	0	0.0%	5,104	67.7%	4,694	58.3%	5,104	58.4%	4,694	49.8%
a) investment contracts where the investment risk is borne by the policyholders	0	0.0%	0	0.0%	3,560	47.2%	3,776	46.9%	3,560	40.7%	3,776	40.1%
b) pension funds	0	0.0%	0	0.0%	636	8.4%	756	9.4%	636	7.3%	756	8.0%
c) other financial liabilities issued	0	0.0%	0	0.0%	908	12.1%	162	2.0%	908	10.4%	162	1.7%
Derivatives	1,205	100.0%	1,364	100.0%	0	0.0%	0	0.0%	1,205	13.8%	1,364	14.5%
Hedging derivatives	0	0.0%	0	0.0%	2,404	31.9%	3,332	41.4%	2,404	27.5%	3,332	35.4%
Other financial liabilities	0	0.0%	0	0.0%	28	0.4%	28	0.3%	28	0.3%	28	0.3%
Total	**1,205**	**100.00%**	**1,364**	**100.00%**	**7,535**	**100.00%**	**8,054**	**100.00%**	**8,740**	**100.00%**	**9,417**	**100.00%**

The financial liabilities at fair value through profit or loss mainly consist of financial liabilities designated at fair value, accounting for 86.2% (85.5% at 31 December 2022) of the total item. In particular, this category includes investment contracts falling within the scope of IFRS 9, amounting to € 5,104 million (€ 4,694 million at 31 December 2022), primarily related to investment contracts where the investment risk is borne by the policyholders for € 3,560 million (€ 3,776 million at 31 December 2022). Additionally, the amount of hedging derivatives is equal to € 2,404 million (€ 3,332 million at 31 December 2022).

14. Financial liabilities at amortised cost

Financial liabilities at amortised cost: composition, impact and fair value hierarchy

(€ million)	31/12/2023						31/12/2022					
Items/Values	Carrying Amounts	Comp. %	L1	L2	L3	Total Fair value	Carrying Amounts	Comp. %	L1	L2	L3	Total Fair value
Equity instruments	0	0.0%	0	0	0	0	0	0.0%	0	0	0	0
Subordinated liabilities	9,040	25.6%	8,263	523	26	8,812	8,358	23.1%	7,248	571	24	7,843
Bonds issued	1,767	5.0%	1,757	0	0	1,757	1,765	4.9%	1,791	0	0	1,791
Other loans received	24,538	69.4%	244	15,753	8,553	24,549	26,101	72.1%	940	17,197	8,458	26,595
- from banks	6,565	18.6%	X	X	X	X	5,980	16.5%	X	X	X	X
- from customers	17,973	50.8%	X	X	X	X	20,121	55.5%	X	X	X	X
Total	**35,346**	**100%**	**10,264**	**16,276**	**8,578**	**35,118**	**36,225**	**100%**	**9,979**	**17,768**	**8,482**	**36,229**

The increase in Subordinated liabilities primarily stems from two bond issuances occurred in April and September, totaling € 1 billion. This rise was partly mitigated by a cash buyback of roughly € 500 million of a perpetual bond, approximately € 351 million of which was held by external investors, along with the exercise of an early redemption option worth € 100 million for a bond issued by Genertel S.p.A, about € 51 million of which was held by external investors.

The following tables sort Senior and Subordinated liabilities into categories based on maturity, or first call date, when applicable. For each category of maturity, the undiscounted cash flows (including the related hedging derivatives), the book value and the fair value of financial liabilities are reported.

Subordinated liabilities - undiscounted cash flows

	31/12/2023			31/12/2022		
(€ million)	Contractual undiscounted cash flows	Book value	Fair value	Contractual undiscounted cash flows	Book value	Fair value
Up to 1 year	399	8	8	467	55	53
From 1 year up to 5 years	6,304	5,124	5,110	5,999	4,578	4,472
From 5 years up to 10 years	4,362	3,908	3,694	4,075	3,725	3,318
Over 10 years	0	0	0	0	0	0
Total subordinated liabilities	**11,065**	**9,040**	**8,812**	**10,542**	**8,358**	**7,843**

The following main subordinated issuances are included as part of the subordinated liabilities category:

Main subordinated issues

	Nominal rate	Nominal issued (*)	Currency	Ammortized cost (**)	Issuance	Call	Maturity
Assicurazioni Generali	6.27%	350	GBP	417	16/06/2006	16/06/2026	Perp
Assicurazioni Generali	4.13%	1,000	EUR	1,024	02/05/2014	n.a.	04/05/2026
Assicurazioni Generali	4.60%	1,000	EUR	995	21/11/2014	21/11/2025	Perp
Assicurazioni Generali	5.50%	1,250	EUR	1,259	27/10/2015	27/10/2027	27/10/2047
Assicurazioni Generali	5.00%	850	EUR	869	08/06/2016	08/06/2028	08/06/2048
Assicurazioni Generali	3.88%	500	EUR	516	29/01/2019	n.a.	29/01/2029
Assicurazioni Generali	2.12%	750	EUR	752	01/10/2019	n.a.	01/10/2030
Assicurazioni Generali	2.43%	600	EUR	604	14/07/2020	14/01/2031	14/07/2031
Assicurazioni Generali	1.71%	500	EUR	502	30/06/2021	30/12/2031	30/06/2032
Assicurazioni Generali	5.80%	500	EUR	512	06/07/2022	06/01/2032	06/07/2032
Assicurazioni Generali	5.40%	500	EUR	516	20/04/2023	20/10/2032	20/04/2033
Assicurazioni Generali	5.27%	500	EUR	505	12/09/2023	12/03/2033	12/09/2033
Genertel S.p.A.	4.25%	500	EUR	542	14/12/2017	14/12/2027	14/12/2047

(*) In millions, in currency.
(**) In millions of euros.

Subordinated liabilities issued by Assicurazioni Generali S.p.A. and Genertel S.p.A. are classified in this category. The remaining subordinated liabilities are related to the securities issued by Austrian subsidiaries and correspond to an amortised cost of approximately € 26 million.
As previously mentioned, the primary changes are related with the issuance of new subordinated green bonds totaling € 1 billion in nominal value on one side, and the partial cash repurchase of perpetual bonds totaling roughly € 500 million, alongside the exercise of an early redemption option worth € 100 million on the other.

The fair value of subordinated liabilities amounted to € 8,812 million.

Senior bonds - undiscounted cash flows

(€ million)	31/12/2023			31/12/2022		
	Contractual undiscounted cash flows	Book value	Fair value	Contractual undiscounted cash flows	Book value	Fair value
Up to 1 year	1,840	1,767	1,757	90	0	0
From 1 year up to 5 years	0	0	0	1,840	1,765	1,791
From 5 years up to 10 years	0	0	0	0	0	0
Over 10 years	0	0	0	0	0	0
Total debt securities issued	**1,840**	**1,767**	**1,757**	**1,929**	**1,765**	**1,791**

The category of bonds includes the listed senior issuance shown below:

Main senior bonds issues

Issuer	Nominal rate	Nominal issued (*)	Currency	Ammortized cost (**)	Issuance	Maturity
Assicurazioni Generali	5.13%	1,750	EUR	0	16/09/2009	16/09/2024

(*) In millions, in currency.
(**) In millions of euros.

Details on financial liabilities

The major monetary and non-monetary changes occurred during the period for the main items of financial liabilities (non-insurance) as well as for derivatives at fair value are shown below:

Details on financial liabilities

(€ million)	Carrying amount as at 31 December previous year	Monetary movements	Non-monetary movements				Carrying amount as at the end of the period
			Changes in fair value	Changes in consolidation scope	Foreign currency translation effects	Other non-monetary movements	
Subordinated liabilities	8,358	714	0	-41	9	0	9,040
Net position of hedging derivatives on subordinated liabilities	124	-0	3	0	3	0	128
Bonds and other loans at long term	4,736	-299	0	136	2	9	4,584
Derivatives and hedging derivatives classified as financial liabilities	4,572	-1,156	-91	0	60	0	3,385
REPO and other short-term financial liabilities	3,644	650	0	0	-85	0	4,209
Other liabilities evaluated at fair value	28	0	0	0	0	0	28
Total	**21,462**	**-92**	**-89**	**95**	**-11**	**9**	**21,375**

15. Investments income and expenses

Insurance activities - Net financial result of investments by Life and Property&Casualty segment

(€ million) Items/Bases of aggregation	Life business 31/12/2023	Of which: DPF	Property&Casualty 31/12/2023	Total 31/12/2023	Life business 31/12/2022	Of which: DPF	Property&Casualty 31/12/2022	Total 31/12/2022
A. NET FINANCIAL RESULT OF INVESTMENTS	**30,219**	**27,565**	**3,333**	**33,552**	**-70,279**	**-67,260**	**-3,407**	**-73,686**
A.1 Interest income from financial assets at amortised cost and fair value through other comprehensive income	6,164	5,330	843	7,007	6,525	5,839	646	7,171
A.2 Net gains/losses on assets at fair value through profit or loss	12,346	11,896	348	12,694	-18,740	-17,829	-188	-18,928
A.3 Net expected credit losses allocation	20	57	-27	-7	-256	-214	-95	-352
A.4 Other income/expenses	516	45	270	786	1,674	1,354	306	1,981
A.5 Net gains/losses on financial assets at fair value through other comprehensive income	11,173	10,237	1,900	13,072	-59,481	-56,409	-4,077	-63,558
B. NET CHANGE IN IFRS9 INVESTMENT CONTRACTS	**-361**	**0**	**0**	**-361**	**605**	**-1**	**0**	**605**
1. TOTAL NET FINANCIAL RESULT OF INVESTMENTS	**29,858**	**27,565**	**3,333**	**33,191**	**-69,674**	**-67,261**	**-3,407**	**-73,081**
of which: recorded in profit or loss	**18,685**	**17,328**	**1,433**	**20,118**	**-10,193**	**-10,851**	**670**	**-9,523**
of which: recorded in other comprehensive income	**11,173**	**10,237**	**1,900**	**13,072**	**-59,481**	**-56,409**	**-4,077**	**-63,558**

The table above shows the composition of net investments financial result for each operating segment, detailing the amount recognized in profit or loss (€ 20,118 million at 31 December compared to € -9,523 million at 31 December 2022) and in the statement of other comprehensive income (€ 13,072 million at 31 December 2023 compared to € -63,558 million at 31 December 2022). The net change in IFRS9 investment contracts stands at € -361 million (€ 605 million at 31 December 2022).

Investment return by asset class

(€ million) 31/12/2023	Financial assets				
	Equity Instruments		Fixed Income		
	FVTPL	FVOCI	FVTPL	FVOCI	AC
Income/expenses from financial assets, investment properties, subsidiaries, associated companies and joint ventures	225	130	366	6,606	576
Realized gains/losses	384	0	58	-306	5
Realized gains	477	0	68	487	10
Realized losses	-93	0	-9	-792	-5
Unrealized gains/losses	227	0	391	10	-17
Unrealized gains	452	0	459	0	0
Unrealized losses	-224	0	-68	0	0
Net expected credit losses allocation and impairment	0	0	0	10	-17
- Unrealized losses	0	0	0	0	0
Investment results from unit-linked assets and pension funds (*)	0	0	0	0	0
Total Finance result	**836**	**130**	**815**	**6,310**	**563**
Investment management expenses	0	0	0	0	0
FX effect	0	0	0	0	0
Total P&L return	**836**	**130**	**815**	**6,310**	**563**
Net gains and losses on equity instruments designated at fair value through other comprehensive income	0	30	0	0	0
Net gains and losses on financial assets (other than equity instruments) at fair value through other comprehensive income	0	0	0	12,390	0
Net gains and losses on hedging derivatives and other gains and losses	0	0	0	312	0
Total investments comprehensive return	**836**	**160**	**815**	**19,012**	**563**

(*) The investment result from unit-linked assets and pension funds refers to financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds.

Investment funds	Other Investments	IAS 28 Subsidiaries, associated companies and joint ventures	IAS 40 Real Estate FVTPL	IAS 40 Real Estate AC	Other assets and financial liabilities	Investment management expenses/net gains on foreign currencies	Total
1,850	355	58	198	710	0	0	11,074
310	-178	272	-9	252	0	0	789
406	1,128	324	0	273	0	0	3,171
-96	-1,305	-51	-9	-21	0	0	-2,382
590	-143	-67	-1,462	-51	0	0	-522
1,723	1,150	0	198	0	0	0	3,982
-1,133	-1,290	-0	-1,660	0	0	0	-4,375
0	-4	-67	0	-51	0	0	-129
0	0	0	0	0	429	0	429
0	0	0	0	0	8,450	0	8,450
2,751	**34**	**264**	**-1,273**	**911**	**8,878**	**0**	**20,219**
0	0	0	0	0	0	-339	-339
0	0	0	0	0	0	-142	-142
2,751	**34**	**264**	**-1,273**	**911**	**8,397**	**0**	**19,738**
0	-38	0	0	0	0	0	-8
0	0	0	0	0	0	0	12,390
0	427	0	0	0	0	0	739
2,751	**423**	**264**	**-1,273**	**911**	**8,397**	**0**	**32,859**

Investment return by asset class

(€ million) 31/12/2022	Financial assets				
	Equity Instruments		Fixed Income		
	FVTPL	FVOCI	FVTPL	FVOCI	AC
Income/expenses from financial assets, investment properties, subsidiaries, associated companies and joint ventures	326	119	389	6,895	420
Realized gains/losses	-253	0	-17	194	11
Realized gains	210	0	23	635	35
Realized losses	-463	0	-40	-441	-24
Unrealized gains/losses	-866	0	-1,706	-321	-5
Unrealized gains	570	0	79	0	0
Unrealized losses	-1,435	0	-1,785	0	0
Net expected credit losses allocation and impairment	0	0	0	-321	-5
- Unrealized losses	0	0	0	0	0
Investment results from unit-linked assets and pension funds (*)	0	0	0	0	0
Total Finance result	**-793**	**119**	**-1,334**	**6,767**	**426**
Investment management expenses	0	0	0	0	0
FX effect	0	0	0	0	0
Total P&L return	**-793**	**119**	**-1,334**	**6,767**	**426**
Net gains and losses on equity instruments designated at fair value through other comprehensive income	0	-375	0	0	0
Net gains and losses on financial assets (other than equity instruments) at fair value through other comprehensive income	0	0	0	-63,246	0
Net gains and losses on hedging derivatives and other gains and losses	0	0	0	63	0
Total investments comprehensive return	**-793**	**-256**	**-1,334**	**-56,415**	**426**

(*) The investment result from unit-linked assets and pension funds refers to financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds.

		IAS 28	IAS 40		Other assets and financial liabilities	Investment management expenses/net gains on foreign currencies	Total
Investment funds	Other Investments	Subsidiaries, associated companies and joint ventures	Real Estate				
			FVTPL	AC			
1,554	46	210	198	697	0	0	10,853
-258	274	-7	2	100	0	0	46
85	1,135	8	2	107	0	0	2,240
-343	-861	-15	0	-7	0	0	-2,194
-4,451	-564	-3	137	-41	0	0	-7,819
1,773	2,787	0	601	0	0	0	5,810
-6,224	-3,349	-3	-464	0	0	0	-13,260
0	-2	0	0	-41	0	0	-369
0	0	0	0	0	-151	0	-151
0	0	0	0	0	-12,467	0	-12,467
-3,155	**-244**	**200**	**338**	**756**	**-12,618**	**0**	**-9,539**
0	0	0	0	0	0	-300	-300
0	0	0	0	0	0	140	140
-3,155	**-244**	**200**	**338**	**756**	**-12,778**	**0**	**-9,698**
0	0	0	0	0	0	0	-375
0	0	-6	0	0	0	0	-63,251
0	-1,587	0	0	0	0	0	-1,524
-3,155	**-1,831**	**194**	**338**	**756**	**-12,778**	**0**	**-74,849**

16. Expected credit losses

The table below shows the ECL allocation and reversal details for the financial assets divided by credit risk stage.

ECL allocation and reversal by stage

(€ million)	ECL allocation				Reversal ECL			
	First stage	of which: Assets with low credit risk	Second stage	Third stage	First stage	of which: Assets with low credit risk	Second stage	Third stage
Government bonds	-27	0	-10	-12	106	0	7	1
Other bonds	-85	0	-23	-46	129	0	8	5
Loans and receivables	-52	0	-2	-28	12	0	1	4
- to banks	-10	0	0	0	3	0	0	0
- to customers	-42	0	-2	-28	10	0	1	4
Total 31/12/2023	**-163**	**0**	**-35**	**-85**	**247**	**0**	**16**	**9**
Total 31/12/2022	**-392**	**0**	**-15**	**-55**	**117**	**0**	**11**	**8**

During 2023 an ECL reduction is observed, resulting in a reversal at profit or loss, following improved macroeconomic scenario which positively impacted its estimates.

17. Details on investments

17.1. Bonds

The below table presents the book value of bonds (government and corporate bonds), divided by accounting treatment, detailed by rating and maturity:

Bonds: details for rating

(€ million)	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
AAA	12,883	255	1,131	14,269
AA	46,723	987	746	48,456
A	57,320	2,132	773	60,225
BBB	87,113	2,973	6,654	96,740
Non investment grade	5,863	915	104	6,882
Not rated	6,247	788	229	7,264
Total General account	**216,149**	**8,050**	**9,636**	**233,835**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	0	9,363	0	9,363
Total	**216,149**	**17,413**	**9,636**	**243,198**

Bonds: details for maturity

(€ million)	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amotized cost	Total
Up to 1 year	11,950	948	1,507	14,405
Between 1 and 5 years	54,618	1,063	5,501	61,181
Between 5 and 10 years	51,409	605	2,080	54,094
Beyond 10 years	95,481	4,167	548	100,196
Perpetual	2,691	1,267	0	3,959
Total General account	**216,149**	**8,050**	**9,636**	**233,835**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	0	9,363	0	9,363
Total	**216,149**	**17,413**	**9,636**	**243,198**

Bond investments, amounting to € 243,198 million, is composed for € 137,359 million of government bonds, for € 96,476 million of corporate bonds, and for € 9,363 million of financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds.

With reference to government bonds exposures, reported at book value, the breakdown by country of risk is provided below:

Government bonds: breakdown by country of risk

(€ million)	31/12/2023		31/12/2022	
	Book Value	Impact (%)	Book Value	Impact (%)
Italy	38,511	27.4%	42,569	29.7%
France	21,964	15.6%	25,030	17.4%
Spain	20,565	14.6%	20,194	14.1%
Central - Eastern Europe	12,908	9.2%	12,965	9.0%
Rest of Europe	23,952	17.1%	22,277	15.5%
Germany	2,875	2.0%	2,838	2.0%
Austria	1,792	1.3%	1,844	1.3%
Belgium	7,893	5.6%	7,441	5.2%
Other	11,391	8.1%	10,153	7.1%
Rest of World	13,896	9.9%	12,615	8.8%
Supranational	5,563	4.0%	5,205	3.6%
Total General account	**137,359**	**97.8%**	**140,855**	**98.1%**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	3,120	2.2%	2,695	1.9%
Total Government bonds	**140,479**	**100.0%**	**143,551**	**100.0%**

The government bonds portfolio amounted to € 140,479 million (€ 143,551 million at 31 December 2022), of which € 3,120 million (€ 2,695 million at 31 December 2022) of financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds. In term of exposures, 57.6% of the portfolio consists of Italian, French, and Spanish government bonds. The exposure to individual sovereign bonds is mainly allocated to their respective countries of operation.

With reference to government bonds exposures, reported at book value, the breakdown by rating is provided below:

Government bonds: breakdown by rating

(€ million)	31/12/2023		31/12/2022	
	Book Value	Impact (%)	Book Value	Impact (%)
AAA	8,892	6.3%	8,100	5.6%
AA	39,399	28.0%	41,253	28.7%
A	32,295	23.0%	29,497	20.5%
BBB	50,893	36.2%	57,382	40.0%
Non investment grade	1,191	0.8%	1,471	1.0%
Not rated	4,689	3.3%	3,152	2.2%
Total General account	**137,359**	**97.8%**	**140,856**	**98.1%**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	3,120	2.2%	2,695	1.9%
Total Government bonds	**140,479**	**100.0%**	**143,551**	**100.0%**

In term of exposures to different asset classes, the Class AAA includes mainly Swiss and German government bonds, the Class AA predominantly includes French and German government bonds, while both the Class A and Class BBB primarily include Italian government bonds.

With reference to corporate bonds exposures, reported at book value, the breakdown by sector is provided below:

Corporate bonds: breakdown by sector

(€ million)	31/12/2023		31/12/2022	
	Book Value	Impact (%)	Book Value	Impact (%)
Financial	32,314	31.5%	30,507	31.0%
Covered Bonds	7,864	7.7%	8,853	9.0%
Utilities	12,297	12.0%	11,794	12.0%
Consumer	9,786	9.5%	9,148	9.3%
Industrial	7,689	7.5%	7,148	7.3%
Health care	4,618	4.5%	4,433	4.5%
Energy	2,960	2.9%	3,377	3.4%
Other	18,947	18.4%	19,286	19.6%
Total General account	**96,476**	**93.9%**	**94,545**	**96.0%**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	6,243	6.1%	3,942	4.0%
Total Corporate bonds	**102,719**	**100.0%**	**98,488**	**100.0%**

The corporate bonds portfolio amounted to € 102,719 million (€ 98,488 million at 31 December 2022), of which € 6,243 million (€ 3,942 million at 31 December 2022) of financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds. In terms of exposures, the portfolio is composed for 54.8% (56.1% at 31 December 2022) by non-financial corporate bonds, for 39.2% (40.0% at 31 December 2022) by financial corporate bonds and for 6.1% (4.0% at 31 December 2022) by exposures in financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds.

With reference to corporate bonds exposures, reported at book value, the breakdown by rating is provided below:

Corporate bonds: breakdown by rating

(€ million)	31/12/2023		31/12/2022	
	Book Value	Impact (%)	Book Value	Impact (%)
AAA	5,377	5.2%	6,424	6.5%
AA	9,057	8.8%	8,297	8.4%
A	27,915	27.2%	25,347	25.7%
BBB	45,862	44.6%	45,467	46.2%
Non investment grade	5,691	5.5%	6,957	7.1%
Not rated	2,575	2.5%	2,054	2.1%
Total General account	**96,476**	**93.9%**	**94,546**	**96.0%**
Financial assets linked to technical reserves where the investment risk is borne by the policyholders, to financial liabilities related to investment contracts, and reserves linked to pension funds	6,243	6.1%	3,942	4.0%
Total Corporate bonds	**102,719**	**100.0%**	**98,488**	**100.0%**

In term of exposures to different asset classes, the Class AAA includes mainly German corporate bonds, the Class AA predominantly includes French and German corporate bonds, while both the Class A and Class BBB primarily include Italian, French and German corporate bonds.

17.2. Equities

With reference to equity investments, reported at book value, the breakdown by sector is provided below:

Equity investments: breakdown by sector

(€ million)	31/12/2023		31/12/2022	
	Book Value	Impact (%)	Book Value	Impact (%)
Equity investments	**25,291**	**100.0%**	**26,129**	**100.0%**
Financial	1,820	7.2%	2,005	7.7%
Consumer	803	3.2%	1,309	5.0%
Industrial	565	2.2%	977	3.7%
Energy	604	2.4%	622	2.4%
Other	2,643	10.4%	3,102	11.9%
Alternative investments	14,238	56.3%	13,447	51.5%
Indirect investments	4,619	18.3%	4,667	17.9%

The equity investment portfolio amounted to € 25,291 million (€ 26,129 million at 31 December 2022) and is composed for 18.2% (23.0% at 31 December 2022) by non-financial sector equity instruments and by 7.2% (7.7% at 31 December 2022) by financial sector equity instruments.
Alternative investments mainly include private equity exposures, amounted to € 11,831 million (€ 10,912 million at 31 December 2022), as well as other alternative funds amounting to € 2,407 million (€ 2,535 million at 31 December 2022). Indirect investments included in this representation refer to funds whose investments consist of investments in equity instruments.

With reference to equity investments, reported at book value, the breakdown by country of risk is provided below:

Direct equity investments: breakdown by country of risk

(€ million)	31/12/2023		31/12/2022	
	Book Value	Impact (%)	Book Value	Impact (%)
Direct equity investments	**6,434**	**100.0%**	**8,014**	**100.0%**
Italy	762	11.8%	810	10.1%
France	1,852	28.8%	2,529	31.6%
Germany	677	10.5%	870	10.9%
Central - Eastern Europe	135	2.1%	145	1.8%
Rest of Europe	1,088	16.9%	1,795	22.4%
Rest of World	1,920	29.8%	1,865	23.3%

The exposures to direct equity investments amounted to € 6,434 million (€ 8,014 million at 31 December 2022), with 51.1% (52.6% at 31 December 2022) of portfolio represented by Italian, French and German equity investments.

17.3. Real estate investments

With reference to exposure in real estate investments, as presented in the financial statements[7], is provided below the breakdown by country of location, reported at fair value. Additionally, for completeness, the table presents also the fair value detail of self-used real estate is provided.

Direct real estate investments: breakdown by country of location

(€ million)	31/12/2023		31/12/2023	
	Investment properties		Self-used real estates	
	Fair value	Impact (%)	Fair value	Impact (%)
Direct real estate investments	**26,078**		**3,406**	
Italy	7,556	29.0%	2,006	58.9%
France	8,119	31.1%	554	16.3%
Germany	3,658	14.0%	148	4.4%
Central - Eastern Europe	1,156	4.4%	314	9.2%
Rest of Europe	5,524	21.2%	189	5.5%
Spain	1,198	4.6%	58	1.7%
Austria	1,831	7.0%	51	1.5%
Switzerland	1,633	6.3%	12	0.3%
Others	861	3.3%	67	2.0%
Rest of World	66	0.3%	196	5.7%

The fair value of direct real estate investments amounts to € 29,484 million, of which € 26,078 million of investments properties and € 3,406 million of self-used real estates.

17.4. Derivative financial instruments

The Group's balance sheet exposure to derivative instruments is mainly associated with economic hedging transactions of financial assets or liabilities, in line with strategies aiming at mitigating financial and currency risks. The total exposure amounts to € - 2,472 million (€ -2,728 million at 31 December 2022) for a corresponding notional amount of € 66,159 million (€ 54,019 million at 31 December 2022). The notional exposure, presented in absolute amounts, including positions with both positive and negative balances, arises for an amount of € 17,512 million (€ 18,369 million at 31 December 2022) from instruments for which a hedge accounting relationship has been formally designated, in accordance with the international accounting standard IFRS 9. The remaining notional amount is attributable to derivative instruments for which, notwithstanding their purpose as economic hedging instruments, a formal hedge accounting relationship has not been activated.

7. Indirect exposures are excluded.

Derivative instruments designated for hedge accounting

The exposures in terms of amounts recognized in the financial statements amounts to € -1,967 million (€ - 2,347 million at 31 December 2022).

- Fair value hedge
  Fair value hedging relationships mainly relate to hedging strategies implemented in Life portfolio of subsidiaries operating in Central-Eastern Europe, with particular reference to risks arising from fluctuations in interest rated and foreign exchange rates.
- Cash flow hedge
  The cash flow hedging relationships mainly relate to cross currency swaps hedging subordinated liabilities issued by the Group in British pound, to micro-hedge and reinvestment risk reduction operations in the Life portfolios.
- Hedge of net investment in foreign operations
  The Group continued the hedging strategy aimed at neutralizing risks arising from foreign exchange fluctuations of its subsidiaries whose functional currency is the Swiss franc, Czech crowns and British pound.

Other derivative instruments

The recognized amounts in the financial statements for these exposures at 31 December 2023 amount to € -505 million (€ 292 million at 31 December 2022) for a corresponding notional amount of € 48,647 million (€ 35,623 million at 31 December 2022), which mainly relates to over-the-counter positions. The exposure is mainly associated with operations relating to interest rates hedges and foreign exchange rates hedges. Furthermore, the Group undertakes macro hedge strategies aimed at protecting the capital and the income statement from the risk of a significant reduction in share prices. In general, in order to mitigate the credit risk arising from over-the-counter transactions, the Group collateralized most of them. Furthermore, a list of selected authorized counterparties is identified for the opening of new derivative transactions.
Below the detail of exposures to derivative instruments designated as hedge accounting and other derivative instruments. This representation does not include derivatives included in financial assets covering technical reserves, the investment risk of which is borne by policyholders, financial liabilities arising from investment contracts, and reserves arising from pension fund management.

Details on exposures in derivative instruments

(€ million)	Maturity distribution by nominal amount				Derivative assets fair value	Derivative liabilities fair value	Net fair value
	Within 1 year	00/01/1900	More than 5 years	Total notional			
Total equity / index contracts	5,584	310	95	5,989	32	-119	-87
Total interest rate contracts	4,005	13,897	26,740	44,642	1,611	-2,853	-1,243
Total foreign exchange contracts	4,054	5,835	5,228	15,117	289	-1,431	-1,143
Credit derivatives	400	10	0	410	1	-0	0
Total	**14,044**	**20,053**	**32,063**	**66,159**	**1,932**	**-4,404**	**-2,472**

17.5. Assets transferred that do not qualify for derecognition

Generali Group in the context of its business activities enters into securities lending transactions (REPO e Reverse REPO). Generally, collaterals can be in cash or in readily available assets other than cash.
In general, if the Group retains substantially all risks and rewards of the financial assets underlying these transactions, the Group continues to recognise the underlying assets whereas cash instruments shall be transferred as a consequence of debit and credit relationships.
For REPO contracts, the Group continues to recognise in its financial statements the underlying financial asset as the risks and benefits are retained by the Group. The consideration received upon sale is recognised as a liability.
As far as Reverse REPO transactions are concerned, considering that all underlying risks and rewards are retained by the counterparty for the entire life of the transaction, the related financial asset is not recognised as an asset in the Group's financial statements. The consideration paid is accounted for within the loans and receivable category.
Finally, the Group is committed in other transactions in which some financial assets are pledged as collateral but they are still recognised in the financial statements because all risks and rewards are retained by the Group.
Consequently, some of the assets recorded are not fully available and usable by the Group as they are subject to securitization agreements, REPOs and other forms of collateralisation. Furthermore, considering the insurance business of the Group and in particular the life business with profit sharing, it should be noted that in some countries where the Group operates, the national legislation indicates that the related collateral assets are to be considered fully dedicated to those contracts and thus to the business itself.

As at 31 December 2022, the Group has retained substantially all risks and rewards arising from the ownership of the transferred assets and there are no transfers of financial assets which have been completely or partially derecognised on which the Group continues to control. In particular, the Group continues to recognize, in terms of market value, € 18,561 million of financial assets linked to various contracts such as, securities lending transactions for € 8,195 million, mainly in France, repurchase agreements for € 4,216 million and assets pledged as collateral to cover its reinsurance activities for € 774 million, as well as € 1,514 million have been pledged in derivatives transactions. Residual part is related to collateral pledged other operations (please refer to the chapter Contingent liabilities, commitments, guarantees, pledged assets and collaterals in section Additional Information).
With reference to collateral for derivative transactions, it should be noted that over-the-counter derivatives are subject to Master Netting Agreements. In particular, the Group requires the so-called ISDA Master Agreement (or equivalent), including bilateral clearing agreements, and the ISDA Credit Support Annex (or equivalent) to be adopted for each derivative transaction in order to mitigate counterparty risk. Furthermore, the Group requires that such transactions shall be carried out only with counterparties admitted by internal risk management policies.
These agreements require that offsetting between derivatives is granted only in the event of bankruptcy or failure of the parties and, to mitigate the counterparty credit risk relating to such transactions, the parties sign a collateralization agreement.
As a result of these agreements, the net exposure in derivatives becomes close to zero as it is neutralized by the collateral given or received, both as cash or assets other than cash.
Similar considerations apply to securities lending and REPO / Reverse REPO transactions which are covered by framework agreements with characteristics similar to the ISDAs, named respectively Global Master Securities Lending Agreement (GMSLA) and Global Master Repurchase Agreement (GMRA), making the counterparty risk substantially intangible. These considerations are evident in the case of REPO / Reverse REPO transactions where the value of the collateral is, for each transaction, substantially equal to the asset object of the repurchase agreement.
ISDAs and similar netting agreements signed by the Group do not meet the requirements for the purpose of offsetting between items in the financial statements. These agreements in fact guarantee the parties the right to offset the flows only in the event of bankruptcy, insolvency or failure of the Group or the counterparty. Furthermore, there is no intention by the Group and its counterparties to realize the assets and to offset the liabilities simultaneously or to settle them on a net basis.

17.6. Sensitivity analysis to market and credit risks

The Generali Group makes its own analysis of sensitivity to market and credit risks following the logic of Solvency 2. For further information and the relevant numerical evidence please refer to the Risk Report in the Management Report.
Information on climate changes is provided in the relevant chapter of these Notes.

INSURANCE AND INVESTMENT CONTRACTS

18. Insurance contracts

The purpose of this section is to provide a reconciliation of amounts recognized in the Balance Sheet and in the Income Statement with reference to insurance contracts issued and investments contracts with direct participation features.

The following table provides details regarding the carrying amounts recognized in the consolidated Balance Sheet broken down by segment and measurement model.

Insurance contracts issued balances

(€ million)	31/12/2023			
	Total	Contracts with direct participation features	Contracts without direct participation features	
			General Model	PAA
Life Segment				
Insurance contracts that are assets	-315	-139	-173	-3
Insurance contracts that are liabilities	376,978	358,871	16,835	1,272
Net closing balance	**376,663**	**358,731**	**16,662**	**1,269**
Present Value Future Cash Flows	344,317	330,808	12,289	1,220
Risk Adjustment	1,435	941	445	49
Contractual Service Margin	30,911	26,982	3,928	
Property & Casualty segment				
Insurance contracts that are assets	-	-	-	-
Insurance contracts that are liabilities	35,347	136	247	34,964
Net closing balance	**35,347**	**136**	**247**	**34,964**
Present Value Future Cash Flows	33,308	135	-706	33,879
Risk Adjustment	1,144	1	58	1,085
Contractual Service Margin	896	-	896	
Total				
Insurance contracts that are assets	-315	-139	-173	-3
Insurance contracts that are liabilities	412,325	359,007	17,082	36,236
Net closing balance	**412,010**	**358,867**	**16,910**	**36,233**
Present Value Future Cash Flows	377,625	330,943	11,582	35,099
Risk Adjustment	2,578	942	503	1,134
Contractual Service Margin	31,807	26,982	4,824	

The purpose of the following tables is to provide a reconciliation from the opening balance at 1 January 2023 to the closing balance at 31 December 2023 of the carrying amount of insurance contracts issued. Equally, the comparative period shows the reconciliation from the opening balance at 1 January 2022 to the closing balance at 31 December 2022.

The first table provides an analysis of movements of carrying amount of insurance contracts issued detailed by Liability for Remaining Coverage and Liability for Incurred Claims. The second table analyses movements of insurance contracts issued measured under the Variable Fee Approach and General Measurement Model broken down by measurement components: (i) Present Value of Future Cash Flows, (ii) Risk Adjustment and (iii) Contractual Service Margin. It shall therefore be noted that the second table does not report the analysis of movements of carrying amount of insurance contracts issued measured under the Premium Allocation Approach.

31/12/2022				01/01/2022			
Total	Contracts with direct participation features	Contracts without direct participation features		Total	Contracts with direct participation features	Contracts without direct participation features	
		General Model	PAA			General Model	PAA
-233	-32	-197	-3	-358	-20	-338	-
362,262	346,469	14,867	926	432,835	416,557	15,309	969
362,029	**346,437**	**14,670**	**923**	**432,477**	**416,538**	**14,971**	**969**
330,153	319,045	10,226	882	398,353	386,803	10,628	922
1,669	827	802	41	1,868	966	856	46
30,207	26,565	3,642		32,256	28,769	3,487	
-10	-	-	-10	-78	-	-75	-4
33,453	139	285	33,029	33,548	163	6	33,380
33,443	**139**	**285**	**33,019**	**33,470**	**163**	**-69**	**33,376**
31,530	139	-580	31,971	31,403	161	-873	32,115
1,095	-	47	1,048	1,294	-	33	1,260
818	-	818		773	1	772	
-243	-32	-197	-13	-436	-20	-413	-4
395,715	346,608	15,152	33,955	466,384	416,720	15,315	34,349
395,472	**346,576**	**14,955**	**33,942**	**465,947**	**416,700**	**14,903**	**34,345**
361,683	319,184	9,646	32,853	429,756	386,964	9,755	33,037
2,764	827	848	1,089	3,162	966	889	1,307
31,025	26,565	4,460		33,029	28,770	4,259	

With reference to the analysis of movements at 31 December 2023, the decrease of insurance liabilities reported in “Other changes” is related to disposal of Generali Deutschland Pensionskasse AG, whose liabilities were mainly measured under the Variable Fee Approach. With reference to the analysis of movements at 31 December 2022, the increase reported in “Other changes” is related to the acquisition of majority control of Future Generali India Insurance Company Ltd., Future Generali India Life Insurance Company Ltd. and MPI Generali Insurans Berhad, and acquisition of La Médicale, Generali Insurance Malaysia Berhad and Generali Life Insurance Malaysia Berhad. “Other changes” item also includes exchange rate impacts related to the insurance contracts liabilities denominated in functional currencies different from Euro and consolidation impacts.

Movements in Insurance Contracts Issued – Liability for Remaining Coverage and Liability for Incurred claims

(€ million)	Liability for remaining coverage 31/12/2023		Liability for incurred claims 31/12/2023			Total 31/12/2023	Liability for remaining coverage 31/12/2022		Liability for incurred claims 31/12/2022			Total 31/12/2022
				Contracts under PAA						Contracts under PAA		
Items	Excluding Loss Component	Loss Component	Contracts not under PAA	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks		Excluding Loss Component	Loss Component	Contracts not under PAA	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks	
A. Opening balance												
1. Insurance contracts that are liabilities	354,442	754	11,456	27,974	1,089	395,715	424,121	671	10,958	29,326	1,307	466,384
2. Insurance contracts that are assets	-315	25	52	-4	-0	-243	-506	0	67	2	0	-436
3. Net opening balance at 1st January	**354,127**	**779**	**11,508**	**27,970**	**1,089**	**395,472**	**423,615**	**672**	**11,025**	**29,328**	**1,307**	**465,947**
B. Insurance revenue	**-49,496**	**0**	**0**	**0**	**0**	**-49,496**	**-45,137**	**0**	**0**	**0**	**0**	**-45,137**
C. Insurance service expenses												
1. Incurred claims and other directly attributable expenses	0	-669	13,615	32,186	0	45,131	0	-751	11,568	30,177	377	41,372
2. Adjustment to liability for Incurred Claims	0	0	-1,655	-7,493	-3	-9,151	0	0	-656	-7,317	-629	-8,602
3. Losses and reversal of losses on onerous contracts	0	720	0	0	0	720	0	867	0	0	0	867
4. Amortisation of insurance acquisition cash flows	6,581	0	0	0	0	6,581	6,090	0	0	0	0	6,090
5. Total	**6,581**	**51**	**11,959**	**24,693**	**-3**	**43,281**	**6,090**	**116**	**10,912**	**22,861**	**-252**	**39,726**
D. Insurance service result (Total B+C+D+E)	**-42,915**	**51**	**11,959**	**24,693**	**-3**	**-6,215**	**-39,048**	**116**	**10,912**	**22,861**	**-252**	**-5,411**
E. Finance expenses/income												
1. Related to insurance contracts issued	29,168	26	424	1,295	37	30,950	-69,521	13	-907	-3,322	0	-73,737
1.1 Recognised in the income statement	17,476	24	57	130	37	17,724	-10,624	3	-47	-59	0	-10,726
1.2 Recognised in the other comprehensive income statement	11,692	2	367	1,165	0	13,226	-58,898	10	-860	-3,263	0	-63,011
2. Effects of movements in exchange rates	2	-1	6	-32	-1	-27	-28	0	-18	14	2	-30
3. Total	**29,170**	**25**	**430**	**1,262**	**35**	**30,923**	**-69,550**	**13**	**-925**	**-3,308**	**2**	**-73,767**
F. Non-Distinct investment component	**-40,986**	**0**	**40,986**	**0**	**0**	**0**	**-32,063**	**0**	**32,063**	**0**	**0**	**0**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive income statement (D+E+F)	**-54,731**	**75**	**53,376**	**25,956**	**32**	**24,708**	**-140,660**	**129**	**42,051**	**19,553**	**-250**	**-79,178**
H. Other changes	**-3,210**	**-60**	**379**	**-213**	**-8**	**-3,112**	**4,007**	**-22**	**435**	**-199**	**32**	**4,253**
I. Cash flows												
1. Premiums received	83,173	0	0	0	0	83,173	76,072	0	0	0	0	76,072
2. Payments related to insurance acquisition cash flows	-9,057	0	0	0	0	-9,057	-8,907	0	0	0	0	-8,907
3. Claims paid and other cash outflows	0	0	-55,556	-23,618	0	-79,174	0	0	-42,003	-20,712	0	-62,715
4. Total	**74,116**	**0**	**-55,556**	**-23,618**	**0**	**-5,058**	**67,165**	**0**	**-42,003**	**-20,712**	**0**	**4,450**
Net balance at 31 December (A.3+G+H+I.4)	**370,303**	**793**	**9,706**	**30,095**	**1,113**	**412,010**	**354,127**	**779**	**11,508**	**27,970**	**1,089**	**395,472**
M. Closing balance												
1. Insurance contracts that are liabilities	370,738	756	9,616	30,102	1,113	412,325	354,442	754	11,456	27,974	1,089	395,715
2. Insurance contracts that are assets	-436	38	90	-7	-0	-315	-315	25	52	-4	-0	-243
Net closing balance at 31 December	**370,303**	**793**	**9,706**	**30,095**	**1,113**	**412,010**	**354,127**	**779**	**11,508**	**27,970**	**1,089**	**395,472**

Movements in Insurance Contracts Issued balances by measurement components

(€ million)	Measurement components							
Items	Estimates of Present Value of Future Cash flows 31/12/2023	Risk Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Estimates of Present Value of Future Cash flows 31/12/2022	Risk Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Opening balance								
1. Insurance contracts that are liabilities	329,669	1,617	30,474	361,760	398,494	1,760	31,781	432,035
2. Insurance contracts that are assets	-839	58	552	-230	-1,775	96	1,247	-432
3. Net opening balance at 1st January	**328,830**	**1,675**	**31,025**	**361,531**	**396,719**	**1,855**	**33,029**	**431,603**
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	-3,081	-3,081	0	0	-2,930	-2,930
2. Change in Risk Adjustment for expired non-financial risks	0	-159	0	-159	0	-159	0	-159
3. Changes related to experience adjustments	901	0	0	901	309	0	0	309
4. Total	**901**	**-159**	**-3,081**	**-2,340**	**309**	**-159**	**-2,930**	**-2,780**
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	-1,280	57	1,223	0	2,322	-306	-2,016	0
2. Losses and reversal of losses on onerous contracts	150	3	0	153	198	19	0	217
3. Effects of contracts initially recognized in the year	-3,013	176	2,853	16	-3,325	242	3,117	34
4. Total	**-4,143**	**236**	**4,076**	**169**	**-805**	**-45**	**1,102**	**251**
D. Changes that relate to past services								
1. Adjustment to Liability for Incurred Claims	-1,319	-336	0	-1,655	-632	-24	0	-656
3. Total	**-1,319**	**-336**	**0**	**-1,655**	**-632**	**-24**	**0**	**-656**
E. Insurance services results (Total B+C+D+E)	**-4,561**	**-259**	**995**	**-3,826**	**-1,129**	**-227**	**-1,829**	**-3,185**
F. Finance expenses/income								
1. Related to insurance contracts issued	29,371	32	121	29,524	-70,056	2	-370	-70,424
1.1 Recognised in the income statement	17,309	32	121	17,462	-10,308	2	-370	-10,676
1.2 Recognised in the other comprehensive income statement	12,062	0	0	12,062	-59,748	0	0	-59,748
2. Effects of movements in exchange rates	-1	1	4	4	-28	-2	-8	-38
3. Total	**29,369**	**33**	**125**	**29,527**	**-70,085**	**-0**	**-378**	**-70,462**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive Income statement (E+ F)	**24,808**	**-227**	**1,120**	**25,701**	**-71,214**	**-227**	**-2,206**	**-73,647**
H. Other changes	**-2,256**	**-4**	**-338**	**-2,599**	**1,728**	**47**	**203**	**1,979**
I. Cash flows								
1. Premiums received	49,761	0	0	49,761	46,669	0	0	46,669
2. Payments related to insurance acquisition cash flows	-3,060	0	0	-3,060	-3,070	0	0	-3,070
3. Claims paid and other cash outflows	-55,556	0	0	-55,556	-42,003	0	0	-42,003
4. Total	**-8,856**	**0**	**0**	**-8,856**	**1,597**	**0**	**0**	**1,597**
Net balance at 31 December (A.3+G+H+I.4)	**342,526**	**1,444**	**31,807**	**375,777**	**328,830**	**1,675**	**31,025**	**361,531**
M. Closing balance								
1. Insurance contracts that are liabilities	343,807	1,358	30,924	376,089	329,669	1,617	30,474	361,760
2. Insurance contracts that are assets	-1,281	86	882	-312	-839	58	552	-230
Net closing balance at 31 December	**342,526**	**1,444**	**31,807**	**375,777**	**328,830**	**1,675**	**31,025**	**361,531**

19. Reinsurance contracts

The purpose of this section is to provide a reconciliation of amounts recognized in the Balance Sheet and in the Income Statement with reference to reinsurance contracts held.

The following table provides details regarding the carrying amounts recognized in the consolidated Balance Sheet broken down by segment and measurement model.

Reinsurance contracts held balances

(€ million)	31/12/2023			31/12/2022			01/01/2022		
	Total	General Model	PAA	Total	General Model	PAA	Total	General Model	PAA
Life Segment									
Reinsurance contracts that are assets	239	203	36	631	344	286	1,004	769	235
Reinsurance contracts which are liabilities	-63	-63	-	-39	-39	-	-86	-86	-
Net closing balance	**176**	**140**	**36**	**591**	**305**	**286**	**918**	**683**	**235**
Present Value Future Cash Flows	-90	-123	33	222	-63	285	597	365	232
Risk Adjustment	44	42	2	170	168	2	180	177	3
Contractual Service Margin	222	222		200	200		141	141	
Property & Casualty segment									
Reinsurance contracts that are assets	4,322	93	4,229	3,281	115	3,166	4,178	-	4,178
Reinsurance contracts that are liabilities	-21	-	-21	-10	-	-10	-54	-	-54
Net closing balance	**4,301**	**93**	**4,208**	**3,271**	**115**	**3,156**	**4,124**	**-**	**4,124**
Present Value Future Cash Flows	4,107	69	4,038	3,061	95	2,966	3,895	-	3,895
Risk Adjustment	183	14	169	209	19	190	229	-	229
Contractual Service Margin	11	11		1	1		-	-	
Total									
Reinsurance contracts that are assets	4,561	296	4,264	3,912	460	3,452	5,182	769	4,413
Reinsurance contracts that are liabilities	-84	-63	-21	-49	-39	-10	-140	-86	-54
Net closing balance	**4,477**	**234**	**4,243**	**3,863**	**420**	**3,442**	**5,042**	**683**	**4,359**
Present Value Future Cash Flows	4,017	-54	4,072	3,283	32	3,251	4,492	365	4,127
Risk Adjustment	227	55	172	379	187	192	409	177	232
Contractual Service Margin	233	233		201	201		141	141	

The purpose of the following tables is to provide a reconciliation from the opening balance at 1 January 2023 to the closing balance at 31 December 2023 of the carrying amount of reinsurance contracts held. Equally, the comparative period shows the reconciliation from the opening balance at 1 January 2022 to the closing balance at 31 December 2022.

The first table provides an analysis of movements of carrying amount of reinsurance contracts held detailed by Asset for Remaining Coverage and Asset for Incurred Claims. The second table analyzes movements of reinsurance contracts held measured under the General Measurement Model broken down by measurement components: (i) Present Value of Future Cash Flows, (ii) Risk Adjustment and (iii) Contractual Service Margin. It shall therefore be noted that the second table does not report the analysis of movements of carrying amount of reinsurance contracts held measured under the Premium Allocation Approach.

"Other changes" item includes impacts related to disposals and acquisitions in the reporting period and the previous one, exchange rate impacts related to reinsurance contracts held assets denominated in functional currencies different from Euro and consolidation impacts.

Movements in Reinsurance Contracts Held balances – Asset for Remaining Coverage and Asset for Incurred claims

(€ million)	Assets for remaining coverage 31/12/2023		Asset for Incurred claims 31/12/2023			Total 31/12/2023	Assets for remaining coverage 31/12/2022		Asset for Incurred claims 31/12/2022			Total 31/12/2022
				Contracts under PAA						Contracts under PAA		
Items / Breakdown of book value	Excluding loss recovery component	Loss recovery component	Contracts not under PAA	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks		Excluding loss recovery component	Loss recovery component	Contracts not under PAA	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks	
A. Opening balance												
1. Reinsurance contracts that are assets	1,174	34	315	2,197	192	3,912	671	61	684	3,534	232	5,182
2. Reinsurance contracts that are liabilities	-41	0	2	-10	-0	-49	-91	0	3	-53	0	-140
3. Net opening balance at 1st January	**1,133**	**34**	**317**	**2,187**	**192**	**3,863**	**580**	**61**	**688**	**3,481**	**232**	**5,042**
B. Net result from reinsurance contracts held												
1. Reinsurance service expenses	-3,730	0	0	0	0	-3,730	-3,382	0	0	0	0	-3,382
2. Claims and other expenses recovered	149	0	1,114	3,257	0	4,519	60	0	981	2,163	42	3,245
3. Adjustments to asset for incurred claims	0	0	-453	-676	-17	-1,146	0	0	-282	-116	-93	-491
4. Loss recovery on onerous contracts	0	6	0	0	0	6	0	-26	0	0	0	-26
4.1 Loss recovery from initial recognition of onerous contracts	0	37	0	0	0	37	0	53	0	0	0	53
4.2 Releases of the loss recovery component other than changes in estimates related to reinsurance contracts held	0	-21	0	0	0	-21	0	-52	0	0	0	-52
4.3 Changes in estimates related to reinsurance contracts held resulting from onerous underlying insurance contracts	0	-10	0	0	0	-10	0	-26	0	0	0	-26
5. Changes in the risk of non-performance of the reinsurer	0	0	0	-3	0	-3	0	0	5	10	0	15
6. Total	**-3,581**	**6**	**661**	**2,578**	**-17**	**-353**	**-3,322**	**-26**	**704**	**2,057**	**-52**	**-639**
C. Insurance service result (Total B)	**-3,581**	**6**	**661**	**2,578**	**-17**	**-353**	**-3,322**	**-26**	**704**	**2,057**	**-52**	**-639**
D. Finance income/expenses												
1. Related to reinsurance contracts held	-15	-0	66	134	7	191	29	7	-262	-388	-0	-614
1.1 Recognised in the income statement	6	-0	-9	-1	7	3	-4	7	-22	-21	-0	-39
1.2. Recognised in the other comprehensive income statement	-21	0	75	134	0	188	32	0	-240	-367	0	-574
2. Effects of movements in exchange rates	5	0	-0	-0	0	5	11	-0	0	9	0	20
3. Total	**-10**	**-0**	**66**	**133**	**7**	**196**	**40**	**7**	**-262**	**-379**	**-0**	**-593**
E. Non-distinct investment components	**0**	**0**	**0**	**0**	**0**	**0**	**-1**	**0**	**1**	**0**	**0**	**0**
F. Total amount recorded in the income statement and in the comprehensive income statement (C+ D+E)	**-3,591**	**6**	**727**	**2,712**	**-10**	**-157**	**-3,283**	**-19**	**443**	**1,678**	**-52**	**-1,232**
G. Other changes	**-225**	**9**	**73**	**-142**	**-14**	**-299**	**341**	**-9**	**126**	**382**	**12**	**852**
H. Cash flows												
1. Premiums paid net of amounts not related to claims recovered from reinsurers	3,665	0	0	0	0	3,665	3,494	0	0	0	0	3,494
2. Amounts recovered from reinsurers	0	0	-939	-1,656	0	-2,595	0	0	-939	-3,354	0	-4,293
3. Total	**3,665**	**0**	**-939**	**-1,656**	**0**	**1,070**	**3,494**	**0**	**-939**	**-3,354**	**0**	**-800**
I. Net balance at 31 December (A.3+F+G+H.3)	**982**	**49**	**177**	**3,101**	**168**	**4,477**	**1,133**	**34**	**317**	**2,187**	**192**	**3,863**
L. Closing balance												
1. Reinsurance contracts that are assets	1,058	44	174	3,116	168	4,561	1,174	34	315	2,197	192	3,912
2. Reinsurance contracts that are liabilities	-76	4	3	-15	-0	-84	-41	0	2	-10	-0	-49
3. Net closing balance at 31 December	**982**	**49**	**177**	**3,101**	**168**	**4,477**	**1,133**	**34**	**317**	**2,187**	**192**	**3,863**

Movements in Reinsurance Contracts Held balances by measurement components

(€ million)	Measurement components							
Items	Estimates of Present Value of Future Cash flows 31/12/2023	Risk Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Estimates of Present Value of Future Cash flows 31/12/2022	Risk Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Opening balance								
1. Reinsurance contracts that are assets	159	181	120	460	586	166	17	769
2. Reinsurance contracts that are liabilities	-126	6	81	-39	-221	11	124	-86
3. Net opening balance at 1st January	**32**	**187**	**201**	**420**	**365**	**177**	**141**	**683**
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	-45	-45	0	0	9	9
2. Change in Risk Adjustment for expired non-financial risks	0	-26	0	-26	0	-21	0	-21
3. Changes related to experience adjustments	293	0	0	293	217	0	0	217
4. Total	**293**	**-26**	**-45**	**222**	**217**	**-21**	**9**	**205**
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	-81	4	77	-0	-57	2	54	-1
2. Effects of contracts initially recognized in the year	-41	12	30	1	-24	16	19	11
3. Changes on Contractual Service Margin related to recovery of losses from initial recognition of underlying onerous contracts	0	0	0	0	0	0	0	0
4. Releases of the loss recovery component other than changes in estimates related to reinsurance contracts held	0	0	-1	-1	0	0	-11	-11
5. Changes in estimates related to reinsurance contracts held resulting from onerous underlying insurance contracts	0	0	2	2	0	0	-18	-18
6. Total	**-122**	**16**	**107**	**1**	**-81**	**18**	**44**	**-18**
D. Changes that relate to past services	**-326**	**-127**	**0**	**-453**	**-282**	**-3**	**0**	**-285**
1. Adjustments to the activity for claims that have occurred	-326	-127	0	-453	-282	-3	0	-285
E. Changes in the risk of non-performance of the reinsurer	**0**	**0**	**0**	**0**	**-5**	**0**	**0**	**-5**
F. Insurance service results (Total B+C+D+E)	**-155**	**-137**	**62**	**-229**	**-152**	**-5**	**54**	**-103**
G. Finance income/expenses								
1. Related to reinsurance contracts held	32	9	6	46	-235	-0	9	-226
1.1 Recognised in the income statement	-22	9	6	-7	-28	-0	9	-19
1.2. Recognised in the other comprehensive income statement	54	0	0	54	-208	0	0	-208
2. Effects of movements in exchange rates	9	-0	-0	9	20	0	-0	20
3. Total	**41**	**9**	**6**	**56**	**-216**	**-0**	**9**	**-207**
H. Total amount recorded in the income statement and in the comprehensive income statement (F+G)	**-114**	**-128**	**68**	**-173**	**-367**	**-5**	**63**	**-310**
I. Other changes	**67**	**-4**	**-36**	**27**	**185**	**15**	**-3**	**197**
L. Cash flows								
1. Premiums paid net of amounts not related to claims recovered from reinsurers	899	0	0	899	790	0	0	790
2. Amounts recovered from reinsurers	-939	0	0	-939	-939	0	0	-939
3. Total	**-40**	**0**	**0**	**-40**	**-150**	**0**	**0**	**-150**
M. Net balance at 31 December (A.3+H+I+L.3)	**-54**	**55**	**233**	**234**	**32**	**187**	**201**	**420**
N. Closing balance								
1. Reinsurance contracts that are assets	146	45	104	296	159	181	120	460
2. Reinsurance contracts that are liabilities	-201	10	128	-63	-126	6	81	-39
Net closing balance at 31 December	**-54**	**55**	**233**	**234**	**32**	**187**	**201**	**420**

20. Income and expenses related to insurance contract issued and reinsurance contracts held

The purpose of the following tables is to provide further details on insurance income and expenses from insurance contracts issued.

In accordance with ISVAP Regulation No. 7 of 13th of July 2007, each of the following aggregation bases are separately presented:
- Insurance contracts issued with direct participation features – Life segment (Basis A1);
- Insurance contracts issued without direct participation features – Life segment (Basis A2);
- Insurance contracts issued without direct participation features – P&C segment – Non-Motor (Basis A4).

As allowed by ISVAP Regulation No. 7 of 13th of July 2007, the aggregation base "Insurance contract issued with direct participation features – Life segment" also includes investment contracts with direct participation features.

Please note that in the aggregation base A4 are also included income and expenses arising from insurance contracts issued with direct participation features related to P&C segment. Income/expenses included in the base A4 for insurance contracts issued with direct participation features related to P&C segment is equal to € 6 million at 31 December 2023 (€ -22 million at 31 December 2022).

Insurance revenue and expenses from insurance contract issued

(€ million) Items/Bases of aggregation	Basis A1 31/12/2023	Basis A2 31/12/2023	Basis A4 31/12/2023	Total 31/12/2023	Basis A1 31/12/2022	Basis A2 31/12/2022	Basis A4 31/12/2022	Total 31/12/2022
A. Insurance revenue from insurance contracts issued measured under GMM and VFA								
A.1 Changes related to the Liability for Remaining coverage	**10,247**	**5,526**	**84**	**15,857**	**8,973**	**5,117**	**98**	**14,188**
1. Claims incurred and other costs for expected insurance services	7,927	4,706	44	12,677	6,919	4,573	28	11,521
2. . Changes in risk adjustment for expired non-financial risks	44	111	4	159	48	108	2	159
3. Contractual Service Margin recognized in the income statement	2,346	689	47	3,081	2,299	587	44	2,930
4. Other amounts	-70	19	-10	-61	-294	-151	24	-421
A.2 Recovery of Insurance acquisition Cash Flows	**832**	**366**	**27**	**1,226**	**722**	**249**	**1**	**971**
A.3 Total Insurance revenue from insurance contracts measured under GMM and VFA	**11,079**	**5,892**	**111**	**17,082**	**9,694**	**5,366**	**99**	**15,159**
A.4 Total insurance revenues from insurance contracts issued valued under the PAA				**32,414**				**29,981**
- Life business	X	X	X	2,027	X	X	X	1,937
- Property&Casualty - motor	X	X	X	10,414	X	X	X	9,920
- Property&Casualty - non motor	X	X	X	19,973	X	X	X	18,125
A.5 Total insurance revenues from insurance contracts issued	**11,079**	**5,892**	**111**	**49,496**	**9,694**	**5,366**	**99**	**45,141**
B. Insurance service expenses from insurance contracts measured under GMM and VFA	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1. Incurred claims and other directly attributable expenses	-8,122	-5,732	-24	-13,878	-6,764	-5,072	-29	-11,865
2. Adjustment to Liability for Incurred Claims	404	1,253	-1	1,656	-38	695	-1	656
3. Losses and reversal of losses on onerous contracts	-68	-99	-2	-169	-96	-133	-21	-251
4. Amortisation of insurance acquisition cash flows	-832	-366	-27	-1,226	-722	-249	-3	-974
5. Other amounts	319	37	5	361	331	128		459
B.6 Total Insurance service expenses from insurance contracts measured under GMM and VFA	**-8,300**	**-4,908**	**-49**	**-13,256**	**-7,289**	**-4,631**	**-55**	**-11,974**
B.7 Total Insurance service expenses from insurance contracts measured under PAA	**0**	**0**	**0**	**-30,025**	**0**	**0**	**0**	**-27,755**
- Life business	X	X	X	-1,784	X	X	X	-1,839
- Property&Casualty - motor	X	X	X	-10,058	X	X	X	-9,642
- Property&Casualty - non motor	X	X	X	-18,183	X	X	X	-16,274
C. Insurance Service Result from insurance contracts issued (A.5+B.6+B.7)	**2,779**	**984**	**63**	**6,215**	**2,406**	**736**	**44**	**5,411**

The purpose of the following table is to provide further details on insurance expenses and revenue from reinsurance contracts held.

In accordance with ISVAP Regulation No. 7 of 13th of July 2007, each of the following aggregation bases are separately presented:
- Life Segment (Basis 1);
- P&C Segment (Basis 2).

Insurance expenses and revenue from reinsurance contracts held

(€ million) Items/Bases of aggregation	Basis of aggregation 1 31/12/2023	Basis of aggregation 2 31/12/2023	Total 31/12/2023	Basis of aggregation 1 31/12/2022	Basis of aggregation 2 31/12/2022	Total 31/12/2022
A. Insurance service expenses from reinsurance contracts held measured under GMM						
A.1 Changes related to the Asset for Remaining coverage						
1. Expected Claims and other expected expenses to be recovered	-901	-16	-917	-766	-6	-771
2. Changes in the risk adjustment for non-financial risks expired	-23	-3	-26	-19	-1	-21
3. Contractual service margin recognized in the income statement	-37	-7	-45	20	-10	9
4. Other amounts	93	0	93	15	-12	3
5. Total	-869	-26	-895	-750	-29	-779
A.2 Other directly attributable expenses						
A.3 Insurance service expenses from reinsurance contracts held measured under PAA	**-722**	**-2,113**	**-2,835**	**-642**	**-1,961**	**-2,603**
B. Total expenses from reinsurance contracts held (A.1+A.2+A.3)	**-1,591**	**-2,140**	**-3,730**	**-1,392**	**-1,990**	**-3,382**
C. Changes in the risk of non-performance of the reinsurer	**-0**	**-2**	**-2**	**-3**	**7**	**4**
D. Insurance revenue from reinsurance contracts held	**1,860**	**2,821**	**4,681**	**1,310**	**1,920**	**3,230**
E. Adjustment to Asset for Incurred Claims	**-614**	**-688**	**-1,302**	**-7**	**-484**	**-491**
F. Other reinsurance recoveries	**0**	**0**	**0**	**0**	**0**	**0**
G. Insurance service result from reinsurance contracts held (B+C+D+E+F)	**-344**	**-8**	**-353**	**-92**	**-547**	**-639**

The following table contains a breakdown of Insurance service expenses related to insurance contracts issued and other services recognized in the income statement.

In accordance with ISVAP Regulation No. 7 of 13th of July 2007, in the table each of the following aggregation bases are separately presented:
- Insurance contracts issued with direct participation features – Life segment (Basis A1);
- Insurance contracts issued without direct participation features – Life segment (Basis A2);
- Insurance contracts issued without direct participation features – P&C segment – Motor (Basis A3);
- Insurance contracts issued without direct participation features – P&C segment – Non Motor (Base A4);
- Other.

Breakdown of insurance service expenses and other costs

(€ million) Items / Bases of aggregation	Basis A1 – with DPF 31/12/2023	Basis A2 – without DPF 31/12/2023	Basis A1 + Base A2 31/12/2023	Basis A3 31/12/2023	Basis A4 31/12/2023	Basis A3 + Basis A4 31/12/2023
Expenses attributable to the acquisition of insurance contracts	1,195	620	1,814	1,684	4,476	6,160
Other directly attributable expenses	2,841	938	3,779	947	1,285	2,232
Investment management expenses	X	X	0	X	X	0
Other expenses	X	X	0	X	X	0
Total	**X**	**X**	**5,594**	**X**	**X**	**8,392**

Other 31/12/2023	Basis A1 – with DPF 31/12/2022	Basis A2 – without DPF 31/12/2022	Basis A1 + Base A2 31/12/2022	Basis A3 31/12/2022	Basis A4 31/12/2022	Basis A3 + Basis A4 31/12/2022	Other 31/12/2022
X	1,039	482	1,521	1,566	4,036	5,603	X
X	2,186	593	2,779	910	1,174	2,085	X
40	X	X	0	X	X	0	55
966	X	X	0	X	X	0	910
1,006	**X**	**X**	**0**	**X**	**X**	**7,687**	**965**

The purpose of the following table is to provide further details on finance expenses and income arising from insurance contracts issued.

In accordance with ISVAP Regulation No. 7 of 13th of July 2007, each of the following aggregation bases are separately presented:
- Insurance contracts issued with direct participation features – Life segment (Basis A1);
- Insurance contracts issued without direct participation features – Life segment (Basis A2);
- Insurance contracts issued without direct participation features – P&C segment (Basis A3).

Net finance expenses and income arising from insurance contracts issued

(€ million) Items/Bases of aggregation	Basis A1 31/12/2023	Basis A2 31/12/2023	Basis A3 31/12/2023	Total 31/12/2023	Basis A1 31/12/2022	Basis A2 31/12/2022	Basis A3 31/12/2022	Total 31/12/2022
1. Interest accreted	8	-337	-263	-593	41	-210	21	-148
2. Effects of changes in interest rate and other financial assumptions	-2	-84	4	-83	2	44	0	46
3. Changes in fair value of underlying items for contracts measured under VFA	-16,976	0	0	-16,976	10,436	0	0	10,436
4. Effects of movements in exchange rates	21	-26	32	27	22	14	-6	30
5. Other	-46	8	-34	-72	410	-27	8	392
6. Total net finance expenses/income arising from insurance contract issued	-16,995	-439	-262	-17,696	10,911	-178	24	10,756

Total finance income/expenses arising from insurance contracts issued recognized in other comprehensive income is equal to € -13,226 million at 31 December 2023 (€ 63,011 million at 31 December 2022).

The item "5.Other" for the A1 basis includes the adjustment of contractual service margin deriving from risk mitigation option application (IFRS17 – paragraph B115). The amount is equal to € 3 million at 31 December 2023 (€ 470 million at 31 December 2022).

The purpose of the following table is to provide further details on finance income and expenses arising from reinsurance contracts held.

In accordance with ISVAP Regulation No. 7 of 13th of July 2007, each of the following aggregation bases are separately presented:
- Life segment (Basis A1);
- P&C segment (Basis A2);

Net finance income and expenses arising from reinsurance contracts held

(€ million) Items/Bases of aggregation	Basis A1 31/12/2023	Basis A2 31/12/2023	Total 31/12/2023	Basis A1 31/12/2022	Basis A2 31/12/2022	Total 31/12/2022
1. Interest accreted	-22	28	6	-27	-7	-35
2. Effects of changes in interest rate and other financial assumptions	1	-0	1	-1	0	-1
3. Effects of movements in exchange rates	12	-7	5	17	3	20
4. Other	-0	-3	-4	-0	-3	-3
5. Total net finance income/expenses arising from reinsurance contracts held	-9	17	8	-12	-7	-19

Total finance expenses/income arising from reinsurance contracts held recognized in other comprehensive income is equal to € -188 million at 31 December 2023 (€ 574 million at 31 December 2022).

The following table summarizes economic results broken down by Life and P&C segments.

Insurance operations - Summary of the economic results broken down by life and P&C segments

(€ million)	31/12/2023			31/12/2022		
Summary of results/Basis of aggregation	Life business	Property&Casualty	Total	Life business	Property&Casualty	Total
A. Financial results	**177**	**1,911**	**2,088**	**-255**	**1,497**	**1,241**
A.1 Amounts recorded in the income statement						
1. Total net financial result of investments	18,685	1,433	20,118	-10,193	670	-9,523
2. Net finance income/expenses arising from insurance contracts	-17,443	-245	-17,688	10,720	17	10,737
3. Total	**1,242**	**1,188**	**2,430**	**528**	**686**	**1,214**
A2. Amounts recognised in the comprehensive income statement						
1. Total net financial result of investments	11,173	1,900	13,072	-59,481	-4,077	-63,558
2. Net finance income/expenses arising from insurance contracts	-12,238	-1,176	-13,415	58,698	4,887	63,585
3. Total	**-1,065**	**723**	**-342**	**-783**	**810**	**27**
B. Net insurance and financial result						
1. Insurance service result	3,662	2,200	5,862	3,147	1,626	4,772
2. Total net financial result of investments	29,858	3,333	33,191	-69,674	-3,407	-73,081
3. Net finance result from insurance contracts	-29,681	-1,422	-31,103	69,419	4,904	74,322
4. Total	**3,838**	**4,112**	**7,950**	**2,892**	**3,122**	**6,014**

21. Detailed information related to insurance contracts issued and reinsurance contracts held

21.1. Detailed information related to insurance contracts issued – Movements of carrying amount by bases of aggregations

The purpose of the following tables is to provide a reconciliation from the opening balance at 1 January 2023 to the closing balance at 31 December 2023 of the carrying amount of insurance contracts issued. Equally, the comparative period shows the reconciliation from the opening balance at 1 January 2022 to the closing balance at 31 December 2022.

The first set of tables provides an analysis of movements of carrying amount of insurance contracts issued detailed by Liability for Remaining Coverage and Liability for Incurred Claims. The second set of tables analyzes movements of insurance contracts issued measured under the Variable Fee Approach and General Measurement Model broken down by measurement components: (i) Present Value of Future Cash Flows, (ii) Risk Adjustment and (iii) Contractual Service Margin.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the tables are presented separately for each of the following aggregation bases:

- Insurance contracts issued with direct participation features – Life segment (Basis 1);
- Insurance contracts issued without direct participation features – Life segment (Basis 2);
- Insurance contracts issued without direct participation features – P&C segment – Motor (Basis 3);
- Insurance contracts issued without direct participation features – P&C segment – Non-Motor (Basis 4).

As allowed by ISVAP Regulation No. 7 of 13 July 2007, the aggregation base “Insurance contract issued with direct participation features – Life segment” also includes investment contracts with direct participation features.
Please note that, considering the low materiality of amounts, the aggregation base “Insurance contracts issued without direct participation features – P&C segment – Non-Motor” also includes the carrying amount of insurance contracts issued with direct participation features related to P&C segment. The total carrying amount of these contracts is equal to € 136 million at 31 December 2023.

Basis of aggregation 1 – Insurance contracts issued with direct participation features – Life segment

Movements in Insurance Contracts Issued – GMM or VFA - Liability for Remaining Coverage and Liability for Incurred claims

(€ million)	Liability for remaining coverage 31/12/2023		Liability for incurred claims 31/12/2023	Total 31/12/2023	Liability for remaining coverage 31/12/2022		Liability for incurred claims 31/12/2022	Total 31/12/2022
Items	Excluding Loss Component	Loss Component			Excluding Loss Component	Loss Component		
A. Opening balance								
1. Insurance contracts that are liabilities	341,274	76	5,119	346,469	412,211	1	4,345	416,557
2. Insurance contracts that are assets	-35	0	2	-32	-20	0	1	-20
3. Net opening balance at 1st January	**341,240**	**76**	**5,121**	**346,437**	**412,191**	**1**	**4,346**	**416,538**
B. Insurance revenue	**-11,079**	**0**	**0**	**-11,079**	**-9,694**	**0**	**0**	**-9,694**
C. Insurance service expenses								
1. Incurred claims and other directly attributable expenses	0	-56	7,859	7,803	0	-35	6,468	6,433
2. Adjustment to liability for Incurred Claims	0	0	-404	-404	0	0	38	38
3. Losses and reversal of losses on onerous contracts	0	68	0	68	0	96	0	96
4. Amortisation of insurance acquisition cash flows	832	0	0	832	722	0	0	722
5. Total	**832**	**12**	**7,455**	**8,300**	**722**	**61**	**6,506**	**7,289**
D. Insurance service result (Total B+C+D+E)	**-10,247**	**12**	**7,455**	**-2,779**	**-8,973**	**61**	**6,506**	**-2,406**
E. Finance expenses/income								
1. Related to insurance contracts issued	27,959	20	122	28,101	-69,102	11	-7	-69,098
1.1 Recognised in the income statement	16,961	20	35	17,016	-10,885	-0	-4	-10,889
1.2 Recognised in the other comprehensive income statement	10,998	0	87	11,085	-58,218	12	-3	-58,210
2. Effects of movements in exchange rates	-20	0	-1	-21	-21	-0	-1	-22
3. Total	**27,939**	**20**	**121**	**28,080**	**-69,124**	**11**	**-8**	**-69,120**
F. Non-Distinct investment component	**-39,975**	**0**	**39,975**	**0**	**-31,245**	**0**	**31,245**	**0**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive income statement (D+E+F)	**-22,283**	**32**	**47,551**	**25,300**	**-109,341**	**73**	**37,743**	**-71,526**
H. Other changes	**-2,614**	**10**	**174**	**-2,431**	**1,266**	**2**	**337**	**1,606**
I. Cash flows								
1. Premiums received	41,113	0	0	41,113	39,284	0	0	39,284
2. Payments related to insurance acquisition cash flows	-2,110	0	0	-2,110	-2,159	0	0	-2,159
3. Claims paid and other cash outflows	0	0	-49,578	-49,578	0	0	-37,304	-37,304
4. Total	**39,002**	**0**	**-49,578**	**-10,575**	**37,124**	**0**	**-37,304**	**-180**
Net balance at 31 December (A.3+G+H+I.4)	**355,345**	**118**	**3,269**	**358,731**	**341,240**	**76**	**5,121**	**346,437**
M. Closing balance								
1. Insurance contracts that are liabilities	355,485	118	3,268	358,871	341,274	76	5,119	346,469
2. Insurance contracts that are assets	-140	0	1	-139	-35	0	2	-32
Net closing balance at 31 December	**355,345**	**118**	**3,269**	**358,731**	**341,240**	**76**	**5,121**	**346,437**

Basis of aggregation 2 – Insurance contracts issued without direct participation features – Life segment

Movements in Insurance Contracts Issued – GMM or VFA - Liability for Remaining Coverage and Liability for Incurred claims

(€ million)	Liability for remaining coverage 31/12/2023		Liability for incurred claims 31/12/2023	Total 31/12/2023	Liability for remaining coverage 31/12/2022		Liability for incurred claims 31/12/2022	Total 31/12/2022
Items	Excluding Loss Component	Loss Component			Excluding Loss Component	Loss Component		
A. Opening balance								
1. Insurance contracts that are liabilities	8,362	266	6,238	14,867	8,347	349	6,612	15,309
2. Insurance contracts that are assets	-272	25	50	-197	-400	0	62	-338
3. Net opening balance at 1st January	**8,091**	**291**	**6,288**	**14,670**	**7,947**	**349**	**6,675**	**14,971**
B. Insurance revenue	**-5,892**	**0**	**0**	**-5,892**	**-5,363**	**0**	**0**	**-5,363**
C. Insurance service expenses								
1. Incurred claims and other directly attributable expenses	0	-37	5,731	5,695	0	-131	5,072	4,940
2. Adjustment to liability for Incurred Claims	0	0	-1,253	-1,253	0	0	-695	-695
3. Losses and reversal of losses on onerous contracts	0	99	0	99	0	133	0	133
4. Amortisation of insurance acquisition cash flows	366	0	0	366	249	0	0	249
5. Total	**366**	**63**	**4,479**	**4,908**	**249**	**2**	**4,376**	**4,627**
D. Insurance service result (Total B+C+D+E)	**-5,526**	**63**	**4,479**	**-984**	**-5,114**	**2**	**4,376**	**-736**
E. Finance expenses/income								
1. Related to insurance contracts issued	1,130	6	300	1,436	-622	2	-901	-1,521
1.1 Recognised in the income statement	412	4	19	436	250	3	-44	210
1.2 Recognised in the other comprehensive income statement	718	2	281	1,001	-872	-2	-857	-1,731
2. Effects of movements in exchange rates	19	-1	7	25	1	-0	-17	-16
3. Total	**1,150**	**5**	**306**	**1,461**	**-621**	**2**	**-918**	**-1,537**
F. Non-Distinct investment component	**-1,002**	**0**	**1,002**	**0**	**-806**	**0**	**806**	**0**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive income statement (D+E+F)	**-5,377**	**67**	**5,787**	**477**	**-6,541**	**4**	**4,265**	**-2,273**
H. Other changes	**-342**	**-22**	**203**	**-161**	**301**	**-62**	**7**	**245**
I. Cash flows								
1. Premiums received	8,519	0	0	8,519	7,267	0	0	7,267
2. Payments related to insurance acquisition cash flows	-918	0	0	-918	-883	0	0	-883
3. Claims paid and other cash outflows	0	0	-5,924	-5,924	0	0	-4,658	-4,658
4. Total	**7,601**	**0**	**-5,924**	**1,677**	**6,384**	**0**	**-4,658**	**1,726**
Net balance at 31 December (A.3+G+H+I.4)	**9,972**	**336**	**6,354**	**16,662**	**8,091**	**291**	**6,288**	**14,670**
M. Closing balance								
1. Insurance contracts that are liabilities	10,276	295	6,264	16,835	8,362	266	6,238	14,867
2. Insurance contracts that are assets	-304	41	89	-173	-272	25	50	-197
Net closing balance at 31 December	**9,972**	**336**	**6,354**	**16,662**	**8,091**	**291**	**6,288**	**14,670**

Basis of aggregation 4 – Insurance contracts issued without direct participation features – P&C segment Non-Motor

Movements in Insurance Contracts Issued – GMM or VFA - Liability for Remaining Coverage and Liability for Incurred claims

(€ million)	Liability for remaining coverage 31/12/2023		Liability for incurred claims 31/12/2023	Total 31/12/2023	Liability for remaining coverage 31/12/2022		Liability for incurred claims 31/12/2022	Total 31/12/2022
Items	Excluding Loss Component	Loss Component			Excluding Loss Component	Loss Component		
A. Opening balance								
1. Insurance contracts that are liabilities	295	30	99	424	168	0	0	169
2. Insurance contracts that are assets	0	0	0	0	-79	0	4	-75
3. Net opening balance at 1st January	**295**	**30**	**99**	**424**	**89**	**0**	**5**	**94**
B. Insurance revenue	**-111**	**0**	**0**	**-111**	**-99**	**0**	**0**	**-99**
C. Insurance service expenses								
1. Incurred claims and other directly attributable expenses	0	-5	24	19	0	0	29	29
2. Adjustment to liability for Incurred Claims	0	0	1	1	0	0	1	1
3. Losses and reversal of losses on onerous contracts	0	2	0	2	0	21	0	21
4. Amortisation of insurance acquisition cash flows	27	0	0	27	3	0	0	3
5. Total	**27**	**-4**	**25**	**49**	**3**	**21**	**30**	**55**
D. Insurance service result (Total B+C+D+E)	**-84**	**-4**	**25**	**-63**	**-96**	**21**	**30**	**-44**
E. Finance expenses/income								
1. Related to insurance contracts issued	-16	0	3	-13	194	0	1	195
1.1 Recognised in the income statement	7	0	3	10	2	0	1	3
1.2 Recognised in the other comprehensive income statement	-24	0	0	-24	192	0	-0	192
2. Effects of movements in exchange rates	0	0	0	0	0	0	0	0
3. Total	**-16**	**0**	**3**	**-13**	**194**	**0**	**1**	**195**
F. Non-Distinct investment component	**-10**	**0**	**10**	**0**	**-12**	**0**	**12**	**0**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive income statement (D+E+F)	**-110**	**-4**	**38**	**-76**	**86**	**21**	**44**	**151**
H. Other changes	**-8**	**-0**	**2**	**-7**	**28**	**9**	**90**	**128**
I. Cash flows								
1. Premiums received	129	0	0	129	118	0	0	118
2. Payments related to insurance acquisition cash flows	-32	0	0	-32	-27	0	0	-27
3. Claims paid and other cash outflows	0	0	-55	-55	0	0	-40	-40
4. Total	**97**	**0**	**-55**	**42**	**92**	**0**	**-40**	**51**
Net balance at 31 December (A.3+G+H+I.4)	**273**	**26**	**84**	**383**	**295**	**30**	**99**	**424**
M. Closing balance								
1. Insurance contracts that are liabilities	273	26	84	383	295	30	99	424
2. Insurance contracts that are assets	0	0	0	0	0	0	0	0
Net closing balance at 31 December	**273**	**26**	**84**	**383**	**295**	**30**	**99**	**424**

Basis of aggregation 2 – Life segment

Movements in Insurance Contracts Issued balances measured under PAA – Liability for Remaining Coverage and Liability for Incurred claims

(€ million)	Liability for remaining coverage 31/12/2023		Liability for incurred claims 31/12/2023		Total 31/12/2023	Liability for remaining coverage 31/12/2022		Liability for incurred claims 31/12/2022		Total 31/12/2022
Items	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks		Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks	
A. Opening balance										
1. Insurance contracts that are liabilities	58	6	821	41	926	154	1	768	46	969
2. Insurance contracts that are assets	-2	0	-1	0	-3	-0	0	0	-0	-0
3. Net opening balance at 1st January	**56**	**6**	**819**	**41**	**923**	**154**	**1**	**768**	**46**	**969**
B. Insurance revenue	**-2,027**	**0**	**0**	**0**	**-2,027**	**-1,937**	**0**	**0**	**0**	**-1,937**
C. Insurance service expenses										
1. Incurred claims and other directly attributable expenses	0	0	2,261	0	2,261	0	0	1,692	5	1,697
2. Adjustment to liability for Incurred Claims	0	0	-612	-2	-613	0	0	13	-11	1
3. Losses and reversal of losses on onerous contracts	0	-2	0	0	-2	0	6	0	0	6
4. Amortisation of insurance acquisition cash flows	139	0	0	0	139	135	0	0	0	135
5. Total	**139**	**-2**	**1,649**	**-2**	**1,784**	**135**	**6**	**1,705**	**-6**	**1,839**
D. Insurance service result (Total B+C+D+E)	**-1,888**	**-2**	**1,649**	**-2**	**-243**	**-1,801**	**6**	**1,705**	**-6**	**-97**
E. Finance expenses/income										
1. Related to insurance contracts issued	3	0	46	2	50	2	0	-219	-0	-218
1.1 Recognised in the income statement	3	0	-26	2	-22	2	0	-19	-0	-17
1.2 Recognised in the other comprehensive income statement	0	0	72	0	72	0	0	-201	0	-201
2. Effects of movements in exchange rates	10	0	-9	0	1	-5	0	6	1	2
3. Total	**13**	**0**	**36**	**2**	**51**	**-4**	**0**	**-213**	**1**	**-216**
F. Non-Distinct investment component	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive income statement (D+E+F)	**-1,875**	**-2**	**1,685**	**0**	**-192**	**-1,805**	**6**	**1,492**	**-6**	**-313**
H. Other changes	**314**	**-0**	**-44**	**-0**	**269**	**23**	**-0**	**-31**	**0**	**-8**
I. Cash flows										
1. Premiums received	2,278	0	0	0	2,278	2,083	0	0	0	2,083
2. Payments related to insurance acquisition cash flows	-371	0	0	0	-371	-398	0	0	0	-398
3. Claims paid and other cash outflows	0	0	-1,638	0	-1,638	0	0	-1,409	0	-1,409
4. Total	**1,907**	**0**	**-1,638**	**0**	**270**	**1,684**	**0**	**-1,409**	**0**	**275**
Net balance at 31 December (A.3+G+H+I.4)	**402**	**4**	**823**	**41**	**1,269**	**56**	**6**	**819**	**41**	**923**
M. Closing balance										
1. Insurance contracts that are liabilities	404	4	824	41	1,272	58	6	821	41	926
2. Insurance contracts that are assets	-2	0	-1	0	-3	-2	0	-1	0	-3
Net closing balance at 31 December	402	4	823	41	1,269	56	6	819	41	923

Basis of aggregation 2 – P&C segment Motor

Movements in Insurance Contracts Issued balances measured under PAA – Liability for Remaining Coverage and Liability for Incurred claims

(€ million)	Liability for remaining coverage 31/12/2023		Liability for incurred claims 31/12/2023		Total 31/12/2023	Liability for remaining coverage 31/12/2022		Liability for incurred claims 31/12/2022		Total 31/12/2022
Items	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks		Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks	
A. Opening balance										
1. Insurance contracts that are liabilities	2,262	62	10,182	352	12,858	1,704	54	11,377	450	13,585
2. Insurance contracts that are assets	-0	0	-0	-0	-0	-0	0	-0	0	-0
3. Net opening balance at 1st January	**2,262**	**62**	**10,182**	**352**	**12,858**	**1,704**	**54**	**11,377**	**450**	**13,585**
B. Insurance revenue	**-10,414**	**0**	**0**	**0**	**-10,414**	**-9,920**	**0**	**0**	**0**	**-9,920**
C. Insurance service expenses										
1. Incurred claims and other directly attributable expenses	0	-121	10,585	0	10,464	0	-101	11,100	113	11,112
2. Adjustment to liability for Incurred Claims	0	0	-1,952	15	-1,937	0	0	-2,716	-227	-2,942
3. Losses and reversal of losses on onerous contracts	0	131	0	0	131	0	69	0	0	69
4. Amortisation of insurance acquisition cash flows	1,401	0	0	0	1,401	1,346	0	0	0	1,346
5. Total	**1,401**	**10**	**8,633**	**15**	**10,058**	**1,346**	**-32**	**8,384**	**-114**	**9,584**
D. Insurance service result (Total B+C+D+E)	**-9,013**	**10**	**8,633**	**15**	**-356**	**-8,574**	**-32**	**8,384**	**-114**	**-336**
E. Finance expenses/income										
1. Related to insurance contracts issued	36	0	526	12	574	-12	0	-1,432	2	-1,442
1.1 Recognised in the income statement	36	0	67	12	115	-12	0	-15	2	-25
1.2 Recognised in the other comprehensive income statement	0	0	459	0	459	0	0	-1,417	0	-1,417
2. Effects of movements in exchange rates	9	0	2	0	11	1	-0	-3	-0	-2
3. Total	**45**	**0**	**528**	**12**	**585**	**-11**	**-0**	**-1,435**	**2**	**-1,444**
F. Non-Distinct investment component	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive income statement (D+E+F)	**-8,968**	**10**	**9,160**	**27**	**229**	**-8,585**	**-32**	**6,949**	**-112**	**-1,780**
H. Other changes	**-263**	**-31**	**338**	**6**	**50**	**627**	**40**	**-103**	**14**	**578**
I. Cash flows										
1. Premiums received	10,843	0	0	0	10,843	9,881	0	0	0	9,881
2. Payments related to insurance acquisition cash flows	-1,445	0	0	0	-1,445	-1,364	0	0	0	-1,364
3. Claims paid and other cash outflows	0	0	-8,760	0	-8,760	0	0	-8,041	0	-8,041
4. Total	**9,398**	**0**	**-8,760**	**0**	**638**	**8,516**	**0**	**-8,041**	**0**	**475**
Net balance at 31 December (A.3+G+H+I.4)	**2,430**	**42**	**10,920**	**384**	**13,775**	**2,262**	**62**	**10,182**	**352**	**12,858**
M. Closing balance										
1. Insurance contracts that are liabilities	2,430	42	10,927	384	13,783	2,262	62	10,182	352	12,858
2. Insurance contracts that are assets	-1	0	-7	-0	-8	-0	0	-0	-0	-0
Net closing balance at 31 December	2,430	42	10,920	384	13,775	2,262	62	10,182	352	12,858

Basis of aggregation 2 – P&C segment Non-Motor

Movements in Insurance Contracts Issued balances measured under PAA – Liability for Remaining Coverage and Liability for Incurred claims

(€ million)	Liability for remaining coverage 31/12/2023		Liability for incurred claims 31/12/2023		Total 31/12/2023	Liability for remaining coverage 31/12/2022		Liability for incurred claims 31/12/2022		Total 31/12/2022
Items	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks		Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks	
A. Opening balance										
1. Insurance contracts that are liabilities	2,189	313	16,972	697	20,171	1,536	267	17,182	811	19,795
2. Insurance contracts that are assets	-7	0	-3	-0	-10	-6	0	2	0	-4
3. Net opening balance at 1st January	**2,182**	**313**	**16,969**	**697**	**20,161**	**1,530**	**267**	**17,184**	**811**	**19,791**
B. Insurance revenue	**-19,973**	**0**	**0**	**0**	**-19,973**	**-18,125**	**0**	**0**	**0**	**-18,125**
C. Insurance service expenses										
1. Incurred claims and other directly attributable expenses	0	-451	19,341	0	18,890	0	-484	17,385	259	17,161
2. Adjustment to liability for Incurred Claims	0	0	-4,929	-16	-4,946	0	0	-4,614	-391	-5,005
3. Losses and reversal of losses on onerous contracts	0	422	0	0	422	0	541	0	0	541
4. Amortisation of insurance acquisition cash flows	3,816	0	0	0	3,816	3,635	0	0	0	3,635
5. Total	**3,816**	**-28**	**14,411**	**-16**	**18,183**	**3,635**	**57**	**12,772**	**-132**	**16,332**
D. Insurance service result (Total B+C+D+E)	**-16,157**	**-28**	**14,411**	**-16**	**-1,790**	**-14,489**	**57**	**12,772**	**-132**	**-1,793**
E. Finance expenses/income										
1. Related to insurance contracts issued	56	0	724	23	803	19	0	-1,670	-1	-1,653
1.1 Recognised in the income statement	56	0	89	23	168	19	0	-25	-1	-8
1.2 Recognised in the other comprehensive income statement	0	0	635	0	635	0	0	-1,645	0	-1,645
2. Effects of movements in exchange rates	-16	-0	-25	-2	-43	-3	0	10	1	8
3. Total	**40**	**-0**	**699**	**22**	**760**	**16**	**0**	**-1,660**	**-1**	**-1,645**
F. Non-Distinct investment component	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive income statement (D+E+F)	**-16,117**	**-28**	**15,110**	**5**	**-1,030**	**-14,474**	**57**	**11,112**	**-132**	**-3,437**
H. Other changes	**-296**	**-16**	**-507**	**-14**	**-833**	**1,761**	**-11**	**-65**	**18**	**1,704**
I. Cash flows										
1. Premiums received	20,291	0	0	0	20,291	17,440	0	0	0	17,440
2. Payments related to insurance acquisition cash flows	-4,180	0	0	0	-4,180	-4,075	0	0	0	-4,075
3. Claims paid and other cash outflows	0	0	-13,220	0	-13,220	0	0	-11,262	0	-11,262
4. Total	**16,111**	**0**	**-13,220**	**0**	**2,891**	**13,365**	**0**	**-11,262**	**0**	**2,103**
Net balance at 31 December (A.3+G+H+I.4)	**1,880**	**268**	**18,352**	**688**	**21,189**	**2,182**	**313**	**16,969**	**697**	**20,161**
M. Closing balance										
1. Insurance contracts that are liabilities	1,870	272	18,351	688	21,181	2,189	313	16,972	697	20,171
2. Insurance contracts that are assets	11	-4	1	-0	8	-7	0	-3	-0	-10
Net closing balance at 31 December	1,880	268	18,352	688	21,189	2,182	313	16,969	697	20,161

Basis of aggregation 1 – Insurance contracts issued with direct participation features – Life segment

Movements in Insurance Contracts Issued balances by measurement components

(€ million)	Measurement components							
Items	Estimates of Present Value of Future Cash flows 31/12/2023	Risk Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Estimates of Present Value of Future Cash flows 31/12/2022	Risk Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Opening balance								
1. Insurance contracts that are liabilities	319,192	810	26,467	346,469	386,868	958	28,731	416,557
2. Insurance contracts that are assets	-147	16	98	-32	-65	8	38	-20
3. Net opening balance at 1st January	**319,045**	**827**	**26,565**	**346,437**	**386,803**	**966**	**28,769**	**416,538**
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	-2,346	-2,346	0	0	-2,299	-2,299
2. Change in Risk Adjustment for expired non-financial risks	0	-44	0	-44	0	-48	0	-48
3. Changes related to experience adjustments	-54	0	0	-54	-193	0	0	-193
4. Total	**-54**	**-44**	**-2,346**	**-2,444**	**-193**	**-48**	**-2,299**	**-2,540**
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	-1,116	87	1,029	0	2,309	-283	-2,026	0
2. Losses and reversal of losses on onerous contracts	58	-1	0	58	57	33	0	90
3. Effects of contracts initially recognized in the year	-2,193	81	2,122	10	-2,635	116	2,526	7
4. Total	**-3,251**	**168**	**3,152**	**68**	**-270**	**-134**	**500**	**96**
D. Changes that relate to past services								
1. Adjustment to Liability for Incurred Claims	-403	-1	0	-404	38	0	0	38
3. Total	**-403**	**-1**	**0**	**-404**	**38**	**0**	**0**	**38**
E. Insurance services results (Total B+C+D+E)	**-3,708**	**123**	**806**	**-2,779**	**-425**	**-182**	**-1,799**	**-2,406**
F. Finance expenses/income								
1. Related to insurance contracts issued	28,104	0	-3	28,101	-68,629	0	-470	-69,098
1.1 Recognised in the income statement	17,019	0	-3	17,016	-10,419	0	-470	-10,889
1.2 Recognised in the other comprehensive income statement	11,085	0	0	11,085	-58,210	0	0	-58,210
2. Effects of movements in exchange rates	-20	-0	-1	-21	-21	-0	-1	-22
3. Total	**28,084**	**-0**	**-4**	**28,080**	**-68,649**	**-0**	**-471**	**-69,120**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive Income statement (E+ F)	**24,376**	**123**	**802**	**25,300**	**-69,074**	**-182**	**-2,270**	**-71,526**
H. Other changes	**-2,037**	**-9**	**-385**	**-2,431**	**1,496**	**43**	**66**	**1,606**
I. Cash flows								
1. Premiums received	41,113	0	0	41,113	39,284	0	0	39,284
2. Payments related to insurance acquisition cash flows	-2,110	0	0	-2,110	-2,159	0	0	-2,159
3. Claims paid and other cash outflows	-49,578	0	0	-49,578	-37,304	0	0	-37,304
4. Total	**-10,575**	**0**	**0**	**-10,575**	**-180**	**0**	**0**	**-180**
Net balance at 31 December (A.3+G+H+I.4)	**330,808**	**941**	**26,982**	**358,731**	**319,045**	**827**	**26,565**	**346,437**
M. Closing balance								
1. Insurance contracts that are liabilities	331,047	928	26,896	358,871	319,192	810	26,467	346,469
2. Insurance contracts that are assets	-239	13	87	-139	-147	16	98	-32
Net closing balance at 31 December	**330,808**	**941**	**26,982**	**358,731**	**319,045**	**827**	**26,565**	**346,437**

Basis of aggregation 2 – Insurance contracts issued without direct participation features – Life segment

Movements in Insurance Contracts Issued balances by measurement components

(€ million)	Measurement components							
Items	Estimates of Present Value of Future Cash flows 31/12/2023	Risk Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Estimates of Present Value of Future Cash flows 31/12/2022	Risk Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Opening balance								
1. Insurance contracts that are liabilities	10,918	760	3,189	14,867	11,499	794	3,016	15,309
2. Insurance contracts that are assets	-692	42	453	-197	-871	62	470	-338
3. Net opening balance at 1st January	**10,226**	**802**	**3,642**	**14,670**	**10,628**	**856**	**3,487**	**14,971**
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	-689	-689	0	0	-587	-587
2. Change in Risk Adjustment for expired non-financial risks	0	-111	0	-111	0	-108	0	-108
3. Changes related to experience adjustments	969	0	0	969	522	0	0	522
4. Total	**969**	**-111**	**-689**	**169**	**522**	**-108**	**-587**	**-174**
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	-107	-37	144	0	8	-14	6	0
2. Losses and reversal of losses on onerous contracts	91	3	0	95	120	-14	0	106
3. Effects of contracts initially recognized in the year	-752	83	674	4	-624	122	530	27
4. Total	**-767**	**49**	**818**	**99**	**-496**	**94**	**536**	**133**
D. Changes that relate to past services								
1. Adjustment to Liability for Incurred Claims	-921	-332	0	-1,253	-672	-24	0	-695
3. Total	**-921**	**-332**	**0**	**-1,253**	**-672**	**-24**	**0**	**-695**
E. Insurance services results (Total B+C+D+E)	**-719**	**-394**	**129**	**-984**	**-646**	**-38**	**-51**	**-736**
F. Finance expenses/income								
1. Related to insurance contracts issued	1,300	31	106	1,436	-1,608	1	86	-1,521
1.1 Recognised in the income statement	299	31	106	436	123	1	86	210
1.2 Recognised in the other comprehensive income statement	1,001	0	0	1,001	-1,731	0	0	-1,731
2. Effects of movements in exchange rates	19	1	5	25	-8	-1	-7	-16
3. Total	**1,318**	**31**	**111**	**1,461**	**-1,615**	**-1**	**79**	**-1,537**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive Income statement (E+ F)	**600**	**-363**	**240**	**477**	**-2,261**	**-39**	**27**	**-2,273**
H. Other changes	**-214**	**6**	**47**	**-161**	**134**	**-16**	**127**	**245**
I. Cash flows								
1. Premiums received	8,519	0	0	8,519	7,267	0	0	7,267
2. Payments related to insurance acquisition cash flows	-918	0	0	-918	-883	0	0	-883
3. Claims paid and other cash outflows	-5,924	0	0	-5,924	-4,658	0	0	-4,658
4. Total	**1,677**	**0**	**0**	**1,677**	**1,726**	**0**	**0**	**1,726**
Net balance at 31 December (A.3+G+H+I.4)	**12,289**	**445**	**3,928**	**16,662**	**10,226**	**802**	**3,642**	**14,670**
M. Closing balance								
1. Insurance contracts that are liabilities	13,331	372	3,133	16,835	10,918	760	3,189	14,867
2. Insurance contracts that are assets	-1,042	73	796	-173	-692	42	453	-197
Net closing balance at 31 December	**12,289**	**445**	**3,928**	**16,662**	**10,226**	**802**	**3,642**	**14,670**

Basis of aggregation 4 - Insurance contracts issued without direct participation features – P&C Segment Non-Motor

Movements in Insurance Contracts Issued balances by measurement components

(€ million)	Measurement components							
Items	Estimates of Present Value of Future Cash flows 31/12/2023	Risk Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Estimates of Present Value of Future Cash flows 31/12/2022	Risk Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Opening balance								
1. Insurance contracts that are liabilities	-441	47	818	424	127	7	34	169
2. Insurance contracts that are assets	0	0	0	0	-839	26	739	-75
3. Net opening balance at 1st January	**-441**	**47**	**818**	**424**	**-712**	**33**	**773**	**94**
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	-47	-47	0	0	-44	-44
2. Change in Risk Adjustment for expired non-financial risks	0	-4	0	-4	0	-2	0	-2
3. Changes related to experience adjustments	-14	0	0	-14	-20	0	0	-20
4. Total	**-14**	**-4**	**-47**	**-65**	**-20**	**-2**	**-44**	**-66**
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	-57	7	50	0	5	-9	4	0
2. Losses and reversal of losses on onerous contracts	0	0	0	0	21	0	0	21
3. Effects of contracts initially recognized in the year	-68	12	57	1	-66	4	61	0
4. Total	**-125**	**19**	**107**	**2**	**-39**	**-5**	**66**	**21**
D. Changes that relate to past services								
1. Adjustment to Liability for Incurred Claims	4	-4	0	1	1	0	0	1
3. Total	**4**	**-4**	**0**	**1**	**1**	**0**	**0**	**1**
E. Insurance services results (Total B+C+D+E)	**-135**	**11**	**60**	**-63**	**-59**	**-7**	**22**	**-44**
F. Finance expenses/income								
1. Related to insurance contracts issued	-33	2	18	-13	180	1	15	195
1.1 Recognised in the income statement	-9	2	18	10	-12	1	15	3
1.2 Recognised in the other comprehensive income statement	-24	0	0	-24	192	0	0	192
2. Effects of movements in exchange rates	0	0	0	0	0	0	0	0
3. Total	**-33**	**2**	**18**	**-13**	**180**	**1**	**15**	**195**
G. Total amount of changes recognized in the income statement and in the Other Comprehensive Income statement (E+ F)	**-167**	**13**	**78**	**-76**	**121**	**-7**	**37**	**151**
H. Other changes	**-5**	**-1**	**-0**	**-7**	**99**	**20**	**9**	**128**
I. Cash flows								
1. Premiums received	129	0	0	129	118	0	0	118
2. Payments related to insurance acquisition cash flows	-32	0	0	-32	-27	0	0	-27
3. Claims paid and other cash outflows	-55	0	0	-55	-40	0	0	-40
4. Total	**42**	**0**	**0**	**42**	**51**	**0**	**0**	**51**
Net balance at 31 December (A.3+G+H+I.4)	**-571**	**58**	**896**	**383**	**-441**	**47**	**818**	**424**
M. Closing balance								
1. Insurance contracts that are liabilities	-571	58	896	383	-441	47	818	424
2. Insurance contracts that are assets	0	0	0	0	0	0	0	0
Net closing balance at 31 December	**-571**	**58**	**896**	**383**	**-441**	**47**	**818**	**424**

21.2. Detailed information related to insurance contracts issued – Insurance revenues and movements in CSM split by transition methode

The following tables detail insurance revenues and contractual service margin by transition method. The information refers to insurance contracts issued measured under Variable Fee Approach and General Measurement Model. The reported values refer to 31 December 2023 and 31 December 2022.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the tables are presented separately for each of the following aggregation bases:
- Insurance contracts issued with direct participation features – Life segment (Basis 1);
- Insurance contracts issued without direct participation features – Life segment (Basis 2);
- Insurance contracts issued without direct participation features – P&C segment – Non-Motor (Basis 4).

As allowed by ISVAP Regulation No. 7 of 13 July 2007, the aggregation base "Insurance contract issued with direct participation features – Life segment" also includes investment contracts with direct participation features.

Please note that, considering the low materiality of amounts, the Basis 4 "Insurance contracts issued without direct participation features – P&C segment – Non-Motor" also includes the carrying amount of insurance contracts issued with direct participation features related to P&C segment. As of 31 December 2023, there is no Contractual Service Margin for this type of contracts.

Basis 1 - Insurance contracts issued with direct participation features – Life segment

Insurance revenue and movements in Contractual Service Margin balances of insurance contracts issued split by transition method

(€ million)	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retroactive approach	Contracts measured at the transition date with the modified retroactive approach	Contracts measured at the transition date using the fair value approach	Contracts under carve-out options	Total	New contracts and contracts measured at the transition date with the full retroactive approach	Contracts measured at the transition date with the modified retroactive approach	Contracts measured at the transition date using the fair value approach	Contracts under carve-out options	Total
Insurance revenue	**223**	**392**	**27**	**10,437**	**11,079**	**105**	**470**	**31**	**9,089**	**9,694**
Contractual service margin - Opening balance	**264**	**408**	**62**	**25,831**	**26,565**	**183**	**472**	**60**	**28,054**	**28,769**
Changes that relate to current services	**-30**	**-38**	**-5**	**-2,272**	**-2,346**	**-18**	**-55**	**-5**	**-2,222**	**-2,299**
- Contractual services margin recognised in income statement	-30	-38	-5	-2,272	-2,346	-18	-55	-5	-2,222	-2,299
Changes that relate to future service	106	-65	-1	3,111	3,152	90	-0	-11	421	500
- Changes in estimates that adjust the contractual services margin	11	-65	-1	1,084	1,029	-0	-0	-11	-2,015	-2,026
- Effects of contracts initially recognized in the year	95	0	0	2,027	2,122	90	0	0	2,436	2,526
Finance expenses/income										
1. Related to insurance contracts issued	0	0	0	-3	-3	0	0	0	-470	-470
2. Effects of movements in exchange rates	0	0	0	-1	-1	0	-0	-0	-1	-1
3. Total	0	0	0	-4	-4	0	-0	-0	-471	-471
Total amount of changes recognised in the income statement and in the Other Comprehensive Income statement	**76**	**-104**	**-6**	**835**	**802**	**72**	**-55**	**-16**	**-2,272**	**-2,270**
Other movements	-22	-5	-12	-346	-385	9	-8	18	48	66
Contractual service margin - Closing balance	**318**	**300**	**44**	**26,320**	**26,982**	**264**	**408**	**62**	**25,831**	**26,565**

Basis 2 - Insurance contracts issued without direct participation features – Life segment

Insurance revenue and movements in Contractual Service Margin balances of insurance contracts issued split by transition method

(€ million)	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retroactive approach	Contracts measured at the transition date with the modified retroactive approach	Contracts measured at the transition date using the fair value approach	Contracts under carve-out options	Total	New contracts and contracts measured at the transition date with the full retroactive approach	Contracts measured at the transition date with the modified retroactive approach	Contracts measured at the transition date using the fair value approach	Contracts under carve-out options	Total
Insurance revenue	**3,268**	**2,318**	**306**	**0**	**5,892**	**2,452**	**2,554**	**360**	**0**	**5,366**
Contractual service margin - Opening balance	**933**	**2,374**	**335**	**0**	**3,642**	**490**	**2,652**	**345**	**0**	**3,487**
Changes that relate to current services	**-292**	**-336**	**-61**	**0**	**-689**	**-190**	**-327**	**-71**	**0**	**-587**
- Contractual services margin recognised in income statement	-292	-336	-61	0	-689	-190	-327	-71	0	-587
Changes that relate to future service	**655**	**158**	**5**	**0**	**818**	**512**	**-20**	**44**	**0**	**536**
- Changes in estimates that adjust the contractual services margin	-19	158	5	0	144	-18	-20	44	0	6
- Effects of contracts initially recognized in the year	674	0	0	0	674	530	0	0	0	530
Finance expenses/income										
1. Related to insurance contracts issued	34	63	9	0	106	10	68	8	0	86
2. Effects of movements in exchange rates	4	1	-0	0	5	-4	-2	-1	0	-7
3. Total	38	64	9	0	111	6	66	7	0	79
Total amount of changes recognised in the income statement and in the Other Comprehensive Income statement	**401**	**-113**	**-48**	**0**	**240**	**329**	**-281**	**-20**	**0**	**27**
Other movements	90	-46	3	0	47	114	3	10	0	127
Contractual service margin - Closing balance	**1,423**	**2,215**	**290**	**0**	**3,928**	**933**	**2,374**	**335**	**0**	**3,642**

Basis 4 - Insurance contracts issued without direct participation features – P&C segment – Non-Motor

Insurance revenue and movements in Contractual Service Margin balances of insurance contracts issued split by transition method

(€ million)	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retroactive approach	Contracts measured at the transition date with the modified retroactive approach	Contracts measured at the transition date using the fair value approach	Contracts under carve-out options	Total	New contracts and contracts measured at the transition date with the full retroactive approach	Contracts measured at the transition date with the modified retroactive approach	Contracts measured at the transition date using the fair value approach	Contracts under carve-out options	Total
Insurance revenue	**37**	**0**	**74**	**0**	**111**	**14**	**0**	**84**	**1**	**99**
Contractual service margin - Opening balance	**67**	**0**	**751**	**0**	**818**	**0**	**0**	**771**	**1**	**773**
Changes that relate to current services	**-9**	**0**	**-38**	**0**	**-47**	**-5**	**0**	**-38**	**-0**	**-44**
- Contractual services margin recognised in income statement	-9	0	-38	0	-47	-5	0	-38	-0	-44
Changes that relate to future service	**63**	**0**	**44**	**-0**	**107**	**63**	**0**	**3**	**-1**	**66**
- Changes in estimates that adjust the contractual services margin	6	0	44	-0	50	2	0	3	-1	4
- Effects of contracts initially recognized in the year	57	0	0	0	57	61	0	0	0	61
Finance expenses/income										
1. Related to insurance contracts issued	2	0	16	0	18	0	0	15	0	15
2. Effects of movements in exchange rates	0	0	0	0	0	0	0	0	0	0
3. Total	2	0	16	0	18	0	0	15	0	15
Total amount of changes recognised in the income statement and in the Other Comprehensive Income statement	**56**	**0**	**22**	**-0**	**78**	**58**	**0**	**-20**	**-1**	**37**
Other movements	-0	0	0	0	-0	9	0	0	0	9
Contractual service margin - Closing balance	**123**	**0**	**773**	**0**	**896**	**67**	**0**	**751**	**0**	**818**

21.3. Detailed information related to insurance contracts issued – Contracts initially recognized in the year

The following tables detail contracts initially recognized in the year by measurement components, such as Present Value of Future Cash Flows, Risk Adjustment and Contractual Service Margin related to insurance contracts issued measured under Variable Fee Approach and General Measurement Model. The reported values refer to 31 December 2023 and 31 December 2022.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the tables are presented separately for each of the following aggregation bases:
- Insurance contracts issued with direct participation features – Life segment (Basis 1);
- Insurance contracts issued without direct participation features – Life segment (Basis 2).

As allowed by ISVAP Regulation No. 7 of 13 July 2007, the aggregation base “Insurance contract issued with direct participation features – Life segment” also includes investment contracts with direct participation features.

Considering the low materiality of amounts, the Basis 4 “Insurance contracts issued without direct participation features – P&C segment – Non-Motor” has not been reported. The contractual service margin deriving from insurance contracts issued without direct participation features relating to the P&C Segment Non Motor is equal to € 57 million as of 31 December 2023.

Please note that, information detailed for the comparative period in the column “Contracts acquired in business combination” represents the carrying amount of insurance contracts issued by measurement component with regard to the acquisitions of the reference financial year.

Basis of aggregation 1 - Insurance contracts issued with direct participation features - Life segment

Measurement components of insurance contracts issued initially recognized in financial year

(€ million)	Contracts Issued 31/12/2023			Contracts acquired in business combinations 31/12/2023			Contracts Transferred by Third Parties 31/12/2023		
Entries/Groups of contracts	Onerous contracts	Profitable contracts	Total	Onerous contracts	Profitable contracts	Total	Onerous contracts	Profitable contracts	Total
A. Estimate of the present value of future cash outflows									
1. Insurance acquisition cash flows	4	1,978	1,982	0	0	0	0	0	0
2. Amount of claims and other directly attributable expenses	671	28,726	29,397	0	0	0	0	0	0
3. Total	**675**	**30,704**	**31,379**	**0**	**0**	**0**	**0**	**0**	**0**
B. Estimate of the present value of future cash inflows	**-665**	**-32,906**	**-33,572**	**0**	**0**	**0**	**0**	**0**	**0**
C. Estimate of the net present value of future cash flows (A-B)	**9**	**-2,202**	**-2,193**	**0**	**0**	**0**	**0**	**0**	**0**
D. Risk adjustment for non-financial risks	**1**	**80**	**81**	**0**	**0**	**0**	**0**	**0**	**0**
E. Amount derecognised from asset for insurance acquisition cash flows	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
F. Contractual service margin	**0**	**2,122**	**2,122**	**0**	**0**	**0**	**0**	**0**	**0**
G. Increase of liability for insurance contracts issued during the year (C+D+E+F)	**10**	**0**	**10**	**0**	**0**	**0**	**0**	**0**	**0**

(€ million)	Contracts Issued 31/12/2022			Contracts acquired in business combinations 31/12/2022			Contracts Transferred by Third Parties 31/12/2022		
Entries/Groups of contracts	Onerous contracts	Profitable contracts	Total	Onerous contracts	Profitable contracts	Total	Onerous contracts	Profitable contracts	Total
A. Estimate of the present value of future cash outflows									
1. Insurance acquisition cash flows	17	1,814	1,831	0	5	5	0	0	0
2. Amount of claims and other directly attributable expenses	313	31,488	31,801	0	998	998	0	0	0
3. Total	**330**	**33,302**	**33,632**	**0**	**1,003**	**1,003**	**0**	**0**	**0**
B. Estimate of the present value of future cash inflows	**-324**	**-35,944**	**-36,267**	**0**	**-440**	**-440**	**0**	**0**	**0**
C. Estimate of the net present value of future cash flows (A-B)	**7**	**-2,642**	**-2,635**	**0**	**563**	**563**	**0**	**0**	**0**
D. Risk adjustment for non-financial risks	**0**	**116**	**116**	**0**	**22**	**22**	**0**	**0**	**0**
E. Amount derecognised from asset for insurance acquisition cash flows	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
F. Contractual service margin	**0**	**2,526**	**2,526**	**0**	**22**	**22**	**0**	**0**	**0**
G. Increase of liability for insurance contracts issued during the year (C+D+E+F)	**7**	**0**	**7**	**0**	**607**	**607**	**0**	**0**	**0**

Basis of aggregation 2 - Insurance contracts issued with direct participation features - Life segment

Measurement components of insurance contracts issued initially recognized in financial year

(€ million)	Contracts Issued 31/12/2023			Contracts acquired in business combinations 31/12/2023			Contracts Transferred by Third Parties 31/12/2023		
Entries/Groups of contracts	Onerous contracts	Profitable contracts	Total	Onerous contracts	Profitable contracts	Total	Onerous contracts	Profitable contracts	Total
A. Estimate of the present value of future cash outflows									
1. Insurance acquisition cash flows	82	634	717	0	0	0	0	0	0
2. Amount of claims and other directly attributable expenses	763	3,688	4,451	0	0	0	0	0	0
3. Total	**845**	**4,323**	**5,168**	**0**	**0**	**0**	**0**	**0**	**0**
B. Estimate of the present value of future cash inflows	**-842**	**-5,078**	**-5,920**	**0**	**0**	**0**	**0**	**0**	**0**
C. Estimate of the net present value of future cash flows (A-B)	**3**	**-755**	**-752**	**0**	**0**	**0**	**0**	**0**	**0**
D. Risk adjustment for non-financial risks	**2**	**81**	**83**	**0**	**0**	**0**	**0**	**0**	**0**
E. Amount derecognised from asset for insurance acquisition cash flows	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
F. Contractual service margin	**0**	**674**	**674**	**0**	**0**	**0**	**0**	**0**	**0**
G. Increase of liability for insurance contracts issued during the year (C+D+E+F)	**4**	**0**	**4**	**0**	**0**	**0**	**0**	**0**	**0**

(€ million)	Contracts Issued 31/12/2022			Contracts acquired in business combinations 31/12/2022			Contracts Transferred by Third Parties 31/12/2022		
Entries/Groups of contracts	Onerous contracts	Profitable contracts	Total	Onerous contracts	Profitable contracts	Total	Onerous contracts	Profitable contracts	Total
A. Estimate of the present value of future cash outflows									
1. Insurance acquisition cash flows	165	443	609	0	9	9	0	0	0
2. Amount of claims and other directly attributable expenses	1,111	4,267	5,378	0	779	779	0	0	0
3. Total	**1,276**	**4,710**	**5,987**	**0**	**788**	**788**	**0**	**0**	**0**
B. Estimate of the present value of future cash inflows	**-1,265**	**-5,346**	**-6,611**	**0**	**-452**	**-452**	**0**	**0**	**0**
C. Estimate of the net present value of future cash flows (A-B)	**11**	**-636**	**-624**	**0**	**336**	**336**	**0**	**0**	**0**
D. Risk adjustment for non-financial risks	**16**	**106**	**122**	**0**	**18**	**18**	**0**	**0**	**0**
E. Amount derecognised from asset for insurance acquisition cash flows	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
F. Contractual service margin	**0**	**530**	**530**	**0**	**12**	**12**	**0**	**0**	**0**
G. Increase of liability for insurance contracts issued during the year (C+D+E+F)	**27**	**0**	**27**	**0**	**366**	**366**	**0**	**0**	**0**

21.4. Detailed information related to insurance contracts issued and reinsurance contracts held – Expected release of Contractual Service Margin

Insurance Contracts issued and Reinsurance Contracts held - Time bands for expected release of Contractual Service Margin

(€ million)	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Between 5 and 10 years	Between 10 and 20 years	More than 20 years	Total
Time bands									
Insurance contracts									
Life Segment	2,269	2,002	1,884	1,740	1,618	6,531	7,721	7,145	30,911
P&C Segment	46	43	42	39	37	165	255	270	896
Reinsurance contracts									
Life Segment	15	17	18	14	12	49	56	41	222

The table provides disclosure about when the Group expects to recognise the contractual service margin reported on Balance Sheet at 31 December 2023 in the income statement of the subsequent years.

It shall be noted that the amounts included in the different time bands exclusively reflect the application of the coverage units as expected at the reporting date and do not consider:

- in the case of insurance contracts issued with direct participation features, measured with the Variable Fee Approach measurement model, the unwinding of discount on the carrying amount of the CSM determined at current rates and the systematic economic variance due to the expected realization of the real-world assumptions;
- in the case of groups of contracts measured with the General Model, the interest accreted determined on the basis of discount rates identified on the initial recognition date (the so-called locked-in rates);
- the contribution deriving from the contractual service margin of the new business, i.e. the new contracts that will be recognised in the following years.

Consequently, it is underlined that the table above does not represent the expected release of the contractual service margin that will be recognised through the Group Income Statement in the following years.

As required by ISVAP Regulation no. 7 of 13 July 2007, the disclosure is provided with reference to the contractual service margin of the insurance contracts issued, detailed for Life segment and P&C segment.

With reference to the reinsurance contracts held, the disclosure is provided exclusively for life segment contracts considering the low materiality of amounts related to the reinsurance held contracts of the P&C segment whose CSM is equal to €11 million at 31 December 2023.

21.5. Detailed information related to insurance contracts issued – Asset for Insurance Acquisition Cash Flow

The purpose of the following table is to provide a reconciliation from the opening balance at 1 January 2023 to the closing balance at 31 December 2023 of the carrying amount of insurance acquisition cash flow. Equally, the comparative period shows the reconciliation from the opening balance at 1 January 2022 to the closing balance at 31 December 2022.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the tables are presented separately for each of the following aggregation bases:
- Life segment - Basis 1;
- P&C segment - Basis 2.

Insurance Contracts issued - Movements of Asset for Insurance Acquisition Cash Flow

(€ million) Items/Bases of aggregation	Basis of aggregation 1	Basis of aggregation 2	Total 31/12/2023	Total 31/12/2022
A. Opening balance	**28**	**36**	**64**	**42**
B. Increases				
1. Cash flows recognized as an asset in the period	28	3	31	9
2. Reversals of impairment losses	0	0	0	0
3. Other increases	0	0	0	14
4. Total	**28**	**3**	**31**	**23**
C. Decreases				
1. Amounts derecognized on initial recognition of groups of insurance contracts issued	-26	-22	-49	-2
2. Impairment losses	0	-0	-0	-0
3. Other decreases	-0	-11	-11	0
4. Total	**-26**	**-34**	**-60**	**-2**
D. Closing balance	**29**	**5**	**34**	**64**

The table below provides information about expected derecognition of Asset for Insurance Acquisition Cash Flows due to their inclusion in the measurement of insurance contracts issued.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the tables are presented separately for each of the following aggregation bases:
- Life segment - Basis 1;
- P&C segment - Basis 2.

Insurance Contracts issued - Time bands for expected release of asset for insurance acquisition cash flows

(€ million) Expected times/Bases of aggregation	Basis of aggregation 1 31/12/2023	Basis of aggregation 2 31/12/2023	Total 31/12/2023	Basis of aggregation 1 31/12/2022	Basis of aggregation 2 31/12/2022	Total 31/12/2022
1. Up to 1 year	29	4	33	28	35	63
2. From over 1 year up to 2 years	0	1	1	0	1	1
3. From over 2 years up to 3 years	0	0	0	0	0	0
4. For over 3 years	0	0	0	0	0	0

21.6. Detailed information related to insurance contracts issued and reinsurance contracts held – Claims development

The tables below provide information on development of cumulative claims paid and estimate of ultimate claims cost (not discounted) by accident year. Ultimate claims cost includes actual claims paid, liability for incurred claims and settlement expenses.

As allowed by ISVAP Regulation No. 7 of 13 July 2007, the Group has adopted the option to provide claims and ultimate cost development only for financial years for which an estimate based on IFRS17 is available (2021-2023), without reporting amounts related to prior financial years.

Data provided refers to insurance contracts issued of P&C segment measured under PAA model. This model represents the predominantly model applied in this segment. The disclosure is presented gross and net of reinsurance contracts held.

Non-Life Claims development - Gross of Reinsurance Held

(€ million)	Year 2014	Year 2015	Year 2016	Year 2017
Claims/Time ranges				
A. Cumulative claims paid and other directly attributable costs				
1. At the end of the accident year	0	0	0	0
2. A year later	0	0	0	0
3. Two years later	0	0	0	0
4. Three years later	0	0	0	0
5. Four years later	0	0	0	13,011
6. Five years after	0	0	12,560	13,216
7. Six years later	0	12,440	12,730	13,381
8. Seven years later	12,070	12,543	12,851	X
9. Eight years later	12,165	12,627	X	X
10. Nine years later	12,315	X	X	X
Total cumulative claims paid and other directly attributable costs (Total A)	**12,315**	**12,627**	**12,851**	**13,381**
B. Estimate of the ultimate cumulative claim cost (gross of reinsurance and undiscounted amount)				
1. At the end of the accident year	0	0	0	0
2. A year later	0	0	0	0
3. Two years later	0	0	0	0
4. Three years later	0	0	0	0
5. Four years later	0	0	0	14,577
6. Five years after	0	0	13,798	14,561
7. Six years later	0	13,227	13,811	14,494
8. Seven years later	12,758	13,226	13,777	X
9. Eight years later	12,740	13,209	X	X
10. Nine years later	12,719	X	X	X
Estimate of the gross undiscounted ultimate cumulative claim cost (Total B)	**12,719**	**13,209**	**13,777**	**14,494**
C. Gross undiscounted liability for incurred claims - accident year from 2023 to 2014 (Total B – Total A)	**404**	**582**	**926**	**1,114**
D. Gross undiscounted claims liability - years prior to 2014	**X**	**X**	**X**	**X**
E. Discount effect	**X**	**X**	**X**	**X**
F. Effect of risk adjustment for non-financial risks	**X**	**X**	**X**	**X**
G. Gross Liability for incurred claims from insurance contracts issued	**X**	**X**	**X**	**X**

The difference between ultimate cost and cumulative claims paid in 2023 represents the undiscounted liability for incurred claims for accident year between 2014 and 2023 (item C. of below tables). The liability for incurred claims represented in item G. in below tables is the sum of the latter liability plus the residual liability for incurred claims for accident year not included in the triangle (item D.), the discounting effect (item E.) and the Risk Adjustment (item G.).

Please note that liability for incurred claims as reported in the Balance Sheet for P&C contracts measured under PAA model is equal to € 30.344 million and € 26.971 million respectively gross and net of reinsurance held. The difference from the total amount presented in the following tables in the item G. is mainly related to residual components of liabilities that have not been included in the actuarial claims development by accident year.

Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Total
0	0	0	7,450	7,930	8,863	X
0	0	10,222	11,950	12,811	X	X
0	12,555	11,200	13,195	X	X	X
12,811	13,069	11,647	X	X	X	X
13,115	13,385	X	X	X	X	X
13,355	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
13,355	**13,385**	**11,647**	**13,195**	**12,811**	**8,863**	**124,430**
0	0	0	16,166	17,287	19,543	X
0	0	13,872	16,354	17,186	X	X
0	14,988	13,937	16,282	X	X	X
14,604	14,993	13,830	X	X	X	X
14,665	14,936	X	X	X	X	X
14,603	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
14,603	**14,936**	**13,830**	**16,282**	**17,186**	**19,543**	**150,579**
1,247	**1,552**	**2,182**	**3,087**	**4,376**	**10,680**	**26,149**
X	**X**	**X**	**X**	**X**	**X**	**5,347**
X	**X**	**X**	**X**	**X**	**X**	**-4,512**
X	**X**	**X**	**X**	**X**	**X**	**977**
X	**X**	**X**	**X**	**X**	**X**	**27,961**

Non-Life Claims development - Net of Reinsurance Held

(€ million)	Year 2014	Year 2015	Year 2016	Year 2017
Claims/Time ranges				
A. Cumulative claims paid and other directly attributable costs				
1. At the end of the accident year	0	0	0	0
2. A year later	0	0	0	0
3. Two years later	0	0	0	0
4. Three years later	0	0	0	0
5. Four years later	0	0	0	12,357
6. Five years after	0	0	12,194	12,525
7. Six years later	0	12,334	12,322	12,676
8. Seven years later	11,633	12,427	12,431	X
9. Eight years later	11,707	12,504	X	X
10. Nine years later	11,852	X	X	X
Total cumulative claims paid and other directly attributable costs (Total A)	**11,852**	**12,504**	**12,431**	**12,676**
B. Estimate of the ultimate cumulative claim cost (net of reinsurance and undiscounted amount)				
1. At the end of the accident year	0	0	0	0
2. A year later	0	0	0	0
3. Two years later	0	0	0	0
4. Three years later	0	0	0	0
5. Four years later	0	0	0	13,748
6. Five years after	0	0	13,260	13,738
7. Six years later	0	13,035	13,268	13,671
8. Seven years later	12,223	13,037	13,231	X
9. Eight years later	12,220	13,011	X	X
10. Nine years later	12,190	X	X	X
Estimate of the gross undiscounted ultimate cumulative claim cost (Total B)	**12,190**	**13,011**	**13,231**	**13,671**
C. Net Liability for Incurred Claims - accident year from 2023 to 2014	**338**	**506**	**800**	**995**
D. Net undiscounted loss liability incurred - years prior to 2014	**X**	**X**	**X**	**X**
E. Discount effect	**X**	**X**	**X**	**X**
F. Effect of risk adjustment for non-financial risks	**X**	**X**	**X**	**X**
G. Net Liability for incurred claims	**X**	**X**	**X**	**X**

Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Total
0	0	0	7,102	8,166	8,827	X
0	0	9,912	11,074	12,895	X	X
0	11,949	10,833	12,042	X	X	X
11,856	12,391	11,194	X	X	X	X
12,103	12,646	X	X	X	X	X
12,323	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
12,323	**12,646**	**11,194**	**12,042**	**12,895**	**8,827**	**119,391**
0	0	0	15,179	16,805	18,105	X
0	0	13,126	15,235	16,760	X	X
0	14,076	13,166	15,181	X	X	X
13,427	14,080	13,052	X	X	X	X
13,449	14,028	X	X	X	X	X
13,379	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
13,379	**14,028**	**13,052**	**15,181**	**16,760**	**18,105**	**142,608**
1,056	**1,382**	**1,858**	**3,138**	**3,865**	**9,278**	**23,217**
X	**X**	**X**	**X**	**X**	**X**	**5,063**
X	**X**	**X**	**X**	**X**	**X**	**-4,028**
X	**X**	**X**	**X**	**X**	**X**	**864**
X	**X**	**X**	**X**	**X**	**X**	**25,115**

21.7. Detailed information related to reinsurance contracts held – Movements in reinsurance contract held balances by bases of aggregation

The purpose of the following tables is to provide a reconciliation from the opening balance at 1 January 2023 to the closing balance at 31 December 2023 of the carrying amount of reinsurance contracts held. Equally, the comparative period shows the reconciliation from the opening balance at 1 January 2022 to the closing balance at 31 December 2022.

The first set of tables provides an analysis of movements of carrying amount of reinsurance contracts held detailed by Asset for Remaining Coverage and Asset for Incurred Claims. The second set of tables analyzes movements of reinsurance contracts held measured under the General Measurement Model broken down by measurement components: (i) Present Value of Future Cash Flows, (ii) Risk Adjustment and (iii) Contractual Service Margin.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the tables are presented separately for each of the following aggregation bases:

- Life segment (Basis 1);
- P&C segment (Basis 2).

Please note that, considering the low materiality of amounts, the following tables do not include the carrying amount of reinsurance contracts held related to P&C segment measured under the General Measurement Model. The total carrying amount of these contracts is equal to € 93 million at 31 December 2023.

Basis 1 – Life segment

Movements in Reinsurance Contracts held balances - GMM - Asset for Remaining Coverage and Asset for Incurred Claims

(€ million)	Assets for remaining coverage 31/12/2023		Asset for Incurred claims 31/12/2023	Total 31/12/2023	Assets for remaining coverage 31/12/2022		Asset for Incurred claims 31/12/2022	Total 31/12/2022
	Excluding loss recovery component	Loss recovery component			Excluding loss recovery component	Loss recovery component		
A. Opening balance								
1. Reinsurance contracts that are assets	107	19	218	344	41	44	684	769
2. Reinsurance contracts that are liabilities	-41	0	2	-39	-89	0	3	-86
3. Net opening balance at 1st January	**66**	**20**	**219**	**305**	**-49**	**44**	**688**	**683**
B. Net result from reinsurance contracts held								
1. Reinsurance service expenses	-869	0	0	-869	-750	0	0	-750
2. Claims and other expenses recovered	5	0	1,119	1,123	1	0	970	971
3. Adjustments to asset for incurred claims	0	0	-454	-454	0	0	-282	-282
4. Loss recovery on onerous contracts	0	0	0	0	0	-29	0	-29
4.1 Loss recovery from initial recognition of onerous contracts	0	0	0	0	0	0	0	0
4.2 Releases of the loss recovery component other than changes in estimates related to reinsurance contracts held	0	-1	0	-1	0	-11	0	-11
4.3 Changes in estimates related to reinsurance contracts held resulting from onerous underlying insurance contracts	0	1	0	1	0	-18	0	-18
5. Changes in the risk of non-performance of the reinsurer	0	0	0	0	0	0	5	5
6. Total	**-864**	**0**	**665**	**-199**	**-749**	**-29**	**693**	**-85**
C. Insurance service result (Total B)	**-864**	**0**	**665**	**-199**	**-749**	**-29**	**693**	**-85**
D. Finance income/expenses								
1. Related to reinsurance contracts held	-20	-0	63	43	28	7	-263	-227
1.1 Recognised in the income statement	1	-0	-12	-11	-4	7	-23	-20
1.2. Recognised in the other comprehensive income statement	-21	0	75	54	32	0	-240	-208
2. Effects of movements in exchange rates	9	0	-0	9	20	-0	0	20
3. Total	**-11**	**-0**	**63**	**52**	**48**	**7**	**-262**	**-207**
E. Non-distinct investment components	**0**	**0**	**0**	**0**	**-1**	**0**	**1**	**0**
F. Total amount recorded in the income statement and in the comprehensive income statement (C+ D+E)	**-875**	**0**	**728**	**-147**	**-702**	**-22**	**432**	**-292**
G. Other changes	**-22**	**-12**	**77**	**42**	**39**	**-3**	**29**	**65**
H. Cash flows								
1. Premiums paid net of amounts not related to claims recovered from reinsurers	859	0	0	859	778	0	0	778
2. Amounts recovered from reinsurers	0	0	-919	-919	0	0	-929	-929
3. Total	**859**	**0**	**-919**	**-60**	**778**	**0**	**-929**	**-151**
I. Net balance at 31 December (A.3+F+G+H.3)	**28**	**8**	**105**	**140**	**66**	**20**	**219**	**305**
L. Closing balance								
1. Reinsurance contracts that are assets	98	3	102	203	107	19	218	344
2. Reinsurance contracts that are liabilities	-70	4	3	-63	-41	0	2	-39
3. Net closing balance at 31 December	**28**	**8**	**105**	**140**	**66**	**20**	**219**	**305**

Basis 1 – Life segment

Movements in Reinsurance Contracts Held balances measured under PAA – Asset for Remaining Coverage and Asset for Incurred claims

(€ million)	Assets for remaining coverage 31/12/2023		Asset for Incurred claims 31/12/2023		Total 31/12/2023	Assets for remaining coverage 31/12/2022		Asset for Incurred claims 31/12/2022		Total 31/12/2022
	Excluding loss recovery component	Loss recovery component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks		Excluding loss recovery component	Loss recovery component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks	
A. Opening balance										
1. Reinsurance contracts that are assets	153	0	132	2	286	115	0	117	3	235
2. Reinsurance contracts that are liabilities	0	0	0	0	0	0	0	0	0	0
3. Net opening balance at 1st January	**153**	**0**	**132**	**2**	**286**	**115**	**0**	**117**	**3**	**235**
B. Net result from reinsurance contracts held										
1. Reinsurance service expenses	-722	0	0	0	-722	-642	0	0	0	-642
2. Claims and other expenses recovered	9	0	729	0	738	5	0	352	0	357
3. Adjustments to asset for incurred claims	0	0	-160	-0	-160	0	0	276	-1	275
4. Loss recovery on onerous contracts	0	-1	0	0	-1	0	0	0	0	0
4.1 Loss recovery from initial recognition of onerous contracts	0	-1	0	0	-1	0	0	0	0	0
4.2 Releases of the loss recovery component other than changes in estimates related to reinsurance contracts held	0	0	0	0	0	0	0	0	0	0
4.3 Changes in estimates related to reinsurance contracts held resulting from onerous underlying insurance contracts	0	0	0	0	0	0	0	0	0	0
5. Changes in the risk of non-performance of the reinsurer	0	0	-1	0	-1	0	0	3	0	3
6. Total	**-713**	**-1**	**568**	**-0**	**-146**	**-637**	**0**	**631**	**-1**	**-7**
C. Insurance service result (Total B)	**-713**	**-1**	**568**	**-0**	**-146**	**-637**	**0**	**631**	**-1**	**-7**
D. Finance income/expenses										
1. Related to reinsurance disposals	0	0	18	0	18	0	0	-90	0	-90
1.1 Recorded in the income statement	0	0	-10	0	-10	0	0	-9	0	-9
1.2. Recognised in the other comprehensive income statement	0	0	28	0	28	0	0	-80	0	-80
2. Effects of movements in exchange rates	-0	0	3	0	3	-1	0	-2	-0	-3
3. Total	**-0**	**0**	**21**	**0**	**21**	**-1**	**0**	**-92**	**-0**	**-93**
E. Non-distinct investment components	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
F. Total amount recorded in the income statement and in the comprehensive income statement (C+ D+E)	**-713**	**-1**	**589**	**0**	**-125**	**-637**	**0**	**539**	**-1**	**-99**
G. Other changes	**-53**	**15**	**-17**	**-0**	**-54**	**-27**	**0**	**39**	**0**	**12**
H. Cash flows										
1. Premiums paid net of amounts not related to claims recovered from reinsurers	738	0	0	0	738	702	0	0	0	702
2. Amounts recovered from reinsurers	0	0	-810	0	-810	0	0	-562	0	-562
3. Total	**738**	**0**	**-810**	**0**	**-71**	**702**	**0**	**-562**	**0**	**139**
I. Net balance at 31 December (A.3+F+G+H.3)	**125**	**15**	**-106**	**2**	**36**	**153**	**0**	**132**	**2**	**286**
L. Closing balance										
1. Reinsurance contracts that are assets	125	15	-106	2	36	153	0	132	2	286
2. Reinsurance contracts that are liabilities	0	0	-0	0	-0	0	0	0	0	0
3. Net closing balance at 31 December	**125**	**15**	**-106**	**2**	**36**	**153**	**0**	**132**	**2**	**286**

Basis 2 – P&C segment

Movements in Reinsurance Contracts Held balances measured under PAA – Asset for Remaining Coverage and Asset for Incurred claims

(€ million)	Assets for remaining coverage 31/12/2023		Asset for Incurred claims 31/12/2023		Total 31/12/2023	Assets for remaining coverage 31/12/2022		Asset for Incurred claims 31/12/2022		Total 31/12/2022
	Excluding loss recovery component	Loss recovery component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks		Excluding loss recovery component	Loss recovery component	Estimates of Present Value of Future Cash flows	Risk Adjustment for non-financial risks	
A. Opening balance										
1. Reinsurance contracts that are assets	896	14	2,065	190	3,166	515	17	3,417	229	4,178
2. Reinsurance contracts that are liabilities	0	0	-10	-0	-10	-1	0	-53	0	-54
3. Net opening balance at 1st January	**896**	**14**	**2,055**	**190**	**3,156**	**514**	**17**	**3,364**	**229**	**4,124**
B. Net result from reinsurance contracts held										
1. Reinsurance service expenses	-2,113	0	0	0	-2,113	-1,961	0	0	0	-1,961
2. Claims and other expenses recovered	135	0	2,528	0	2,663	54	0	1,811	42	1,906
3. Adjustments to asset for incurred claims	0	0	-516	-17	-533	0	0	-392	-92	-484
4. Loss recovery on onerous contracts	0	6	0	0	6	0	3	0	0	3
4.1 Loss recovery from initial recognition of onerous contracts	0	37	0	0	37	0	53	0	0	53
4.2 Releases of the loss recovery component other than changes in estimates related to reinsurance contracts held	0	-20	0	0	-20	0	-41	0	0	-41
4.3 Changes in estimates related to reinsurance contracts held resulting from onerous underlying insurance contracts	0	-11	0	0	-11	0	-8	0	0	-8
5. Changes in the risk of non-performance of the reinsurer	0	0	-2	0	-2	0	0	7	0	7
6. Total	**-1,978**	**6**	**2,010**	**-17**	**22**	**-1,907**	**3**	**1,426**	**-51**	**-529**
C. Insurance service result (Total B)	**-1,978**	**6**	**2,010**	**-17**	**22**	**-1,907**	**3**	**1,426**	**-51**	**-529**
D. Finance income/expenses										
1. Related to reinsurance disposals	4	0	116	7	127	1	0	-298	-0	-297
1.1 Recorded in the income statement	4	0	9	7	20	1	0	-11	-0	-11
1.2. Recognised in the other comprehensive income statement	0	0	107	0	107	0	0	-287	0	-287
2. Effects of movements in exchange rates	-4	-0	-3	-0	-7	-8	0	11	0	3
3. Total	**0**	**-0**	**112**	**7**	**120**	**-7**	**0**	**-287**	**0**	**-294**
E. Non-distinct investment components	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
F. Total amount recorded in the income statement and in the comprehensive income statement (C+ D+E)	**-1,978**	**6**	**2,123**	**-10**	**142**	**-1,914**	**3**	**1,139**	**-51**	**-823**
G. Other changes	**-134**	**1**	**-125**	**-14**	**-272**	**294**	**-6**	**344**	**12**	**644**
H. Cash flows										
1. Premiums paid net of amounts not related to claims recovered from reinsurers	2,028	0	0	0	2,028	2,003	0	0	0	2,003
2. Amounts recovered from reinsurers	0	0	-846	0	-846	0	0	-2,792	0	-2,792
3. Total	**2,028**	**0**	**-846**	**0**	**1,182**	**2,003**	**0**	**-2,792**	**0**	**-789**
I. Net balance at 31 December (A.3+F+G+H.3)	**812**	**22**	**3,207**	**166**	**4,208**	**896**	**14**	**2,055**	**190**	**3,156**
L. Closing balance										
1. Reinsurance contracts that are assets	818	22	3,222	166	4,229	896	14	2,065	190	3,166
2. Reinsurance contracts that are liabilities	-6	-0	-15	-0	-21	0	0	-10	-0	-10
3. Net closing balance at 31 December	**812**	**22**	**3,207**	**166**	**4,208**	**896**	**14**	**2,055**	**190**	**3,156**

Basis 1 – Life segment

Movements in Reinsurance Contracts Held balances by measurement components

(€ million)	Measurement components							
Items	Estimates of Present Value of Future Cash flows 31/12/2023	Risk Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Estimates of Present Value of Future Cash flows 31/12/2022	Risk Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Opening balance								
1. Reinsurance contracts that are assets	64	162	119	344	586	166	17	769
2. Reinsurance contracts that are liabilities	-126	6	81	-39	-221	11	124	-86
3. Net opening balance at 1st January	**-63**	**168**	**200**	**305**	**365**	**177**	**141**	**683**
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	-37	-37	0	0	20	20
2. Change in Risk Adjustment for expired non-financial risks	0	-23	0	-23	0	-19	0	-19
3. Changes related to experience adjustments	314	0	0	314	224	0	0	224
4. Total	**314**	**-23**	**-37**	**253**	**224**	**-19**	**20**	**224**
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	-69	4	65	-0	-57	2	54	-1
2. Effects of contracts initially recognized in the year	-33	10	24	1	-24	16	19	11
3. Changes on Contractual Service Margin related to recovery of losses from initial recognition of underlying onerous contracts	0	0	0	0	0	0	0	0
4. Releases of the loss recovery component other than changes in estimates related to reinsurance contracts held	0	0	-1	-1	0	0	-11	-11
5. Changes in estimates related to reinsurance contracts held resulting from onerous underlying insurance contracts	0	0	1	1	0	0	-18	-18
6. Total	**-102**	**14**	**89**	**1**	**-81**	**18**	**44**	**-19**
D. Changes that relate to past services	**-331**	**-123**	**0**	**-454**	**-282**	**-3**	**0**	**-285**
1. Adjustments to the activity for claims that have occurred	-331	-123	0	-454	-282	-3	0	-285
E. Changes in the risk of non-performance of the reinsurer	**0**	**0**	**0**	**0**	**-5**	**0**	**0**	**-5**
F. Insurance service results (Total B+C+D+E)	**-118**	**-132**	**52**	**-199**	**-145**	**-4**	**64**	**-85**
G. Finance income/expenses								
1. Related to reinsurance contracts held	31	6	6	43	-235	-1	9	-227
1.1 Recognised in the income statement	-23	6	6	-11	-28	-1	9	-20
1.2. Recognised in the other comprehensive income statement	54	0	0	54	-208	0	0	-208
2. Effects of movements in exchange rates	9	-0	-0	9	20	0	-0	20
3. Total	**40**	**6**	**6**	**52**	**-216**	**-1**	**9**	**-207**
H. Total amount recorded in the income statement and in the comprehensive income statement (F+G)	**-78**	**-126**	**57**	**-147**	**-360**	**-5**	**73**	**-292**
I. Other changes	**78**	**-0**	**-36**	**42**	**84**	**-5**	**-14**	**65**
L. Cash flows								
1. Premiums paid net of amounts not related to claims recovered from reinsurers	859	0	0	859	778	0	0	778
2. Amounts recovered from reinsurers	-919	0	0	-919	-929	0	0	-929
3. Total	**-60**	**0**	**0**	**-60**	**-151**	**0**	**0**	**-151**
M. Net balance at 31 December (A.3+H+I+L.3)	**-123**	**42**	**222**	**140**	**-63**	**168**	**200**	**305**
N. Closing balance								
1. Reinsurance contracts that are assets	78	32	94	203	64	162	119	344
2. Reinsurance contracts that are liabilities	-201	10	128	-63	-126	6	81	-39
Net closing balance at 31 December	**-123**	**42**	**222**	**140**	**-63**	**168**	**200**	**305**

21.8. Detailed information related to reinsurance contracts held – Movements in CSM by transition method

The following table details the contractual service margin movements by transition method. The information refers to reinsurance contracts held measured under the General Measurement Model. The reported values refer to 31 December 2023 and 31 December 2022.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the table presents the following aggregation basis: Life segment (Basis 1) related to reinsurance contracts held.

Please note that, considering the low materiality of amounts, information related to the Basis 2 "Reinsurance contracts held - P&C segment" has not been included. As of 31 December 2023, the Contractual Service Margin of these contracts is equal to € 11 million.

Basis 1 – Life segment

Movements in Contractual Service Margin of Reinsurance Contracts held split by transition method

(€ million)	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retroactive approach	Contracts measured at the transition date with the modified retroactive approach	Contracts measured at the transition date using the fair value approach	Contracts under carve-out options	Total	New contracts and contracts measured at the transition date with the full retroactive approach	Contracts measured at the transition date with the modified retroactive approach	Contracts measured at the transition date using the fair value approach	Contracts under carve-out options	Total
Contractual service margin - Opening balance	**78**	**101**	**21**	**0**	**200**	**15**	**105**	**21**	**0**	**141**
Changes referring to current services	**-5**	**-31**	**-0**	**0**	**-37**	**-2**	**-8**	**0**	**0**	**-9**
Contractual services margin recognised in income statement to reflect services received	-5	-31	-0	0	-37	-2	-8	0	0	-9
Changes that relate to future service	**6**	**90**	**-7**	**0**	**89**	**72**	**1**	**0**	**0**	**73**
- Changes in estimates affecting the contractual services margin	-18	90	-7	0	65	53	1	0	0	54
- Effects of contracts initially recognized in the reference year	24	0	0	0	24	19	0	0	0	19
Finance expenses/income										
1. Related to reinsurance disposals	6	2	-2	0	6	8	1	-0	0	9
2. Effects of movements in exchange rates	0	0	-0	0	-0	-0	0	0	0	-0
3. Total	**6**	**2**	**-2**	**0**	**6**	**8**	**1**	**-0**	**0**	**9**
Total amount of changes recognised in the income statement and in the Other Comprehensive Income statement	**7**	**61**	**-10**	**0**	**57**	**77**	**-5**	**0**	**0**	**73**
Other movements	-43	17	-9	0	-36	-14	1	-1	0	-14
Contractual service margin - Closing balance	**41**	**179**	**2**	**0**	**222**	**78**	**101**	**21**	**0**	**200**

21.9. Detailed information related to reinsurance contracts held – Contracts initially recognized in the period

With reference to Life segment reinsurance contracts held valued under General Measurement Model, the Contractual Service Margin for contracts initially recognized in period is equal to € 24 million at 31 December 2023.

With reference to P&C segment reinsurance contracts held valued under General Measurement Model, the Contractual Service Margin for contracts initially recognized in period is equal to € 6 million at 31 December 2023.

21.10. Other details related to insurance contracts

The following table details the net carrying amount of reinsurance contracts held as presented in the Balance Sheet broken down by counterparties rating.

With reference to the reinsurance policy followed by the Group, the table below proves that the careful criteria adopted for the selection of reinsurers over the past allowed Generali to have a significant presence of counterparties in rating classes of high quality.

Reinsurance contracts held: breakdown by rating

(€ million)	31/12/2023	31/12/2022
AAA	0	0
AA	2,155	1,611
A	1,774	1,858
BBB	102	74
Non-investment grade	118	1
No Rating	327	319
Total	**4,477**	**3,863**

In some circumstances, local regulations, market practices, or specific type of business allow the Group to benefit from deposits and/or letters of credit as a guarantee on ceded reserve, thereby mitigating the credit risk associated arising from these balance sheet items.

The increase in Non-Investment Grade is primarily linked to French reinsurance portfolios, which, however, are covered by guarantees.

No Rating Counterparties, as in the past, include a significant component of captive insurance companies of large industrial enterprises that do not have a credit rating despite demonstrating good financial strength, companies no longer active in the reinsurance market and not evaluated by rating agencies but not necessarily less financially sound, companies belonging to major insurance groups that benefit from a high rating but have abandoned their reinsurance activities, or finally, mutuals and reinsurance pools.

No rating is partially mitigated by the presence of forms of guarantee such as parental guarantee or other collateral.

21.11. Sensitivity analysis to insurance risks

The Generali Group conducts analyses on the sensitivity to insurance and market risks following Solvency 2 principles. For further information and numerical evidence, please refer to the Risk Report included in the Management Report.

21.12. Fair value of underlying items of insurance contracts with direct participation features

Underlying items of contracts with direct participation features are assets that determine amounts payable to policyholders and may include a specific portfolio of assets or a subset of the assets of a company. On the basis of this definition, underlying items of contracts with direct participation features have been measured with reference to each company within the Group considered as independent entity and without taking into consideration any specific adjustment related to consolidation process.

Considered this assumption, at 31 December 2023 the fair value of underlying items for contracts with direct participation features is equal to approximately € 360 billion and their composition is as follows: 57% fixed-income investments, 6% real estate investments, 6% equity instruments, and 3% other instruments. The remaining 29% is primarily related to portfolios where the risk is borne by the policyholder and is mainly represented by shares in investment funds.

SHAREHOLDERS’ EQUITY AND SHARE

22. Shareholders’ equity

Equity

(€ million)	31/12/2023	31/12/2022
Shareholders' equity attributable to the Group	**28,968**	**26,650**
Share capital	1,592	1,587
Capital reserves	6,607	7,107
Revenue reserves and other reserves	19,159	18,464
(Own shares)	-273	-583
Reserve for currency transaltion differences	-335	-116
Reserve for unrealised gains and losses on equity instruments designated at fair value through other comprehensive income	-69	-96
Reserve for unrealised gains and losses on financial assets (different from equity instruments) designated at fair value through other comprehensive income	-17,184	-26,792
Net financial expenses/revenues related to insurance contracts issued and to reinsurance disposals	16,613	25,914
Reserve for other unrealized gains and losses through equity	-888	-1,069
Result of the period	3,747	2,235
Shareholders' equity attributable to minority interest	2,316	2,323
Total	**31,284**	**28,973**

The share capital amounts to € 1,592 million.
The capital reserve amount to € 6,607 million (€ 7,107 as at 31 December 2022). The change is attributable to the cancellation of € 500 million of own shares following their repurchase.
The Group’s own shares are € -273 million, amounting to 16,936,421 shares (€ -583 million amounting to 39,537,792 shares as at 31 December 2022).
During 2023 the Parent company resolved a dividend distribution amounting to € 1,790 million. The entire amount of the dividend declared was deducted from Revenue reserves.
The reserve for currency translation differences arising from the translation of subsidiaries’ financial statement denominated in foreign currencies amounted to € -335 million (€ -116 million as at 31 December 2022) due to the appreciation of the euro against the most major currencies.
The reserve for unrealised gains and losses on equity instruments designated at fair value through other comprehensive income amounted to € - 69 million (€ - 96 million as at 31 December 2022).
The reserve for unrealised gains and losses on financial assets (different from equity instruments) designated at fair value through other comprehensive income amounted to € -17,184 million (€ - 26,792 million as at 31 December 2022). The change is influenced by the positive trend in the financial markets, mainly in equities and bonds. This effect is offset by Net financial expenses/revenues related to insurance contracts issued and to reinsurance disposals amounting to € 16,613 million (€ 25,914 million as at 31 December 2022).
The reserve for other unrealised gains and losses through equity amounted to € -888 million (€ -1,069 as at 31 December 2022) comprised, among other component gains and losses on re-measurement of the net defined benefit liability in accordance with IAS 19, and gains and losses on derivative instruments hedging variation on interest rates and exchange rates accounted for as hedging derivatives (cash flow hedge).

Share capital - Number of shares of the parent company: annual changes

Items/Types	Ordinary	Other
A. Shares existing at the beginning of the financial year	**1,586,833,696**	**0**
- fully paid-in	1,586,833,696	0
- not fully paid-in	0	0
A.1 Own shares (-)	-39,208,627	0
A.2 Shares outstanding: initial number	**1,547,625,069**	**0**
B. Increases	**5,549,136**	**0**
B.1 New issues	5,549,136	0
- for consideration	0	0
- Business combination	0	0
- conversion of bonds	0	0
- exercise of warrants	0	0
- other	0	0
- for free	5,549,136	0
- in favour of employees	5,530,127	0
- in favour of directors	19,009	0
- other	0	0
B.2 Sale of own shares	0	0
B.3 Other changes	0	0
C. Decreases	**10,500,000**	**0**
C.1 Annulment	0	0
C.2 Purchase of treasury shares	10,500,000	0
C.3 Disposal of companies	0	0
C.4 Other changes	0	0
D. Shares outstanding: final number	**1,542,674,205**	**0**
D.1 Own shares (+)	16,607,256	0
D.2 Shares existing at the end of the financial year	1,559,281,461	0
- fully paid-in	1,559,281,461	0
- not fully paid-in	0	0

It should be noted that during 2023, the program for the acquisition of treasury shares was launched to service the Group Long Term Incentive Plan (LTIP) 2022-2024 and the ongoing Group incentive and remuneration plans, in execution of the resolution of the Shareholders' Meeting of 29 April 2022. This purchase program ended on 13 March 2023, for a total of 10.5 million treasury shares purchased.

Consequently, the cancellation of 33,101,371 treasury shares was carried out without a corresponding reduction in the share capital, as resolved by the Board of Directors on 13 March 2023, and which affected the entire amount of the shares repurchased in 2023 and part of treasury shares existing at the beginning of the financial year.

23. Details of the other components of the comprehensive income statement

(€ million) Items		31/12/2023	31/12/2022
1.	**Profit (Loss) for the period**	**4,122**	**2,470**
2.	**Other income components without reclassification to the income statement**		
2.1	Share of valuation reserves of associates	1	0
2.2	Reserve for revaluation model of intangible asset	0	0
2.3	Reserve for revaluation model of tangible asset	0	0
2.4	Net financial expenses/revenues related to insurance contracts issued	0	0
2.5	Result of discontinued operations	0	-0
2.6	Actuarial gains or losses arising from defined benefit plans	-233	908
2.7	Net gains and losses on equities designated at fair value through other comprehensive income	34	-317
	a) change in fair value	68	-405
	b) transfers to other equity's components	-34	88
2.8	Changes in own credit standing on financial liabilities designated at fair value through profit or loss	-1	1
	a) change in fair value	-1	1
	b) transfers to other equity's components	0	0
2.9	Other changes:	0	0
	a) change in fair value (hedged instrument)	0	0
	b) change in fair value (hedging instrument)	0	0
	c) other change in fair value	0	0
2.10	Income taxes related to other changes that may be not reclassified to profit or loss	70	-231
3	**Other items (net of tax) that may be reclassified to the income statement**		
3.1	Foreign currency translation differences:	-290	193
	a) change in value	-288	199
	b) reclassification to profit or loss	-2	-6
	c) other changes	0	0
3.2	Net gains and losses on financial assets (other than equities) at fair value through other comprehensive income	13,311	-63,710
	a) change in fair value	12,629	-63,806
	b) reclassification to profit or loss	682	96
	- adjustments for credit risk	-64	279
	- gains / losses from realization	746	-183
	c) other changes	0	0
3.3	Net gains and losses on cash flows hedging derivatives	376	-1,479
	a) change in fair value	318	-1,667
	b) reclassification to profit or loss	58	188
	c) other changes	0	0
3.4	Net gains and losses on hedge of a net investment in foreign operations	-30	-23
	a) change in fair value	-44	15
	b) reclassification to profit or loss	14	-38
	c) other changes	0	0

3.5	Share of valuation reserves of associates:	2	36
	a) change in fair value	3	100
	b) reclassification to profit or loss	-1	-65
	- impairment losses	-1	-54
	- gains / losses from realization	0	-11
	c) other changes	0	0
3.6	Net financial expenses/revenues related to insurance contracts issued	-13,367	62,234
	a) change in fair value	-13,064	62,216
	b) reclassification to profit or loss	-303	17
	c) other changes	0	0
3.7	Net financial income/expenses related to reinsurance disposals	177	-569
	a) change in fair value	181	-569
	b) reclassification to profit or loss	-4	0
	c) other changes	0	0
3.8	Result of discontinued operations:	143	-138
	a) change in fair value	143	-138
	b) reclassification to profit or loss	0	0
	c) other changes	0	0
3.9	Other changes:	0	0
	a) change in value	0	0
	b) reclassification to profit or loss	0	0
	c) other changes	0	0
3.10	Income taxes related to other changes that may be reclassified to profit or loss	-32	872
4	**OTHER COMPREHENSIVE INCOME (EXPENSES) (Sum of items 2.1 to 3.10)**	**163**	**-2,225**
5.	**CONSOLIDATED COMPREHENSIVE INCOME (Items 1+4)**	**4,285**	**245**
5.1	**of which: attributable to the Group**	**4,043**	**175**
5.2	**of which: attributable to minority interests**	**241**	**70**

Items from 2.1 to 2.9 and from 3.1 to 3.9 above are expressed gross of taxes as the latter are included into items respectively into 2.10 and 3.10.

24. Earning per share

Basic earnings per share are calculated by dividing the result of the period attributable to the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for the Parent Company's average number of shares owned by itself or by other Group companies during the period.
Diluted earnings per share reflect the dilution effect of ordinary shares potentially attributable to treasury shares purchased but not yet assigned as part of the execution of share-based payment agreements.

Earning per share

	31/12/2023	31/12/2022
Result of the period (€ million)	3,747	2,235
- from continuing operations	3,663	2,328
- from discontinued operations	84	-93
Weighted average number of ordinary shares outstanding	1,541,766,041	1,570,223,226
Adjustments for potential diluitive effect	9,176,629	16,231,762
Total weighted average number of ordinary shares outstanding	1,550,942,670	1,586,454,988
Earning per share (in €)	2.43	1.42
- from continuing operations	2.38	1.48
- from discontinued operations	0.05	-0.06
Diluited earnings per share (in €)	2.42	1.41
- from continuing operations	2.36	1.47
- from discontinued operations	0.05	-0.06

Please refer to Management Report for information regarding the dividend per share.

25. Reconciliation statement of the result of the period and shareholders' equity of the Group and the Parent Company

In accordance with the Consob Communication No. 6064293 of 28 July 2006, the table below summarizes the reconciliation of the result of the period and shareholders' equity of the Group and the Parent Company.

Reconciliation report

(€ million)	31/12/2023		31/12/2022	
	Shareholders' equity before the result of the period	Result of the period	Shareholders' equity before the result of the period	Result of the period
Parent Company amounts in conformity with the Italian accounting principles	**16,648**	**1,446**	**15,767**	**2,821**
Adjustments to Parent Company for IAS/IFRS application	1,742	460	1,211	178
Parent Company amounts in conformity with IAS/IFRS principles	**18,389**	**1,907**	**16,978**	**2,998**
Result of the period of entities included in the consolidation area	0	7,782	0	8,889
Dividends	6,109	-6,109	7,954	-7,954
Elimination of participations, equity valuation impacts and other consolidation adjustments	2,962	167	1,643	-1,698
Reserve for currency translation differences	-335	0	-116	0
Reserve for unrealised gains and losses on financial assets (different from equity instruments) designated at fair value through other comprehensive income	-17,428	0	-26,640	0
Net financial expenses/revenues related to insurance contracts issued and to reinsurance disposals	16,166	0	25,444	0
Reserve for other unrealized gains and losses through equity	-641	0	-849	0
Shareholders equity attributable to the group	**25,221**	**3,747**	**24,415**	**2,235**

OTHER BALANCE SHEET ITEMS

26. Tangible assets

Tangible asset: composition

(€ million) Activities/Values	Tangible asset self-used				Inventories	
	At cost		At fair value			
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1. Land and buildings (investment properties)	**2,548**	**2,569**	**245**	**255**	**522**	**620**
a) land	348	351	14	14	0	0
b) buildings	1,894	1,889	231	242	0	0
c) furniture	0	0	0	0	0	0
e) facilities	305	328	0	0	0	0
e) Other assets	1	1	0	0	522	620
2. Real rights subject to leasing	**368**	**518**	**0**	**0**	**0**	**0**
a) land	0	52	0	0	0	0
b) buildings	304	393	0	0	0	0
c) furniture	0	0	0	0	0	0
e) facilities	39	45	0	0	0	0
e) Other assets	25	28	0	0	0	0
Total	**2,915**	**3,087**	**245**	**255**	**522**	**620**

Inventories, which amounted to € 522 million (€ 620 million at 31 December 2022), mainly include property inventories allocated to real estate development companies (mainly related to Citylife project).

Tangible asset self-used: variations

(€ million)	Land	Buildings	Furniture	Facilities	Other items of property, plant and equipment	Total
A. Opening balances	**486**	**3,272**	**0**	**1,903**	**680**	**6,341**
A.1 Accumulated depreciation and impairment	-69	-748	0	-1,530	-31	-2,379
A.2 Net opening balance	**417**	**2,524**	**0**	**373**	**649**	**3,963**
A.2.a Adjustment opening balances	0	0	0	0	0	0
B. Increases	**1**	**165**	**0**	**97**	**16**	**279**
B.1 Acquisitions	0	140	0	76	16	233
B.2 Capitalized expenses	0	12	0	3	0	15
B.3 Reversals of impairment losses	0	0	0	0	0	0
B.4 Positive changes in the recalculated value recognized a	0	0	0	0	0	0
a) comprehensive income statement	0	0	0	0	0	0
b) income statement	0	0	0	0	0	0
B.5 Positive exchange differences	0	0	0	0	0	0
B.6 Transfers from investment property	0	13	X	X	X	13
B.7 Other changes	0	0	0	18	0	18
C. Decreases	**-55**	**-260**	**0**	**-126**	**-117**	**-559**
C.1 Sales	-0	-24	0	-18	-13	-55
C.2 Depreciations	-0	-107	0	-101	0	-208
C.3 Impairment losses recognised in:	-0	-1	0	0	-14	-15
a) comprehensive income statement	0	0	0	0	0	0
b) income statement	-0	-1	0	0	-14	-15
C.4 Negative changes in the restated value	0	-11	0	0	0	-11
a) comprehensive income statement	0	0	0	0	0	0
b) income statement	0	-11	0	0	0	-11
C.5 Negative exchange differences	-0	-34	0	-7	0	-41
C.6 Transfers to:	-4	-44	0	-0	0	-48
a) investments property	-4	-44	X	X	X	-48
b) non-current assets and disposal groups held for sale	0	0	0	-0	0	-0
C.7 Other changes	-51	-39	0	0	-90	-179
D. Net final carrying amount	**362**	**2,429**	**0**	**343**	**548**	**3,683**
D.1 Accumulated depreciation and impairment	-83	-739	0	-1,555	-31	-2,409
D.2 Gross book value	**445**	**3,169**	**0**	**1,898**	**579**	**6,092**
E. Measured at cost	362	2,385	0	343	548	3,638

27. Other financial assets

Other financial assets

(€ million)	31/12/2023	31/12/2022
Receivables arising out of insurance operations out of IFRS17 scope	1,385	1,323
Receivables arising from operation with collateral	1,277	2,126
Commercial receivables	1,524	1,335
Other receivables	2,148	1,700
Other financial assets	**6,334**	**6,484**

28. Other assets

Altri elementi dell'attivo

(€ million)	31/12/2023	31/12/2022
Non-current asset or disposal groups classified as held for sale	728	14,314
Tax receivables	3,947	3,807
Deferred tax assets	1,828	3,003
Other assets	4,109	2,864
Total	**10,613**	**23,988**

Item Non-current asset or disposal groups classified as held for sale comprehends assets classified as held for sale mainly of TUA Assicurazioni S.p.A.. The decrease compared to 31 December 2022 is due to the completion of the sale of Italian bancassurance joint ventures (former Gruppo Cattolica) and the related write off of related assets.
For more details, please refer to paragraph *Non-current asset or disposal groups classified as held for sale*.

29. Other provisions

Other provisions

(€ million)	31/12/2023	31/12/2022
Provisions for taxation other than income taxes	49	22
Provisions for corporate restructuring	67	54
Other provisions for potential liabilities	2,203	2,331
Total	**2,318**	**2,406**

Provisions for commitments and other provisions included provisions for corporate restructuring, litigation or similar events as well as other commitments for which, at balance sheet date, an outflow of resources to setting the related obligation is considered probable and estimated in a reliable way.
The amounts recognized in the financial statements represents the best estimate of their value. In particular, in the assessment all the peculiarities of the specific provisions are taken into account, including the effective period of incurrence of the contingent liabilities and consequently the expected cash flows on the different estimates and assumptions.

The table below summarized the main changes occurred during the period:

Other provisions - main changes occurred during the period

(€ million)	31/12/2023	31/12/2022
Carrying amount as at 31 December previous year	**2,406**	**2,322**
Foreign currency translation effects	-19	-0
Changes in consolidation scope	-1	133
Changes	-68	-48
Carrying amount as at the end of the period	**2,318**	**2,406**

In the normal course of business, the Group may enter into arrangements that do not lead to the recognition of those commitments as assets and liabilities in the consolidated financial statements under IFRS (contingent assets and liabilities). For further information regarding contingent liabilities please refer to the paragraph *Contingent liabilities, commitments, guarantees, pledged assets and collaterals* in section *Additional information*.

30. Payables

Payables

(€ million)	31/12/2023	31/12/2022
Payables arising out of insurance operations out of IFRS17 scope	1,511	1,570
Other payables	7,235	6,204
Payables to employees	1,156	1,162
Provision for defined benefit plans	70	73
Payables to suppliers	2,017	1,899
Social security	264	249
Other payables	3,727	2,821
Total	**8,746**	**7,774**

31. Other liabilities

Other liabilities

(€ million)	31/12/2023	31/12/2022
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	509	13,676
Deferred tax liabilities	1,640	2,430
Tax payables	1,917	1,533
Other liabilities	5,702	5,038
Total	**9,768**	**22,677**

Other liabilities include liabilities related to defined employee benefit plans amounting to € 3,563 million (€ 2,826 million as of 31December 2022). In particular, this item also includes the amounts relating to the solidarity funds of Italian companies.
Item Liabilities directly associated to non-current assets and disposal groups classified as held for sale comprehends liabilities classified as held for sale mainly of TUA Assicurazioni S.p.A.. The decrease compared to 31 December 2022 is due to the completion of the sale of Italian bancassurance joint ventures (former Gruppo Cattolica) and the related write off of related liabilities.
For more details, please refer to paragraph Non-current asset or disposal groups classified as held for sale.

OTHER NOTES TO THE INCOME STATEMENT

32. Other income statement items

Other income statement items

(€ million)	31/12/2023	31/12/2022
Other income/expenses	1,432	1,582
Net income from tangible assets	-32	71
Net income from service and assistance activities and recovery of charges	320	409
Net commission	1,068	1,060
Other	76	42
Management expenses	-1,006	-965
Investment management expenses	-40	-55
Other administrative expenses	-966	-910
Net provisions for risks and charges	-351	-34
Net impairment and depreciation of tangible assets	-137	-145
Net impairment and amortisation of intangible assets	-205	-319
Other operating expenses/income	-2,194	-1,698
Net gains on foreign currencies	-101	122
Holding costs	-769	-709
Other	-1,325	-1,112
Total	**-2,460**	**-1,579**

33. Net commissions

Fee and commissions income from financial service activities

(€ million)	31/12/2023	31/12/2022
Fee and commission income from banking activity	345	340
Fee and commission income from asset management activity	1,269	1,266
Fee and commission income related to investment contracts	30	36
Fee and commission income related to pension funds management	247	180
Other fees and commission income	4	37
Total	**1,895**	**1,860**

Fee and commissions expenses from financial service activities

(€ million)	31/12/2023	31/12/2022
Fee and commission expenses from banking activity	563	536
Fee and commission expenses from asset management activity	241	247
Fee and commission expenses related to investment contracts	3	3
Fee and commission expenses related to pension funds management	19	14
Total	**827**	**800**

34. Income taxes

This item shows the income taxes due by the Italian and the foreign consolidated companies by applying the income tax rates and rules in force in each country.
The components of the income tax expense for 2023 and 2022 are the following:

Income taxes

(€ million)	31/12/2023	31/12/2022
Income taxes	1,147	853
Deferred taxes	389	524
Total taxes of period	**1,536**	**1,378**
Income taxes on discontinued operations	26	-39
Total income taxes	**1,562**	**1,339**

In Italy, with respect to the 2023 fiscal year, income taxes are calculated by using the ordinary corporate income tax rate of 24% (IRES). Furthermore, income taxes of Italian companies include the regional tax on productive activities (IRAP).
In Germany, income is subject to the corporate income tax - which is calculated on a rate of 15% plus a solidarity surcharge of 5.5% on 15%. In addition, income earned by German companies is subject to a local tax (Gewerbesteuer), the rate of which varies depending on the municipality in which the company is situated. In 2023 the weighted average tax rate stood at approximately 16.6%.
In France, income taxes are calculated by using an overall corporate income tax rate of 25.825%. In particular, this overall rate includes the basic rate expected in the tax on corporate income, equal to 25%, increased by an additional (contribution sociale) of 3.3% on 25%.
All other foreign subsidiaries apply their national tax rates, including: Austria (24%), Bulgaria (10%), China (25%), Czech Republic (19%), the Netherlands (25.8%), Poland (19%), Spain (25%), Switzerland (18%) and United States (21%).
The following table shows a reconciliation from the theoretical income tax expense, by using the Italian corporate income tax rate of 24%, to the effective tax rate.

Reconciliation from theoretical income tax expenses to the effective tax rate

(€ million)	31/12/2023	31/12/2022
Expected income tax rate	**24.0%**	**24.0%**
Earning before taxes	**5,574**	**3,940**
Expected income tax expense	**1,338**	**946**
Effect of foreign tax rate differential	74	43
Effect of permanent differencies	-107	107
IRAP, trade tax and other local income taxes	143	202
Substitute taxes	21	27
Foreign withholding taxes not recoverable	51	43
Income taxes for prior years	-15	-9
Other	31	19
Tax expenses	**1,536**	**1,378**
Effective tax rate	**27.6%**	**35.0%**

The tax Rate decreased from 35.0% to 27.6% due to different effects among which the absence of some non-deductible charges booked in 2022 and to the non-taxable step up of some participations and the disposal of Generali Deutschland PensionKasse in 2023.
The tax benefit deriving from the tax losses that can be carried forward is recognized in the financial statements only to the extent that it is probable that a future taxable income will be available against which the aforementioned tax losses can be used by the respective due date.

Fiscal losses carried forward are scheduled according to their expiry periods as follows:

Fiscal losses

(€ million)	31/12/2023	31/12/2022
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	127	138
2028	52	45
2029	209	208
2030	143	0
2031 and over	0	7
Ulimited	1,331	1,964
Fiscal losses carried forward	**1,862**	**2,364**

With regards to fiscal losses, it is worth noting that Italian Law by Decree 98/2011 introduced that fiscal losses can be carried forward with no time limits (as opposed to the previous five-year limitation). Losses from a given year may, however, only be used to offset up to 80% of the taxable income of any following fiscal year.
Deferred income taxes are calculated on the temporary differences between the carrying amounts of assets and liabilities reported in the financial statements and their tax base, by using the tax rates applicable at the expected time of realisation according to each country's current legislation.
The ultimate realisation of deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible.
Furthermore, in making this assessment, management considers the scheduled reversal of deferred tax liabilities and tax planning strategies.
Assessments show that deferred tax assets will be recovered in the future through either (i) expected taxable income of each consolidated company or (ii) expected taxable income of other companies included in the same tax group (e.g. Consolidato fiscale in Italy, Ertragsteuerlicher Organkreis in Germany and Régime d'intégration fiscale in France).
The following tables show the details of the deferred tax assets and liabilities recorded in the financial statements, based on the nature of the temporary differences that generated them.

Net deferred tax assets

(€ million)	31/12/2023	31/12/2022
Intangible assets	356	591
Property, Plant and Equipment	93	99
Land and buildings (investment properties)	137	119
Financial assets measured at fair value through other comprehensive income	13,973	17,657
Other investments	1,957	2,540
Other assets	3,251	3,074
Fiscal losses carried forward	219	477
Allocation to other provisions and payables	1,212	1,236
Insurance provisions	9,178	10,073
Financial liabilities and other liabilities	1,701	1,748
Other	1,533	1,492
Total deferred tax assets	**33,609**	**39,105**
Netting	-31,780	-36,102
Total net deferred tax assets	**1,828**	**3,003**

Net deferred tax liabilities

(€ million)	31/12/2023	31/12/2022
Intangible assets	51	415
Property, Plant and Equipment	168	146
Land and buildings (investment properties)	818	1,029
Financial assets measured at fair value through other comprehensive income	6,869	5,817
Other investments	2,671	4,131
Other assets	2,464	2,571
Allocation to other provisions and payables	124	128
Insurance provisions	18,966	23,076
Financial liabilities and other liabilities	1,151	1,077
Other	137	142
Total deferred tax liabilities	**33,420**	**38,532**
Netting	-31,780	-36,102
Total net deferred tax liabilities	**1,640**	**2,430**

FAIR VALUE MEASUREMENT

The International Financial Reporting Standard IFRS 13 - Fair Value Measurement provides the requirements for fair value measurement and the related supplementary disclosures on these valuations, including the classification of financial assets and liabilities within the three levels of fair value hierarchy as stipulated by the Standard itself.

With reference to the investments and financial liabilities, Generali Group assesses financial assets and liabilities at fair value in the financial statements or provides evidence of fair value for asset and liabilities not measured at fair value in the notes. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In particular, an orderly transaction takes place in the principal or in the most advantageous market at the measurement date, considering current market conditions. A fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. Fair value corresponds to the price obtainable in the market, where such information is available in an active market (e.g., a market with adequate trading levels for identical instruments). This active market is defined as a market, even if not regulated, where the items traded are homogeneous, willing buyers and sellers can normally be found at any time, and prices are available to the public. In cases where there is no active market, a valuation technique maximizing the use of observable input, if possible, should be used. For purpose of measurement and disclosure, fair value is determined based on its unit of account depending on whether the asset or liability is a standalone asset or liabilities, a group of assets, a group of liabilities or a group of assets and liabilities, determined in accordance with the respective International Accounting Standards (IFRS) of reference.

The table below presents the carrying amount and fair value of financial assets and liabilities recorded in the balance sheet at 31 December 2023.

.

Carrying amount and fair value

(€ million)	31/12/2023	
	Carrying amount	Fair value
Financial assets at fair value through other comprehensive income	223,359	223,359
Financial assets measured at fair value through profit or loss	194,912	194,912
a) Financial assets held for trading	1,097	1,097
b) Financial assets designated at fair value	108,701	108,701
c) Other financial assets mandatory measured at fair value	85,114	85,114
Investment properties	23,831	26,078
Self-used land and buildings	2,792	3,653
Investments in subsidiaries, associated companies and joint ventures	2,712	2,613
Financial assets at amortised cost	21,232	21,053
Cash and cash equivalents	7,070	7,070
Total investments	**475,908**	**478,737**
Financial liabilities at fair value through profit or loss	8,740	8,740
Financial liabilities at amortised cost	35,346	35,118
Total Financial liabilities	**44,086**	**43,858**

The table below presents the carrying amount and fair value of financial assets and liabilities recorded in the balance sheet at 31 December 2022.

Carrying amount and fair value

(€ million)	31/12/2022	
	Carrying amount	Fair value
Financial assets at fair value through other comprehensive income	221,322	221,322
Financial assets measured at fair value through profit or loss	174,991	174,991
a) Financial assets held for trading	1,346	1,346
b) Financial assets designated at fair value	95,942	95,942
c) Other financial assets mandatory measured at fair value	77,703	77,703
Investment properties	25,627	28,321
Self-used land and buildings	2,941	3,781
Investments in subsidiaries, associated companies and joint ventures	2,492	2,410
Financial assets at amortised cost	23,297	22,758
Cash and cash equivalents	6,887	6,887
Total investments	**457,557**	**460,471**
Financial liabilities at fair value through profit or loss	9,417	9,417
Financial liabilities at amortised cost	36,225	36,229
Total Financial liabilities	**45,642**	**45,646**

35. Fair value hierarchy

In the consolidated financial statements, assets and liabilities measured at fair value on a recurring basis are assessed and classified in accordance with the fair value hierarchy established by IFRS 13. This hierarchy classifies fair value into three levels based on the observability of the inputs and techniques used in the valuation.

Below are the characteristics of the inputs used in the valuation for classification within the three level of the fair value hierarchy:
- Level 1: inputs are listed prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2: inputs are listed prices for similar or observables assets and liabilities in non-active markets or input to the valuation other than prices, such as interest rates, yield curves, implied volatility and other market-supported inputs;
- Level 3: inputs are unobservable inputs for the asset or liability. These inputs are based on the company's own assumptions about the assumptions that market participates would use in pricing the asset or liability.

The classification within fair value hierarchy is determined based on the lowest level input, among the significant ones, used for valuation. This assessment of input significance considers various specific factors of the asset or liability itself. If a present value technique is used for fair value valuation, it may be classified within the second and third levels of the hierarchy, depending on the observability of the inputs and the fair value hierarchy level in which such inputs have been classified. If an observable input requires adjustment based on unobservable inputs and such adjustments are material to the valuation itself, the resulting measurement would be classified in the level corresponding to the lowest-level input used. Adequate controls have been implemented to monitor all measurement, including those provided by third parties. In case such checks demonstrate that the valuation cannot be considered market-corroborated, the instrument must be classified within the third level of the hierarchy.

The table below presents the classification of assets and liabilities measured at fair value within the levels of the fair value hierarchy as defined by IFRS 13.

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value hierarchy levels

(€ million)	Level 1		Level 2		Level 3		Total	
Assets/Liabilities at fair value	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Financial assets at fair value through other comprehensive income	189,090	190,308	28,009	25,117	6,260	5,896	223,359	221,322
Financial assets measured at fair value through profit or loss	139,110	123,464	18,516	18,740	37,286	32,787	194,912	174,991
a) financial assets held for trading	75	81	936	1,155	85	110	1,097	1,346
b) financial assets designated at fair value	97,332	85,695	6,697	6,707	4,673	3,541	108,701	95,942
c) financial assets mandatorily measured at fair value	41,703	37,688	10,884	10,878	32,528	29,136	85,114	77,703
Investments in subsidiaries, associated companies and joint venture	0	0	0	0	823	961	823	961
Investment property	0	0	0	0	20,767	22,112	20,767	22,112
Property, Plant and Equipment	0	0	0	0	245	255	245	255
Intangible assets	0	0	0	0	0	0	0	0
Total Assets	**328,200**	**313,772**	**46,525**	**43,857**	**65,380**	**62,011**	**440,105**	**419,640**
Financial liabilities measured at fair value through profit or loss								
a) Financial liabilities held for trading	0	0	1,205	1,364	0	0	1,205	1,364
b) Financial liabilities designated at fair value	4,096	3,659	2,971	3,922	468	472	7,535	8,054
Total Liabilities	**4,096**	**3,659**	**4,176**	**5,286**	**468**	**472**	**8,740**	**9,417**

36. Transfers of financial instruments at fair value between Level 1 and Level 2

Generally, transfers between levels are attributable to the changes in the market activities and to the observability of the inputs used in the valuation techniques to determine the fair value of certain instruments.
Financial assets and financial liabilities are mainly transferred from Level 1 to Level 2, following shifts in liquidity or variation in the frequency of market observed transaction, which result in the absence of an active market (and vice versa for transfers from Level 2 to Level 1).

The main transfers from Level 1 to Level 2 relate to bonds, mostly classified as financial assets at fair value through other comprehensive income, which are subject to transfers form Level 1 to Level 2 for € 8,437 million and from Level 2 to Level 1 for € 2,659 million.

37. Additional information on Level 3

The amount of financial instruments classified within Level 3 represents 14.9% of total financial assets at fair value, substantially in line with 31 December 2022 (14.6%).
Generally, the main inputs used in valuation techniques are volatility, interest rates, yield curves, credit spreads, dividend estimates and exchange rates. The evaluation methods used haven't significantly changed compared to 31 December 2022.

The more significant assets classified within the third level of the hierarchy are the following:

- Unquoted equities
  It includes unquoted equity securities, mainly classified among financial assets at fair value through other comprehensive income. Their fair value is determined using the valuation methods described above or based on the net asset value of the company. These contracts are valued individually using appropriate input depending on the security and therefore neither a sensitivity analysis nor an aggregate of unobservable inputs used would be indicative of the valuation.
- Unquoted IFU funds
  It includes quotas in unquoted IFU funds (mainly in private debt and real estate funds) classified among financial assets at fair value through profit or loss. Their fair value is determined using the net asset value data provided, adjusted as necessary to meet the valuation requirements expressed by IFRS 13. Being the unquoted IFU funds linearly affected by the variation of the underlying assets, the Group assumes that a variation in the value of the underlying assets causes the same variation in the fair value of these unquoted IFU bonds as well.

- Private equity funds
  It includes quotas in private equity funds principally classified among financial assets at fair value through profit or loss. Their fair value is generally defined considering the net asset value at the reporting date, which is determined by using the periodical net asset value provided by the manager of the funds, possibly adjusted considering the liquidity of the funds, and subject, where relevant, to further valuation considerations developed by the Group. The Group also periodically conducts an analysis of any significant variances compared to the certified financial statements provided by the fund administrators. Being the private equity funds linearly affected by the variation of the underlying assets, the Group assumes that a variation in the value of the underlying assets causes the same variation in the fair value of these funds as well.
- Bonds
  This category includes both government and corporate bonds, mainly classified among financial assets at fair value through other comprehensive income and, to a less extent, among financial assets at fair value through profit or loss. Their fair value is mainly determined based on the market or income approach. In terms of sensitivity analysis any changes in the inputs used in the valuation do not cause a significant impact on the fair value at the Group level considering the lack of materiality of these securities classified within the third level of the hierarchy. Moreover, given the analyses described above, the Group has decided to classify all the asset-backed securities items within the third level of the hierarchy considering that their evaluation is generally not corroborated by market inputs. For what regards prices provided by providers or counterparties, bonds for which it is not possible to replicate the price using market inputs have been classified within the third level of the hierarchy.
- Investment properties
  It includes land and buildings held for investment purposes measured at fair value on a recurring basis. The Group has adopted a standardized property valuation process based on appraisals mainly commissioned from third parties. Their fair value is mainly determined based on the income approach. The Group considers these assets to be linearly sensitive to changes in the inputs used in their valuation.

The table below presents a reconciliation between the opening balance and the final amount of assets and liabilities measured at fair value on recurring basis and classified as Level 3.

Details of the variations of assets and liabilities measured at fair value on a recurring basis classified in Level 3

(€ million)	Financial assets at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss		
		Financial assets held for trading	Financial assets designed at fair value	Financial assets mandatorily measured at fair value
1. Opening balances	**5,896**	**110**	**3,541**	**29,136**
2. Increases	**1,663**	**1**	**2,640**	**5,789**
2.1. Acquisitions	1,273	0	692	5,482
2.2 Gains recognised in:	148	1	148	308
2.2.1 Profit or loss	0	1	148	308
of which gains	0	1	148	308
of which losses	X	X	X	X
2.2.2 Other comprehensive income	148	X	X	X
2.3. Transfer from/to other levels	236	0	1,800	0
2.4 Other variations (+)	5	0	0	0
3. Decreases	**-1,299**	**-26**	**-1,507**	**-2,398**
3.1 Sales	-575	0	-1,108	-1,430
3.2 Paybacks	-502	0	-10	-6
3.3 Losses recognized in:	-222	-14	-350	-729
3.3.1 Profit or loss	0	-14	-350	-729
of which losses	0	-14	-350	-729
of which gains	X	X	X	X
3.3.2 Other comprehensive income	-222	X	X	X
3.4 Transferts to other levels	0	0	-2	0
3.5 Other variations (-)	0	-11	-37	-232
4. Final amount	**6,260**	**85**	**4,673**	**32,528**

Investment property	Property, Plant and Equipment	Equity investments	Intangible Assets	Financial liabilities measured at fair value through profit or loss	
				Financial liabilities held for trading	Financial liabilities designated at fair value
22,112	**255**	**961**	**0**	**0**	**472**
845	**1**	**41**	**0**	**0**	**125**
464	1	41	0	0	94
114	0	0	0	0	0
114	0	0	0	0	0
114	0	0	0	0	X
X	X	X	X	X	0
0	0	0	0	0	X
42	0	0	0	0	0
225	0	0	0	0	32
-2,190	**-12**	**-179**	**0**	**0**	**-129**
-1,040	-0	-6	0	0	-0
0	0	0	0	0	-146
-1,150	-11	-118	0	0	17
-1,150	-11	-86	0	0	17
-1,150	-11	-86	0	0	X
X	X	X	X	X	17
0	0	-33	0	0	X
0	0	0	0	0	0
0	0	-55	0	0	0
20,767	**245**	**823**	**0**	**0**	**468**

38. Information on fair value hierarchy of assets and liabilities not measured at fair value

The table below presents the classification of assets and liabilities not measured at fair value or designated at fair value on a non-recurring basis among the levels of the fair value hierarchy as defined by IFRS 13.

Assets and liabilities not valued at fair value or designated at fair value on a non-recurring basis: breakdown by fair value hierarchy levels

(€ million)	Carrying Amounts		Fair value							
Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis			Level 1		Level 2		Level 3		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Assets										
Financial assets measured at amortised cost	21,232	23,297	9,469	10,436	8,745	9,561	2,839	2,760	21,053	22,758
Investments in associates and joint ventures	1,889	1,532	0	0	0	0	1,657	1,317	1,657	1,317
Investment property	3,064	3,515	0	0	0	0	5,312	6,209	5,312	6,209
Non-current assets and disposal groups held for sale	0	0	0	0	0	0	0	0	0	0
Property, plant and equipment	0	0	0	0	0	0	4,310	4,550	4,310	4,550
Total Assets	**26,186**	**28,343**	**9,469**	**10,436**	**8,745**	**9,561**	**14,119**	**14,837**	**32,332**	**34,834**
Liabilities										
Financial liabilities valued at amortised cost	35,346	36,225	10,264	9,979	16,276	17,768	8,578	8,482	35,118	36,229
Liability of a disposal group held for sale	0	0	0	0	0	0	0	0	0	0
Total Liabilities	**35,346**	**36,225**	**10,264**	**9,979**	**16,276**	**17,768**	**8,578**	**8,482**	**35,118**	**36,229**

- Financial assets measured at amortised cost
  This category includes bonds, which valuation is described above, mortgages and other loans. For more details on the product composition, please refer to the section Investments in the Notes.
  In particular, mortgages and other loans are valued on the basis of future payments of principal and interest discounted at the interest rates for similar investments by incorporating the expected future losses or alternatively discounting (with risk-free rate) to the probable future cash flows considering market or entity- specific data (i.e. probability of default). These assets are classified within the second or third level of the hierarchy, depending on whether or not the inputs are corroborated by market data.
  If the fair value cannot be reliably determined, the amortised cost is used as the best estimate for the determination of fair value itself.
- Receivables from banks or customers
  Considering their nature, the amortised cost is generally considered a good approximation of fair value and therefore classified within the third level of the hierarchy. If deemed appropriate, they are valued at market value, considering observable inputs, and therefore classified within the second level of the hierarchy.
- Land and buildings (investment and self-used properties)
  These assets are mainly valuated on the basis of inputs of similar assets in active markets or of discounted cash flows of future income and expenses of the rental considered as part of the higher and best use by a market participant. Based on the analysis of inputs used for the valuation process, considering the limited cases where the inputs are observable in active markets, the entire category has been classified within the third level of the hierarchy. In particular, the valuation process considers both discounted future net income and the specific characteristic of the asset, including for example, the type of use, location, and vacancy rate. The fair value of land and buildings (investment properties) at the end of the period is determined based on appraisal commissioned mainly to third-party entities.
- Investments in subsidiaries, associated companies and joint ventures
  The carrying amount, based on the share of equity for associates and interests in joint ventures or on cost adjusted for eventual impairment losses for non-consolidated subsidiaries, is used as a reasonable estimate of the related fair value. Therefore, these investments are classified within the third level of the hierarchy.
- Subordinated debts, loans and bonds issued, liabilities to banks and customers
  Generally, if available and if the market is active, fair value is equal to the market price. The fair value is determined primarily on the basis of the income approach using discounting techniques. In particular, the fair value of debt instruments issued by the Group are valued using discounted cash flow models, based on the current marginal rates of the Group financing for similar types of instruments, with maturities consistent with the residual maturity of the debt instruments subject to valuation.

ADDITIONAL INFORMATION

39. Information about employees

Information about employees

	31/12/2023	31/12/2022
Managers	2,307	2,292
Middle managers	9,483	12,179
Employees	52,165	50,297
Sales attendant	17,751	17,006
Others	173	287
Total	**81,879**	**82,061**

40. Provisions for defined benefit plans

The pension benefits of Generali Group's employees are mainly in the form of defined benefit plans and defined contribution plans. As for defined benefit plans, participants are granted a defined pension benefits either by the employers or via external entities.
The main defined benefits plans are concentrated in Germany, Austria and Switzerland, while in Italy the provision for Trattamento di fine rapporto (employee severance pay) matured until 1 January 2007 is included in the provisions for defined benefit plan for € 70 million.
The table below shows the movements in the defined benefit plans liability which occurred during the financial year, net of assets legally separate and held solely to pay or fund employee benefits:

Net defined benefit plans liabilities: movements

(€ million)	31/12/2023	31/12/2022
Net liability as at 31 December previous year	**2,880**	**3,894**
Foreign currency translation effects	-1	1
Net expense recognised in the income statement	162	87
Re-measuraments recognised in Other Comprehensive Income	232	-891
Contributions and benefits paid	-209	-204
Changes in consolidation scope and other changes	-25	-6
Net liability as at 31 December current year	**3,039**	**2,880**

Part of the Group's defined benefit plans have assets that are designated, but not legally segregated, to meet the pension defined benefit obligations. These are investments backing insurance provisions or policies issued by Generali Group companies, or other investments owned by the Group entities. Consequently, in accordance with IAS 19, these investments are not recognised as plan assets and so cannot be deducted from the defined benefit obligations. However, to assess the net liability for defined benefit plans, these assets should have been netted against the present value of the related pension obligations.
In Germany and Austria, where is allocated approximately 92% of the present net value of defined benefit obligations, the pension guarantee associations, for yearly contributions to be paid by the companies, are liable for the fulfilment of the pension commitments granted in case of company insolvency.

The net defined benefit plans expense of the year recognised in the profit or loss account is represented as follows:

Net defined benefit plans expenses recognised in profit or loss

(€ million)	31/12/2023	31/12/2022
Current service cost	53	53
Net interest	106	32
Past service cost	1	1
Losses (gains) on settlements	1	1
Net expense recognised in the income statement	**162**	**87**

The re-measurement of liabilities related to defined benefit plans and plan assets, recognised in Other comprehensive income are detailed as follows:

Re-measurements recognised in Other Comprehensive Income

(€ million)	31/12/2023	31/12/2022
Actuarial gains (losses) from change in financial assumptions	-194	1,033
Actuarial gains (losses) from change in demographical assumptions	-8	7
Actuarial gains (losses) from experience	-71	10
Return on plan assets (other than interest)	41	-160
Re-measurements recognised in Other Comprehensive Income	**-232**	**891**

In comparison with the previous year, the variation in the reference rates at the end of year, in application of IAS 19 for the determination of the discount rate applicable to the valuation of these liabilities, leads to higher actuarial losses and the consequent increase of liabilities under evaluation.
The amounts reported are gross of deferred taxes.
The table below shows the movements in the defined benefit obligation during the financial year and the current value of the plan assets:

Present value of defined benefit obligation: movements

(€ million)	31/12/2023	31/12/2022
Defined benefit obligation as at 31 December previous year	**4,110**	**5,169**
Foreign currency translation effects	50	31
Current service cost	53	55
Past service cost	1	1
Interest expense	133	50
Actuarial losses (gains)	273	-983
Losses (gains) on settlements	1	1
Contribution by plan participants	15	21
Benefits paid	-241	-240
Changes in consolidation scope and other changes	113	4
Defined benefit obligation as at 31 December current year	**4,509**	**4,110**

Current value of plan assets: movements

(€ million)	31/12/2023	31/12/2022
Fair value of plan assets as at 31 December previous year	**1,147**	**1,274**
Foreign currency translation effects	51	30
Interest income	20	8
Return on plan assets (other than interest)	41	-160
Gains (losses) on settlements	0	-0
Employer contribution	57	37
Contribution by plan participants	15	21
Benefits paid	-64	-68
Changes in consolidation scope and other changes	83	5
Fair value of plan assets as at 31 December current year	**1,350**	**1,147**

The defined benefit plans' weighted-average asset allocation by asset category is as follows:

Defined benefit plans: assets allocation

(%)	31/12/2023	31/12/2022
Bonds	42.6%	42.9%
Equities	18.4%	18.9%
Real estate	17.6%	17.0%
Investment fund units	3.5%	1.3%
Insurance policies issued by non Group insurers	1.4%	1.2%
Other investments	16.5%	18.7%
Total	**100.0%**	**100.0%**

The assumptions used in the actuarial calculation of the defined benefit obligations and the related periodic pension cost are based on the best estimates of each companies granting defined benefit plans. The main weighted-average hypotheses considered for the value definition of defined benefits plans obligations are summarized in the following table, for the main operating areas:

Assumptions for actuarial calculation of defined benefit plans

%	Eurozone		Switzerland		United Kingdom	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Discount rate for evaluation at reporting date	3.2%	3.9%	1.7%	1.9%	4.5%	4.8%
Rate of salary increase	2.9%	3.0%	1.7%	1.7%	0.0%	0.0%
Rate of pension increase	2.0%	2.1%	0.0%	0.0%	3.0%	3.2%

The average duration of the obligation for defined benefit plans is 12 years as at 31 December 2023 (12 years at 31 December 2022). A sensitivity analysis was carried out showing how the defined benefit obligation would have been affected by changes in the discount rate and the most relevant actuarial assumptions on these liabilities:

Defined benefit plans

(€ million)	Discount rate for evaluation at reporting date		Rate of salary increase		Rate of pension increase
Assumptions	0,5% increase	0,5% decrease	0,5% increase	0,5% decrease	0,5% increase
Impact on defined benefit obligation	-202	224	20	-19	104

To provide an indication of the effect of the defined benefit plans on the future cash flows of the Group, the future expected payments, divided by bands of maturity, are presented below:

Defined benefit plans: expected payments

(€ million)	31/12/2023	31/12/2022
Within the next 12 months	259	245
Between 2 and 5 years	1,002	967
Between 5 and 10 years	1,200	1,163
Beyond 10 years	3,822	3,891
Total	**6,283**	**6,266**

41. Share-based compensation plans

At 31 December 2023, different incentive plans based on equity instruments granted by the Parent Company and other Group companies are outstanding.

41.1. Share-based compensation plans granted by the Parent Company

Long-Term Incentives (LTI) represent the long-term variable remuneration of Generali, which takes the form of multi-year plans, approved from time to time by the competent bodies and may be addressed to directors, managers with strategic responsibilities and other Generali employees; they may be based on cash disbursements or financial instruments.
The plan LTI 2020 has completed the performance cycle at the end of 2022. The corresponding share allocation has been carried out starting from April 2023, depending on the target population.
The LTI plans 2021 and 2022, currently in progress, may result in shares' granting in the financial years envisaged under the plan rules depending on the different categories of beneficiaries, subject to the achievement of certain Group performance levels.
Further details are given in the information reports approved at the time by the Shareholders' Meeting and published on the Generali Group website, as well as in the Remuneration Report annually published.
A new long-term incentive plan based on Assicurazioni Generali S.p.A. shares – Long Term Incentive (LTI) 2023 - has been submitted for the approval of the Shareholders' Meeting of 28 April 2023.
In line with market practices and investor expectations, shares are assigned and made available to beneficiaries over a deferred long-term time span, subject to the achievement of Group's performance conditions (Net Holding Cash Flow, Total Shareholder Return – relevant TSR and ESG targets) and the achievement of a minimum level of Regulatory Solvency Ratio, as the only access threshold, as detailed below.
The Plan is based on the following essential aspects:

- the incentive connected with the achievement of the targets is paid through the grant of Assicurazioni Generali S.p.A. ordinary shares;
- the right to receive the shares is subject to an entry threshold, defined annually by the Board of Directors and which represents a condition precedent;
- the targets to which payment of the incentive is subject are Group financial and non-financial/ESG ones and are defined at the beginning of the performance period and kept consistent with the strategic long-term plans of the group.

The maximum number of shares that can be assigned is determined at the start of the plan. The maximum potential bonus to be disbursed in shares equals to 175% of the gross fixed remuneration of the Global Leadership Group (GLG) members (or a different percentage considering the role of the beneficiary); therefore, the maximum number of shares that can be assigned is the result of the ratio of the maximum bonus and the share value, with the latter calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Parent Company and the consolidated financial statements for the year prior to that when the Plan is started.
With reference to methods and time frame for granting the shares, they are differentiated by:

- the Managing Director/Group CEO and the members of the Group Management Committee:
  - at the end of the three-year performance period, 50% of the shares accrued on the basis of the targets met will be granted; 25% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 25% are subject to a one-year lock-up period;
  - the remaining 50% of the accrued shares is subject to another two years of deferral, during which the accrued amount may become zero if the Regulatory Solvency Ratio threshold level established by the plan is not met, or if a malus provided for by the plan regulation should occur. After having check that the aforesaid threshold level has been reached and that there is no malus, and provided that on that date the beneficiary has a relationship with the Company (or with other Group companies),

the remaining 50% of the shares accrued are granted; 25% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 25% are subject to a one year lock-up period;

- the remaining key employees, GLG, Directors and talents: at the end of the three-year performance period, 100% of the shares accrued will be granted, of which 50% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 50% are subject to a two-year lock-up period.

The performance level is expressed as a percentage of the level of individual indicators achievement, which final results are calculated using a linear interpolation approach.

During each year of the plan and at the end of the three-year performance period and, in any case, at the end of the additional two-year deferral period, an evaluation is carried out on the degree to which access threshold has been achieved, defined in terms of Regulatory Solvency Ratio equal to 130% - the limit set considering the hard limit level defined in the Group Risk Appetite Framework - or an alternative percentage as may be chosen from time to time by the Board of Directors. This evaluation is a malus mechanism based on which the number of shares to grant definitively may be reduced or set at zero by the Board of Directors should the Regulatory Solvency Ratio be lower than the set threshold. The Board of Directors is also entitled to set a reduced number of shares to grant definitively should the Regulatory Solvency Ratio be lower than the soft limit level established by the Risk Appetite Framework, that is 150% - but in any case, higher than 130%.
In any case, no incentive will be paid in the event of a significant worsening of the capital and financial situation of the Group. Any amount disbursed will be subject to claw-back if the performance considered should later be found to be non-lasting or ineffective as a result of willful misconduct or gross negligence.
In line with what has already been established for the existing plans, the 2023 Plan has a dividend equivalent mechanism on the basis of the dividends distributed during the performance period (dividend equivalent). In particular, should the shareholders' meeting resolve upon the distribution of dividends in favour of the shareholders during the reference period, at the expiry of such period, an additional number of shares determined in relation to the overall dividends distributed during the reference period will be assigned in favour of the beneficiaries. The additional number of shares thus determined shall be assigned simultaneously and in relation with the other shares assigned in favour of each beneficiary, subject to the same restrictions (holding period) and determined considering the shares' value at the assignment of the plan, to be calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Parent Company and the consolidated financial statements for the year before that when the Plan is started.
The maximum number of shares that can be granted is 11,300,000, accounting for 0.71% of the current share capital.
In line with the previous plans, the 2023 LTI plan can be treated as an equity-settled share-based payment falling under IFRS 2 – Share-based Payment, which provides a grant date measurement model seeking to capture the value of the contingent right to shares promised at grant date, to the extent that promises become an entitlement of the counterparty, rather than the value of any shares finally delivered.
The condition related to relative TSR configures as a market condition, other conditions mentioned above are considered whether as performance or as service condition.
The value of the right to receive free shares related to the market condition is estimated at grant date using a statistical model which estimates the statistically probable positioning of relative TSR of the Generali share compared to a peer group panel of selected companies.
The fair value of the bonus right linked to market condition is made by multiplying the forward price of assignable shares (taking into account the lock-up period set by the plan for the different beneficiary types) to the grant date with the pay-out ratio of the relative TSR. Such pay-out is determined as the average of the pay-outs resulting from the processing of a series of scenarios using a statistical model. The pay-out of the single simulation is zero in the case of the TSR of Generali's shares positioning below the median of the panel peer group, while it is positive in the case of the TSR of Generali's shares positioning above the median of the panel peer group. The maximum pay-out is recognized in the case of the relative TSR value of Generali shares positioning above the 90th percentile.
The estimated fair value of LTI 2023 plan at the grant date of the bonus right related to the performance level in terms of relative TSR is € 13.16 with reference to the members of the GLG category.
The related cost on the overall plan is obtained by multiplying the fair value mentioned above by the number of rights related to the market condition, to be assigned based on the satisfaction of the vesting condition. A similar calculation was applied to the bonus portion linked to Net Holding Cash Flow (NHCF), identifying the pay-out through the linear interpolation applied to the level of performance considered most probable. The range applied to the linear interpolation of NHCF is included between the maximum pay-out, granted in case of level equal to or greater than € 9.7 billion and a pay-out equal to 0 in case of a level equal or lower than € 8.2 billion. Payment related to the achievement of ESG target is determined based on 1) the amount of investments classifiable as New Green & Bond Investments[8] and 2) the percentages of women in strategic positions[9].

8. The pay-out is identified through linear interpolation with a calculation range between the maximum payout, recognized in the case of certification of the same on levels greater than or equal to 40% and a zero pay-out in the case of certification of the same on levels lower than 25%.
9. The pay-out is identified through linear interpolation with a calculation range between the maximum payout, recognized in the case of certification of the same on levels greater than 44% and a zero pay-out in the case of certification of the same on levels lower than 40%.

Finally, the cost related to the recognition of dividends paid during the period (so called dividend equivalent) was estimated by applying an estimated dividend to the expected number of shares to be assigned under the plan, based on the degree of achievement assessed as above described. For additional information related to incentive plans refer to the 2023 Remuneration Report.

The Annual General Meeting of 29th April 2022 approved the proposal to launch a new three-year share ownership plan for Group employees, in line with the 2022-2024 Strategy, focused on a culture of ownership and empowerment, and promoting participation in the creation of Group sustainable value.
The Plan offers Group employees the opportunity to purchase Generali shares at favorable conditions based on the appreciation of the value of the stock with the introduction of an ESG objective connected to the reduction of CO_2 emissions relating to the Group's operating activities in line with the Group's climate strategy.
The Share Plan is addressed is addressed to employees of Assicurazioni Generali and the companies belonging to the Group, excluding members of the Group Management Committee and the Global Leadership Group who cannot subscribe to the Plan as well as employees operating in countries and companies in which it is not possible to implement the Share Plan on the terms set and approved by Generali, for reasons of a legal, fiscal, operating or organizational nature.
The Plan will be launched in June 2023 and will end at the end of May 2026, thus having a duration of indicatively 3 years.
The essential features of the Plan are set out below:
- at the beginning of the Plan, employees who decide to participate ('participants') will be able to define the amount of their individual contribution;
- the amount of the individual contribution shall be between a minimum of € 660 and a maximum of € 9,900 and will be committed for the entire duration of the Plan;
- based on the amount of the individual contribution, participants will receive free of charge the right ('options') to purchase, at the end of the Plan, underlying Generali share at a price determined at the beginning of the Plan ('initial price'). The number of options assigned to each participant will be equal to the ratio between the individual contribution and the initial price. The initial price shall be calculated as the average of the official closing prices of Generali shares on Euronext Milan of the month following the date on which this Plan is launched by the Board of Directors with the possibility of applying an adjustment factor up to the +/- 10% on the defined average price;
- at the end of the Plan, the final price of Generali shares shall be determined and:
  - in case of share price appreciation (final price equal to or higher than the initial price, i.e. options 'in-the-Money'), participants will automatically purchase the Underlying Shares by paying to the Company the individual contribution accrued throughout the Plan and will receive free of charge:
    1. dividend Equivalent Shares, amounting to the ration between the value of the dividends per share (paid by Assicurazioni Generali on a cash basis during the years 2023, 2024 and 2025) and the initial price, multiplied by the number of Underlying Shares purchased;
    2. two Matching Shares for every ten Underlying Shares purchased;
    3. two ESG Shares for every ten Underlying Shares purchased, if the ESG Goal is also achieved.
  - In case of share price depreciation (final price lower than the initial price, i.e. options 'out-of-the-Money'), participants will receive:
    1. the refund of the individual contribution accrued (protection mechanism);
    2. the Dividend Equivalent Shares in case the Net Holding Cash Flow (NHCF) goal is achieved.

The maximum number of shares for the Plan is 9,000,000 (about 0.6% of current share capital), to be executed through the purchase of treasury shares in the market without capital dilution. In the event that the aggregate number of subscriptions to the Plan exceeds the maximum threshold of distributable options, or the maximum threshold of Generali purchasable or attributable shares, the number of options to be assigned free of charge shall be reduced on a pro rata basis for all the participants (reallotment). The reallotment shall be carried out for a percentage value such as to guarantee the allocation of options (or, subsequently of Generali shares) within the stated maximum limits.
The Plan also provides for mauls, clawback and prohibitions on hedging clauses in the line with Group Policies.

The overall cost of the LTI plans 2020, 2021, 2022, 2023, as well as We Share plan is allocated over the period of maturity (vesting period) starting from the first financial year on which the performance levels are assessed, with a corresponding increase in equity.
The cost associated with all above-mentioned outstanding plans recognized during the period amounted to € 110.64 million. The maximum number of shares that can be granted in relation to mentioned plans is approximately 35.4 million.

41.2. Share-based compensation plans granted by the other Group companies

The main share-based payments granted by the other Group companies are detailed here below.

Share-based compensation plans granted by Banca Generali

At 31 December 2023, Banca Generali activated the following payment agreements based on own equity instruments:
- the plans launched with respect to the Banca Generali Group's Remuneration and Incentive Policy, in effect from time to time, which calls for a part of the variable remuneration of Key Personnel to be paid by assigning Banca Generali's own financial instruments;
- the plans launched in service of the Framework Loyalty Programme 2017-2026, approved by the General Shareholders' Meeting on 20 April 2017 and now in its fifth annual cycle (2021-2026), which calls for a maximum of 50% of the indemnity accrued to be paid using own financial instruments;
- the LTI (Long term Incentive) plans for the Banking Group's top managers, based on Banca Generali shares, launched in 2018.

Share-based payment plans linked to the variable component of remuneration based on performance objectives

The Remuneration and Incentive Policy for the Key Personnel of Banca Generali Group — adopted in compliance with the Supervisory Provisions[10] currently in force — requires a portion of the variable component of remuneration, both current and deferred, to be paid by assigning Banca Generali's own financial instruments, based on the rules annually submitted for approval to the General Shareholders' Meeting of the Bank.

In addition to Top Managers, who qualify as Managers with Strategic Responsibilities, Key Personnel includes employees with special managerial responsibilities, Financial Advisors who serve as network managers and Financial Advisors whose total remuneration is a particularly high amount.

As of 2022, if the variable component of the Key Personnel's remuneration exceeds 50 thousand euros and one third of ordinary remuneration, at least 40% of it is subject to deferred payment systems for a period of time of no less than four years and will be at least 50% paid in Banca Generali shares according to the following assignment and retention mechanism:
- 60% of the bonus is paid up-front, normally by the first half of the year after that of reference, 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one calendar year;
- 40% of the bonus will be paid according to a linear pro-rated approach and will be further deferred by four years from the payment of the first instalment, 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one calendar year.

For Non-Top Key Personnel whose variable remuneration is a particularly high amount, the portion subject to deferral is increased to 60%, without prejudice to the payment of 50% of it in Banca Generali shares, whereas for Top Key Personnel the deferral period is increased to five years, with a 56% paid in shares.

Up to 2021, 40% of Key Personnel's variable remuneration, exceeding the threshold of 75 thousand euros, had been subject to deferral but for a period of no less than 2 years, with a 25% paid in Banca Generali shares according to the following assignment and retention mechanism:
- 60% of the bonus was paid up-front during the year after that of reference, 75% in cash and 25% in Banca Generali shares, which were subject to a retention period until the end of the year of assignment;
- 40% of the bonus was paid in two instalments of equal amount and deferred for one year and for two years, respectively, to be paid 75% in cash and 25% in Banca Generali shares, subject to a retention period until the end of the year of assignment.

In calculating the number of shares to be assigned, a method is applied where:
- the numerator is the portion of variable remuneration subject to payment in shares accrued in relation to the achievement of objectives set for the year in question; and
- the denominator is equal to the average price of Banca Generali shares during the three months prior to the meeting of the Board of Directors that approves the draft Separate and Consolidated Financial Statements for the year prior to that in which the cycle in question begins.

The payment in shares is executed after the Board of Directors verifies the earnings results for the year in question and is conditional not only upon the achievement of the pre-set objectives[11], but also to the satisfaction of access gates established by the Banking Group (TCR – Total Capital Ratio, LCR – Liquidity Coverage Ratio) for the year in which the remuneration is accrued and, where appropriate, for the following years of deferral.

The Banking Group's Remuneration Policy for the reference year together with the authorisation to buy back treasury shares to be used to service it are submitted annually to the General Shareholders' Meeting that approves the previous year's Financial Statements. The resolution authorising the buy-back of treasury shares is also subject to authorisation by the Bank of Italy.

10. Bank of Italy Circular No. 285/2013, "Supervisory Provisions for Banks", Part I, Title IV, Chapter 2, Compensation and incentive mechanisms, as updated on 24 November 2021 (37th update).
11. Provided for by the Management by Objectives (MBO) mechanism or by specific incentive/recruitment plans.

These plan categories also include any other compensation paid in the form of shares related to:
- ordinary sales incentives and recruitment plan for Financial Advisors other than the main network managers and employed sales personnel;
- agreements entered into in view of or upon the early termination of the employment or agency relationship, with regard to the beneficiaries falling within the category of Key Personnel.

The mechanisms to recognise variable remuneration — discussed in the previous section — are considered as equity-settled share-based payment transactions, falling within the scope of application of IFRS 2 – Share-based Payments.
The accounting treatment set forth for these transactions requires an entity to reflect in its accounts, under the most appropriate items (staff expenses, fee expense), the estimated expense associated with services received, determined on the basis of the fair value of the rights granted (stock options/stock grants), as an offsetting entry to an increase in net equity through allocation to a specific equity reserve.
As the agreements relating to share-based payments based on the above-mentioned plans do not call for an exercise price, they can be considered similar to a stock grant and recognised in compliance with the rules set forth for this category of transactions.
The overall expense regarding said agreements is therefore determined based on the number of shares expected to be assigned, multiplied by the fair value of the Banca Generali stock at the date of assignment.
The fair value of Banca Generali stock at the assignment date is measured based on the market price reported at the date of the General Shareholders' Meeting that is called annually to approve the Remuneration Policy for the year of reference, adjusted to account for the estimate of expected dividends, that will not be received by the beneficiaries during the deferral period.
The recognition through the equity reserve of the value of the plans — determined as described above — is measured pro-rata temporis, based on the vesting conditions, i.e., the period between assignment and final maturity of the right to receive the shares, likewise taking into account the probability that exercise conditions will not be realised for all beneficiaries.
Since the plans are organised into different instalments with differentiated vesting periods, each plan is valued separately.
In detail, the vesting period for the first instalment paid up-front assigned after the approval of the Financial Statements for the year of reference lasts from 1 January to 31 December of the year of reference of the remuneration (12 months). The vesting period of the subsequent instalments, whose payment is conditional upon both the continuation of service and the satisfaction of the access gates established on an annual basis, is further extended to 31 December of the year preceding that in which the shares are actually disbursed, according to a graded vesting criteria[12] [13].
However, the number of shares actually granted to beneficiaries may change based on the assessment of satisfaction of the individual objectives.
The IFRS 2 expense relating to any beneficiaries belonging to Banking Group companies other than the parent company Banca Generali is recognised directly by those companies. However, when the treasury shares bought back are actually assigned to them, the Bank charges back to the companies involved an amount corresponding to the fair value of the relevant plans[14].

At 31 December 2023, there are three active cycles of share-based plans in connection to the Remuneration Policies relating to 2021, 2022 and 2023, whereas the 2020 cycle ended in the year, with the payment of the second deferred instalment.
Moreover, a limited number of non-standardised entry plans envisaging a longer, multi-year deferment are active.

The main features of the share-based plan, linked to the 2020 Remuneration Policies and approved by the General Shareholders' Meeting on 23 April 2020, are as follows:
- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 9 December 2019 to 9 March 2020, had been determined to be 29.71 euros;
- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 23 April 2020 (approximately 20.76 euros), subsequently adjusted to account for the loss of dividends expected in the deferral period.

In that cycle, total shares assigned to Key Personnel had amounted to 152.8 thousand, for a total fair value of 2.8 million euros.
In 2023, 28.7 thousand shares referring to the second deferred instalment were assigned and the plan then ended.

The main features of the share-based plan, linked to the 2021 Remuneration Policies and approved by the General Shareholders' Meeting on 22 April 2021, are as follows:
- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 7 December 2020 to 5 March 2021, had been determined to be 27.58 euros;
- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 22 April 2021 (approximately 30.69 euros), subsequently adjusted to account for the loss of dividends expected in the deferral period.

12. On the basis of the new Remuneration Policy in effect from 2022, the vesting period of portions of deferred variable remuneration may be extended from 24 to 72 months for Top Key Personnel with a particularly high remuneration.
13. Since 2018, IFRS 2-related charges regarding ordinary incentives accrued by Financial Advisors and linked to objectives of net inflows or acquisition of new customers, where paid in shares, are expensed over the longer time period of 5 years. In addition, share grants relating to various recruitment plans for Financial Advisors who are included among Key Personnel only after the plan is concluded may be covered by other provisions for liabilities and contingencies previously allocated.
14. The amount includes, in particular, the bonuses paid in shares to Key Personnel and some managers of the subsidiary BGFML and the Key Personnel of BG Valeur and BG Suisse.

In that cycle, the total shares to be assigned to Key Personnel had amounted to 191.8 thousand, for a total fair value of approximately 5.1 million euros.
In 2023, 40.4 thousand shares, referring to the first deferred instalment, were paid to the beneficiaries.
Shares still to be assigned amounted to 39.9 thousand and refer to the second deferred instalment that will become payable in 2024.
The main features of the share-based plan, linked to the 2022 Remuneration Policies and approved by the General Shareholders' Meeting on 21 April 2022, are as follows:

- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 9 December 2021 to 9 March 2022, had been determined to be 36.0 euros;
- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 22 April 2021 (approximately 32.35 euros), subsequently adjusted to account for the loss of dividends expected in the longer deferral period.

In that cycle, the total shares to be assigned to Key Personnel had amounted to 250 thousand, for a total fair value of approximately 7.1 million euros.
In 2023, 139.3 thousand shares, referring to the up-front portion, were paid to the beneficiaries.
Shares still to be assigned amounted to 110.7 thousand and refer to the deferred instalments that will become payable from 2024 to 2028, respectively.

The main features of the share-based plan, linked to the 2023 Remuneration Policies and approved by the General Shareholders' Meeting on 19 April 2023, are as follows:

- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 8 December 2022 to 8 March 2023, was determined to be 33.18 euros;
- the fair value of Banca Generali stock at the assignment date was equal to the market price reported on 19 April 2023 (approximately 30.34 euros), subsequently adjusted to account for the loss of dividends expected in the longer deferral period.

In respect of the assessment of the achievement by Key Personnel of the objectives set for 2023, it was estimated that the portion of variable remuneration subject to share-based payment amounted to approximately 227.8 thousand shares, for a total plan fair value of 6.0 million euros.
The estimate of the shares in the process of accruing referring to the 2022-2024 three-year incentive plan launched by the Bank in 2022 that can be allotted to Key Personnel within the sales network (Financial Advisors and Relationship Managers) amounted to 98.3 thousand, for a total value of 2.1 million euros.
There are other share-based plans, activated within the framework of the Remuneration Policies in force from time to time, which call for longer deferral periods of several years greater than those in effect when the plans were activated or, in any case, for vesting periods not in line with those envisaged in the Remuneration Policies.
In relation to such plans, the shares to be assigned to Key Personnel are estimated at a total of 35.3 thousand, corresponding to a fair value of 0.9 million euros, of which 18.8 thousand shares already allotted to the beneficiaries.

In the reporting year, on the basis of the achievement of the performance objectives set out in the 2020, 2021 and 2022 Remuneration Policy, 215,953 treasury shares were granted to company managers and network managers, of which 176,073 shares assigned to Area Managers and Financial Advisors, 33,127 shares allotted to employees, and 6,753 shares to other beneficiaries of Banking Group companies.
In particular, the shares assigned for 2020 and 2021 related, respectively, to the first and second instalments deferred by one year (20%), whereas the shares assigned for 2022 related to the up-front amount (60%); a residual amount of shares were granted under previous years' plans with different deferral mechanisms.

(Thousands of shares)	Deferral	Date of Shareholders' Meeting	Bank of Italy's authorisation	Assignment price	Weighted average FV	Overall shares (/000)	Already assigned shares (/000)	of which assigned in 2022	Shares to be assigned (/000)	Fair value (in € million)
Year 2020	2021-2023	23/04/2020	16/07/2020	29.71	18.07	152.4	-123.3	-28.7	0.4	2.8
Year 2021	2022-2024	22/04/2021	01/07/2021	27.58	26.36	191.8	-111.5	-40.4	39.9	5.1
Year 2022	2022-2027	22/04/2022	01/07/2022	36.00	28.24	250.0	0.0	-139.3	110.7	7.1
Year 2023	2023-2028	19/04/2023	01/07/2022	33.18	26.44	227.8	0.0	0.0	227.8	6.0
Year 2022 incl. Triennale	2022-2028	22/04/2022	28/06/2023	36.00	21.61	98.3	0.0	0.0	98.3	2.1
Other multi-year plans					26.42	56.3	-17.7	-7.6	31.1	1.5
Total						**976.6**	**-252.5**	**-216.0**	**508.2**	**24.6**

2017-2026 Framework Sales Network Loyalty Programme

The 2017-2026 Framework Loyalty Programme for the Sales Network was approved by the Board of Directors on 21 March 2017 and ratified by the General Shareholders' Meeting on 20 April 2017.

The Framework Loyalty Programme is divided into eight annual individual plans, all set to expire on 31 December 2026 and of decreasing lengths, to be activated following prior authorisation by the General Shareholders' Meeting of Banca Generali.

The indemnities accrued over the term of the Programme will be, in any event, paid out in one instalment, within 60 days from the General Shareholders' Meeting called to approve the 2026 Financial Statements.
For each plan, a portion of the accrued indemnity may be paid out in Banca Generali shares (up to a maximum of 50%), following an assessment of the potential effects at the level of capital ratios and floating capital by the corporate bodies (Board of Directors and General Shareholders' Meeting).

Participation in each of the plans envisaged by the Programme is reserved for Financial Advisors and Relationship Managers who have at least five years of company seniority by 31 December of the financial year before the reference year for each plan.
To be eligible to access the benefits of the plans activated it is necessary to:
- achieve at the end of the reference year a minimum volume of total AUM and qualified AUM increasing over time and with no net outflows (vesting condition);
- be regularly employed and not in a notice period on the disbursement date, except when the termination of employment is caused by death or permanent incapacity, retirement or withdrawal from the relationship by Banca Generali not for cause (service condition).

In the event of death, the indemnities accrued are understood to be permanently acquired, but are payable to the heirs under the same conditions specified for the other beneficiaries.
In addition, the accrued indemnity is commensurate for each individual plan with a rate for verified AUM and is differentiated according to the type of person (Financial Advisor/RM) and service seniority until a cap is reached.
Recognition of the indemnities on the disbursement date is also subject to the Banking Group's access gates being exceeded as defined in the Remuneration Policies applicable from time to time and the rules of propriety.
The number of Banca Generali shares due is determined in the same way as for the share-based payment plans connected with the Remuneration Policies, namely based on the average price of Banca Generali shares during the three months prior to the meeting of the Board of Directors that approves the draft Separate and Consolidated Financial Statements for the year prior to that of the annual plan of reference.

Without prejudice to the accounting framework already analysed in point above, set out below are the specific details of the share-based payment plans that can be activated as part of the Loyalty Programme.
The fair value of Banca Generali share for plan valuation purposes is determined based on the market stock price reported on the date of the General Shareholders' Meeting that approves their activation, adjusted to take account of the estimate of expected dividends that the Bank will distribute along all the time horizon, decreasing for each successive plan, running up to the date the shares are actually assigned.
The plans' impact on the profit and loss account is measured pro-rata temporis based on the vesting period, which decreases for each successive plan, i.e., the period between the year of reference and final maturity of the right to receive the shares, taking also into account the probability that the vesting conditions for the year will not be realised for all beneficiaries.
For all the annual plans launched up to the reporting date, 50% of the indemnity accrued can be paid out in shares.
The accrued indemnity value was determined based on the AUM of the plan's potential beneficiaries at end of the year of reference, whilst the number of financial instruments that can be assigned was determined based on the same reference value as the Banca Generali stock applied for the Remuneration Policies in force in the respective years.
Overall, the total number of shares, either assigned or in the process of accruing, in service of the five plans amounted to about 1,415 thousand (1,375 thousand net of the estimated turnover), for a total value of 20.2 million euros, of which 10.9 million euros already recognised through profit and loss.

	N. maximum of attributable shares	No. of shares net estimated turnover	Fair value plan	IFRS2 Revenue	Cost 2023
	Thousands of shares		In € million		
Plan 2017 - 2026	204	198	2.4	1.6	0.3
Plan 2018 - 2026	162	158	2.3	1.4	0.3
Plan 2019 - 2026	334	324	4.4	2.6	0.5
Plan 2020 - 2026	278	270	2.7	1.4	0.4
Plan 2021 - 2026	437	424	8.4	3.8	1.3
Total	**1,415**	**1,374**	**20.2**	**10.9**	**2.7**

Long Term Incentive (LTI) Plans

The Long Term Incentive (LTI) Plan, based exclusively on Banca Generali S.p.A. shares, is governed by Banca Generali's Remuneration Policies for Key Personnel and is approved annually by the Shareholders' Meeting of the Bank[15].
The plan aims at increasing the value of Banca Generali shares, by further strengthening the link between the remuneration of beneficiaries and the performance of the Banking Group, without prejudice to the consistency required with the expected results set forth in the Insurance Group's strategic plan.

This incentive instrument was introduced in 2018 to replace an incentive of a similar nature activated annually by the parent company Assicurazioni Generali for an extensive group of Key Managers of the Insurance Group and based on the assignment of Assicurazioni Generali shares.

Within this framework, the performance objectives envisaged by the plans assign a weight of 80% to the Banking Group's objectives and 20% to the Insurance Group's objectives.
The performance indicators identified, to which various weights are assigned, may vary year by year and present the following characteristics:
- Banking Group's objectives (80%): tROE and adjusted EVA, ESG AUM ratio;
- Insurance Group's objectives (20%): ROE (Return on Equity), rTSR (relative Total Shareholders' Return compared to a peer group), net cash flows, sustainability indicators.

The main characteristics of the plans approved as of 2020 are:
- the maximum number of the shares to be granted is determined at the beginning of the period of reference using a multiplier of the beneficiary's current remuneration;
- each year, it is determined that the access gate conditions of the Banking Group and of the Insurance Group have been met with regard to the specific year of the plan and the attainment of the objectives set at the beginning of the three-year period is assessed;
- at the end of the three years, once it has been determined that the access gates have been exceeded, the overall level of achievement of the objectives set at the beginning of the three years is assessed on the basis of the average annual results achieved in order to determine the actual number of shares due;
- the total shares accrued are then disbursed to the plan beneficiaries, provided that there is still a professional relationship between the beneficiary and a Banking Group company (service condition), through the free allotment of ordinary treasury shares bought back on the market (stock granting), in two instalments:
  - 50% of the shares is assigned immediately, subject to a further retention period of one year;
  - the remaining 50% is subject to a deferral of two additional years, without prejudice to a retention period of an additional year;
- the plan does not include dividend equivalent mechanisms, in accordance with the law and common practice in the banking sector;
- the plans envisage the customary malus and claw-back clauses.

The level of achievement of objectives, expressed in percent terms, is determined separately for each basket, consisting in an indicator and the weight assigned to it, using the linear interpolation method on the basis of the reference levels set at the outset of the plan (minimum, target and maximum)[16].

15. For further details on the Plan, reference should be made to the Report on Remuneration Policy and Compensations Paid approved annually by the Shareholders' Meeting and published on the Bank's website.
16. In particular, the maximum performance level is associated with a percentage of 175%.

Here below is a presentation of the performance indicators defined for the plans activated up to now.

Without prejudice to the accounting framework already analysed in point above, set out below are the specific details of the share-based payment plans that can be activated as part of the LTI plans launched by Banca Generali.
The number of shares due shall be valued separately for each plan year and for each of the weighted baskets linked to the objectives of the Banking Group and the Insurance Group.
In particular, baskets tied to the performance indicator formed by the Insurance Group's rTSR contain a market condition, whereas the other baskets are based on achievement of performance conditions.

	KPI Weight Banking-Insurance Group	Access gate Banking Group	Access gate Insurance Group	KPI Banking Group	KPI Insurance Group
LTI 2020	80% -20%	Total Capital Ratio (TCR) Liquidity Coverage Ratio (LCR) (*)	Regulatory Solvency ratio	1. tROE (50%, 2. adjusted EVA (50%)	1. rTSR (50%) 2. Net Holding cash flow (50%)
LTI 2021	80% -20%			1. tROE (50%), 2. adjusted EVA (50%), 3. AUM ESG (fattore correttivo da 0,8 a 1,2) (g)	1. rTSR (50%) 2. Net Holding cash flow (50%), 3. indicatori ESG (fattore correttivo da 0,8 a 1,2)
LTI 2022	80% -20%			1. tROE (40%), 2. adjusted EVA (40%), 3. AUM ESG (20%) (h)	1. rTSR (45%) 2. Net Holding cash flow (35%), 3. indicatori ESG (20%)
LTI 2023	80% -20%			1. tROE (40%), 2. adjusted EVA (40%), 3. AUM ESG (20%) (i)	1. rTSR (55%) 2. Net Holding cash flow (25%), 3. indicatori ESG (20%)

a) tROE (tangible – Return on equity): the ratio of net profit and average net equity, excluding net profit for the year and intangible assets.
b) Recurring income, net profit less the following one-off components: gains/losses on the proprietary securities portfolio, performance fees, one-off component of the contributions to the FITD/BRRD bank rescue funds and the income and costs related to the extraordinary transactions completed during the reference period.
c) Adjusted EVA – Embedded value added: an indicator that expresses the value creation as the difference between recurring net profit (as defined above) and the cost of capital (Ke * average absorbed capital).
d) Net ROE (return on equity): ratio of consolidated net result and IFRS consolidated net equity of Generali Group (excluding item "Other Comprehensive Income").
e) rTSR – relative Total Shareholder Return: the total return on shareholder investment, calculated as the change in the market price of Generali Group shares, in which distributions or dividends reinvested in the shares are included, as compared to a peer group of competitors included in the STOXX Euro Insurance index.
f) Net Holding cash flow (Generali Group): net cash flows available at the level of the parent company in a given period, after holding expenses and interest expense. Its main components, from a cash perspective, are: remittances from subsidiaries; the result of centralised reinsurance; interest on borrowings; and expenses and taxes paid or reimbursed at the level of the Parent Company.
g) 2021 ESG indicators:
1) Banking Group: Assets Under Management (AUM) of retail funds and insurance and financial underlying with ESG (Environmental, Social e Governance) rating by an external provider. The parameter is applied as a multiplier from 0.8 to 1.2 based on the period-end volume of the ESG component of AUM;
2) Insurance Group: i) ESG rating assigned by MSCI (Morgan Stanley Capital International) in the multi-line insurance & brokerage sector; ii) positioning of the score assigned by Standard & Poor's Global Corporate Sustainability Assessment for the banking sector. The parameter is applied as a multiplier from 0.8 to 1.2 based on the rating assigned.
h) 2022 ESG indicators:
1) Banking Group: Assets Under Management (AUM) of retail funds and insurance and financial underlying with ESG (Environmental, Social e Governance) rating by an external provider. The parameter is applied as a multiplier from 0.8 to 1.2 based on the period-end volume of the ESG component of AUM (in a range of 8%-13% of the AUM of reference);
2) Insurance Group: i) new green and sustainable bond investments (10% weight); ii) % of women managers in management positions on total management positions (10% weight).
i) 2023 ESG indicators:
1) Banking Group: ESG Assets Under Management (AUM), i.e., the ratio of Assets Under Management to AUM invested in (i) "eligible" financial and insurance products/services pursuant to Articles 8 or 9 in accordance with the MiFID ESG approach, and (ii) financing that, although included in portfolio management schemes or insurance policies that do not fall under Articles 8 or 9, actually qualify as pursuant to Articles 8 or 9 with an MIFID-ESG score of >3;
2) Insurance Group: i) the CO_2 Emissions Reduction Target for Group Operations, which refers to the percent reduction in CO_2-equivalent emissions generated by the Group's operations, measured comparing the year 2025 with the 2019 baseline; ii) % of women managers in management positions on total management positions.
(*) In detail, the 2023 banking access gates were TCR >=11% and LCR >=150%, whereas the insurance access gate was Regulatory Solvency Ratio (RSR) >150%.

Market conditions are assessed solely at the assignment date on the basis of a statistical model that estimates the probable future positioning of the rTSR for Generali shares compared to a peer group identified by the STOXX Euro Insurance Index for each plan year. The fair value of the rights associated with this plan component is thus determined by multiplying the fair value of a Banca Generali share at the assignment date by the level of achievement of the objective associated with the resulting positioning.

Baskets associated with the achievement of performance conditions are assessed on the basis of the fair value of a Banca Generali share and the number of shares potentially assignable.

In this case as well, the fair value of the Banca Generali share used for evaluating the plans is determined starting from the market stock price reported on the date of the General Shareholders' Meeting that approves their activation, adjusted to take account of the estimate of expected dividends that the Bank will distribute along all the time horizon, running up to the date the shares are actually assigned.

The total cost of the LTI plans is therefore equal to the sum of the cost calculated for each basket on the basis of the fair value of rights assigned, determined according to the above methods, multiplied by the number of shares that may potentially be granted in respect of the level of achievement of the performance condition, the market condition, the likelihood that the service condition will be met and the achievement of the minimum access gate.

The recognition through the equity reserve of the value of the plans — determined as described above — is measured pro-rata temporis, based on the vesting conditions, i.e., the period between assignment and final maturity of the right to receive the shares, likewise taking into account the probability that exercise conditions will not be realised for all beneficiaries.
In particular, for plans activated from 2020 onwards, the vesting period of the first instalment is three years from the year of approval of the plan to the end of the final year of the three years of reference, whereas the vesting period of the second instalment extends to the end of the year before that of the actual assignment of the shares (five years).

In 2023, the shares relating to the first instalment of the second 2020-2023 LTI Plan were assigned. In detail, based on the objectives reached, a total of 42,803 shares were assigned out of a maximum number of 85,606 shares. The second instalment will be assigned in 2025.

Overall, the total number of shares in the process of accruing for the four plans underway amounted to about 385 thousand, for a total value of 8.7 million euros, of which 5.1 million euros already recognised through profit or loss (2.1 million euros for 2023).

	No. of shares (thousands of shares)		Fair value plan	IFRS2 Revenue	Cost 2023
	Total	Assigned		(€ Million)	
Plan 2020 2022 (assignments 2023 - 2025)	85.6	42.8	1.2	1.1	0.2
Plan 2021 2023 (assignments 2024 - 2026)	123.4		2.6	2.0	0.6
Plan 2022 2024 (assignments 2025 - 2027)	105.1		2.4	1.3	0.7
Plan 2023 2025 (assignments 2026 - 2028)	114.0		2.4	0.7	0.7
Total of in course plans	**428.1**	**42.8**	**8.6**	**5.1**	**2.2**

The value of treasury shares assigned during the year was 7.4 million euros, against IFRS 2 reserves totalling 6.6 million euros, with a negative net effect on the share premium reserve of about 0.8 million euros.
New provisions were also allocated to the reserve for 11.8 million euros.

At 31 December 2023, total IFRS 2 reserves allocated therefore amounted to 23.8 million euros, of which:
- 8.3 million euros in relation to the Remuneration Policy;
- 10.9 million euros in relation to the Loyalty Programme;
- 4.4 million euros in relation to the Long Term Incentive Plans of Banca Generali;
- 0.2 million euros in relation to foreign subsidiaries.

Share-based compensation plans granted by Generali France

At 31 December 2023, share-based compensation plans, in IFRS2 scope, granted by Generali France to the employees of Generali France group are composed by seventeen stock grant plans approved by the board on 21 December 2006, 20 December 2007, 4 December 2008, 10 December 2009, 9 December 2010, 14 March 2012, 25 June 2013, 7 March 2014, 6 March 2015, 9 March 2016, 9 March 2017, 1 March 2018, 7 March 2019, 11 March 2020, 8 March 2021, 9 March 2022 and 8 March 2023.
At 31 December 2023, the number of shares granted amounted to 6,945,455 preferred shares, of which 121.077 related to the plan granted for 175th anniversary of foundation of Parent Company.
The plans are considered as cash-settled, for which a liability is recorded in the balance sheet equaling € 80.2 million. The charge recognized in the profit or loss amounted to € 15.7 million.

42. Contingent liabilities, commitments, guarantees, pledged assets and collateral

42.1. Contingent liabilities

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because:

(i) it is not probable than an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) the amount of the obligation cannot be measured with sufficient reliability.

As at 31 December 2023 the estimate of the contingent liabilities at Group level results as of € 16 million, related to some disputes for which the probability of occurrence is not considered as remote, however not sufficiently material to recognise them as liabilities on the balance sheet.

42.2. Commitment

Generali Group at 31 December 2023 held outstanding commitments for a total amount of € 15,577 million, related to potential commitments on investments, loans and other commitments.
Because part of these commitments may expire without being called, the amounts disclosed are not indicative of the actual liquidity needs arising from these commitments.
In particular, € 10,055 million represent commitments associated with alternative investments (private equity), mainly allocated in private equity funds which are consolidated by the Group.
Moreover, € 4,985 million refer to several investment opportunities and, in particular, to real estate investment funds and private debt as well as residually in equities and loans, the latter mainly associated to liquidity or funding needs of the customers of the Group's banking operations.
Other commitments amounted totally to € 537 million and the main part refers to potential commitments of the German life companies towards a specific German entity founded in order to protect the local policyholders if the funds already available within the policyholders protection scheme are not sufficient to face the insolvency of one or more insurers.

42.3. Guarantees

The Group's nominal exposure in guarantees provided towards third parties amounts to € 1,254 million, of which € 1,094 million refer to the guarantee issued by Generali Italia in favor of banks financing Cronos Vita, € 116 million to sureties normally granted as part of the Group's banking business and other services provided by some Group Companies and € 36 million refer to guarantees provided in the context of the Group's real estate development.
Furthermore, the Group in the context of its business operations in some countries receives guarantees provided by third parties.

42.4. Pledged assets and collaterals

As at 31 December 2023, as already mentioned in the chapter *Assets transferred that do not qualify for derecognition* of the section *Investments*, the Group has pledged € 18,561 million of its assets as collateral. In particular, € 3,021 million have been pledged to cover loans and bonds issued, mainly related to the Group's real estate activities, € 774 million in its reinsurance activities, € 4,216 million in repurchase agreements (REPO), € 8,195 million in securities lending operations, as well as € 1,514 million in derivatives transactions. Residual part is related to collateral pledged other minor operations.
Furthermore, the Group has received assets as collateral for € 12,310 million, in particular for transactions in bonds and loans for € 10,134 million, in Reverse REPO for € 513 million and € 520 million in reinsurance activities. Residual part is related to transactions in derivatives and other minor operations.

43. Significant non-recurring events and transactions

There are no significant non-recurring events and transactions to be reported in 2023 other than the acquisition transactions reported in the paragraph *New Entities Acquisition*.

44. Significant events after 31 December 2023

There are no significant events reported after 31 December 2023 that will impact the financial statements. For further information, please refer to the relevant paragraph of the Management Report.

45. Leasing

IFRS 16 provides presentation and disclosure requirements on leasing operations both for lessees and for lessors.
Here below details on lessees and lessors activities and related disclosures can be found.

45.1. Lessees

Group companies acting as lessees are mainly involved in real estate leases (mainly for offices, agencies and similar items), land, company cars and other assets.

Right of use assets

Right of use assets are allocated based on their nature within specific Balance sheet items Tangible assets and, to a residual extent, Intangible assets.
In details, below the carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset can be found.

Right of use assets by class of underlying assets subject to leasing

	31/12/2023	31/12/2022
Land and buildings (self-used) subject to leasing	**304**	**446**
Properties used for own activities subject to leasing	304	393
Land and agricultural property subject to leasing	0	52
Other real rights subject to leasing	0	0
Company cars subject to leasing	**25**	**28**
Other tangible assets subject to leasing	**39**	**45**
Intangible assets suject to leasing	**6**	**2**
Total right of use assets	**374**	**520**

Main changes incurred during the period are reported below by class of underlying items.
Changes incurred during the period for main asset classes subject to leasing, i.e. land and buildings and tangible assets (company cars and other tangible assets) are reported below.

Land and buildings (self-used) subject to leasing

(€ million)	31/12/2023	31/12/2022
Net opening balance	446	443
Adjustment opening balance	-49	13
Increases	**54**	**81**
Acquisitions	54	47
Capitalised expenses	0	1
Reversals of impairment losses	0	0
Positive exchange differences	0	0
Transfers from investment property	0	0
Other changes	0	33
Decreases	**-147**	**-91**
Sales	-28	-1
Depreciations	-77	-88
Impairment losses	0	0
Negative exchange differences	-2	-2
Trasfer to investments property	-1	-0
Trasfer to non-current assets and disposal groups held for sale	0	0
Other changes	-39	0
Net final carrying amount	**304**	**446**

Fair value of assets subject to leasing is estimated to be, besides for some rare cases, aligned to its carrying amount.

Tangible assets subject to leasing

(€ million)	31/12/2023	31/12/2022
Net opening balance	72	83
Adjustment opening balance	1	3
Increases	**23**	**11**
Acquisitions	13	5
Capitalised expenses	0	0
Reversals of impairment losses	0	0
Positive exchange differences	0	0
Other changes	10	6
Decreases	**-33**	**-25**
Sales	-3	-0
Depreciations	-29	-24
Impairment losses	0	0
Negative exchange differences	-0	-0
Trasfer to non-current assets and disposal groups held for sale	0	0
Other changes	0	0
Net final carrying amount	**63**	**72**

Focus on impairment of right of use assets

Under IFRS 16, right-of-use assets are subject to impairment requirements of IAS 36. Similar to other assets, a right-of-use-asset is tested for impairment when impairment indicators exist. In general, if impairment indicators exist, an entity must determine whether the right-of-use-asset can be tested on a stand-alone basis or whether it will have to be tested at a cash generating unit (CGU) level. This will depend on whether the right-of-use-asset generates largely independent cash inflows from other assets or groups of assets. At Group level, based on facts and circumstances, it is considered that right-of-use-assets are not able to generate largely independent cash inflows and therefore they have been assessed at a CGU level. In the majority of situations, CGUs to which right-of-use assets belong are the same ones used for impairment test of goodwill, as described in specific chapter. Therefore, the impairment test has been performed at that level, and according to Group methodology already in place for impairment test of goodwill. In this context, the carrying amount of a CGU is therefore calculated considering, if any, right of use assets and lease liabilities belonging to that unit. If the recoverable amount of the CGU is less than its carrying amount, carrying amount of goodwill represents the first asset to be reduced. Then, impairment loss is allocated to other assets of the CGU pro rata based on the carrying amount of each asset in the unit to which the specific right of use asset belongs. For additional information on impairment test of goodwill please refer to the chapter *Goodwill*.

Lease liabilities

Lease liabilities as at 31 December 2023 amounted to € 394 million, while total cash outflows of the period amounted to € 93 million. Lease liabilities are included in item Financial liabilities at amortised cost on the Balance sheet.
Here below a maturity analysis of undiscounted lease payments can be found.

Maturity analysis of undiscounted lease liabilities

	31/12/2023	31/12/2022
Maturity less than one year	107	76
Maturity between 1 and 2 years	80	65
Maturity between 2 and 3 years	60	51
Maturity between 3 and 4 years	41	41
Maturity between 4 and 5 years	34	25
Maturity more than 5 years	90	370
Total undiscounted lease liabilities	**411**	**627**

Short-term leases to which Group lessees are committed and exposed in the next reporting year amounted to € 1 million.

Expenses for lessees

Main impacts on expenses for lessees are reported below.

Expenses related to lease contracts

(€ million)	31/12/2023	31/12/2022
Interest expenses for lease payments (*)	8	9
Depreciation of properties used for own activities subject to leasing	77	88
Depreciation of tangible assets subject to leasing	15	11
Depreciation of company cars subject to leasing	14	13
Amortisation of intangible assets subject to leasing	3	2
Impairment and other expenses from assets subject to leasing	3	3
Expenses for leases of low value assets	2	2
Expenses for short term leases	6	7
Total expenses from lease contracts	**129**	**135**

(*) In this item is also included income arising from leases with negative yields.

Income from sub-leasing right-of use assets are not material for the period since it is not Group practice to undertake this kind of business. There have been no sale and leaseback transactions during the period.

45.2. Lessors

Operating leases

Group companies act also as lessors, mainly related to real estate rentals through operating leases. The majority of investment properties are consequently leased out for different uses. Group presents underlying assets subject to operating leases according to the nature of the underlying asset. Please refer therefore to section *Investments* for additional information on investment properties.
Income from operating leases has been allocated according to the nature of the underlying item rented. Please refer to chapter *Details on economic components of investments* for additional information.
Income from variable lease payments that do not depend on an index or a rate amounted are not material.

Financial leases

There are no cases of financial leases within the Group, as it is not Group practice to carry out this type of activity.

46. Other information

With reference to the transparency of public funds legislation introduced by art. 1 of Law 124/2017, paragraphs 125, 125-bis and following, as modified by art. 35 of Legislative Decree 34/2019, converted into Law 58/2019 (so-called Decreto Crescita), during the 2023 financial year, Generali Group received public funds which are reported in the Registro Nazionale degli Aiuti di Stato pursuant to art. 52 of Law 234/2012 and subsequent amendments and additions, to which reference is made in the specific Transparency section, pursuant to art. 1, paragraph 125-quinquies of the aforementioned Law 124/2017.

47. Audit and other service fees for the fiscal year

In the table below, drawn up pursuant to the article 149-duodecies of Consob Regulation, are reported the 2023 fees for auditing and other services to Parent company's audit and companies within audit company's network.

Audit and other service fees

(€ thousand)	KPMG Italy	KPMG Network
	31/12/2023	31/12/2023
Parent Company	**4,421**	**872**
Audit fee	1,027	791
Attestation service fees	3,039	40
Other services	355	40
Subsidiaries	**10,632**	**26,170**
Audit fee	6,939	22,012
Attestation service fees	3,644	3,070
Other services	50	1,088
Total	**15,054**	**27,042**

48. Information about climate change

Pursuant to the ESMA Public Statement of 28 October 2022, also recalled to in the Public Statement of 25 October 2023, in this chapter describes how the assessment of climatic risks is considered in the valuation of the most material assets for the Group such as: financial instruments, real estates and insurance contracts. For further information about climate changes please refer to the Management Report, paragraph *Challenges and opportunities of the market context*.

Financial Instruments

Climate-related matters may be relevant as they could affect the range of potential future economic scenarios, the lender's assessment of significant increases in credit risk, whether a financial asset is credit impaired and/ or the measurement of expected credit losses. Regarding pricing topic, the level of the prices of actively traded securities (e.g. listed equities and bonds) should reflect the appetite of the market for the issuer of the security itself. Prices include any forecast of possible losses due to possible adverse economic scenarios - climate-related matters included. For this reason, no particular adjustment is made to the prices retrieved from the market. Concerning not actively traded securities, for which a market price is not available, the valuation is performed which taking into account the structure of the investment, estimating the relevant factors, such as:

- the risk-free rates curve;
- the issuer specific credit curve;
- the liquidity premium.

In particular, the estimation of the credit spread curves and the liquidity premiums is performed starting from liquid prices, of the same issuer or peers, observed in the market. As liquid prices should include futures economic scenarios – among them climate-related matters – also prices of not actively traded securities are indirectly affected by any positive/negative opinion of the market regarding the potential impact that climate-related matters could have on the issuer.

With reference to the parameters estimated in the calculation of ECL, as described more in detail in paragraph *Basis of presentation*, it is highlighted that they are mainly based on external ratings which therefore already incorporate the market's appreciation of possible future losses also due to potential climate risks.

Real Estates

Internal Group Real Estate Valuation Policy follows the general principles and definitions from the RICS - Red Book published by the Royal Institution of Chartered Surveyors (RICS) – in particular with reference to the article 2.6 - and the European Valuation Standards - Blue Book issued by the European Group of Valuers' Associations.

The valuation of each asset is carried out by an External Independent Valuer who, following the abovementioned global standards, considers the Sustainability, ESG, and Climate change aspects that could affect the property value, and that must be declared by the Asset Manager, such as:

- the presence of hazardous materials, that could have harmful impacts to the building or physical persons;
- the zone map, assessing the key physical risks (including flooding, wildfires, storms and others) for each asset location;
- the Insurance premiums paid for each building that also integrate the climate risk.

The climate risk is therefore an integral part of our valuation process, that will be further strengthen as the global regulation and the local best practices on the topic will evolve. Generali Real Estate has launched a process of further integration of ESG topics also in the valuation area, which will lead to greater involvement of valuation companies, a strengthening of the Valuation Policy and in general the implementation of a shared framework.

Insurance contracts

In Property&Casualty, climate change may potentially affect (for climate change effects that have already occurred) or could affect (for climate change effects that may arise in the future) the frequency and magnitude of insured events, in a way that is strongly dependent on geography and peril. There is still much uncertainty on the exact extent of these effects until now and in the future, given the volatility of the phenomena being measured. However, Generali is following rigorous practices to tackle this challenge.

Regarding insurance liabilities for Property&Casualty segment, Generali regularly monitors risk within its system of risk governance. Materiality assessments are made regularly to verify what territory and perils may be subject to either:

- an increase in frequency and severity of known risks in specific territories and perils or
- to the emergence of new risks.

This allows the Group to adjust to changes, if any, and to put in place the necessary measures that may help in mitigating the risk, as better outlined in the following paragraphs. Generali is exposed to natural events and to a number of hazards that may be impacted by climate change within the territories where it operates. The main exposures are in continental Europe, where the Group is most concentrated, although the Group also sells covers and is therefore exposed in a number of territories worldwide. The Group regularly monitors its concentrations of risks and uses external models and actuarial techniques to assess the probability of insured losses under the current climate. Sensitivity analyses may be conducted to evaluate the models used in a number of areas. This allows the Group to monitor the risk within its Partial Internal Model, which is recognized under Solvency 2, and to adopt and calibrate the most suitable mitigation strategies. Given that most policies being sold are one-year policies, and that multiyear policies often include contractual clauses that allow flexibility, e.g. in case of losses, this approach is deemed appropriate for assessing the current challenges of climate change. Regarding premiums, tariffs and rates are constantly monitored and updated as necessary, also to capture chronic and acute climate related hazards, as appropriate. Technically, actuarial models and techniques are being used in a growing number of cases, to ensure the best pricing of risk possible. Regarding claims and insurance liabilities, these are regularly processed and estimated using up-to-date accounting and actuarial techniques, which continue to be adequate also in case of claims tied to events that can be impacted by climate change.

Climate change might affect Life business with impacts deriving from both Physical risk (losses caused by changes in the frequency and severity of climate-related natural events), Transition risk (losses caused by variation in costs and revenues deriving from the transition to a green economy) and Litigation risk (losses due to legal cases caused by climate matters). These risks might lead to variations in both the market value of assets (impact on investment, leading to changes in the fair value of liabilities mainly for with profit participation and unit-linked products) and in the future living conditions of the policyholders (impact on human life, leading to possible changes mainly in mortality, longevity and morbidity expectations).
The level of uncertainty about the potential effects of climate change on the biometric, operating and financial variables impacting life portfolios is extremely high. To actively and timely manage the risks connected to the climate change, the Group monitors the exposures of its life portfolios by means of sensitivity analyses based on a set of alternative future climate scenarios characterized by changes in both investment values and human life conditions.

Appendices to the Notes

Change in the consolidation area*

Newly consolidated:	
1.	Arab Assist For Logistic Services Company, Amman
2.	Ea1 S.A.S., Paris
3.	Europ Assistance Canada Services Inc., Toronto
4.	Fondo Canaletto Ii, Trieste
5.	Generali Befektetési Zrt, Budapest
6.	Generali Investments Distribution Switzerland Gmbh, Zurich
7.	Generali Investments Si, Holdinška Družba, D.O.O., Ljubljana
8.	Generali Malaysia Holding Berhad, Kuala Lumpur
9.	Gre Sc Italy, Trieste
10.	Gredif Ii Ita - Generali Real Estate Debt Investment Fund Italy Ii, Trieste
11.	Gulf Assist W.L.L., Manama
12.	Oppci Residential Living Fund, Paris
13.	Sce Château La Pointe, Paris
14.	Sci Issy Les Moulineaux, Paris
15.	Sosteneo Società Di Gestione Del Risparmio S.P.A., Milan
16.	Urbe Retail Real Estate S.R.L., Rome
17.	Vivre & Domicile, Lyon

* Consolidation area consists of companies consolidated “line by line”.

Company disposed of/wound up/merged in:	
1.	Advance Mediação De Seguros, Unipessoal Lda, Lisbon
2.	Am Sechste Immobilien Ag & Co. Kg, Aachen - Merged in AM Erste Immobilien AG & Co. KG.
3.	Bcc Assicurazioni S.P.A., Milan
4.	Bcc Vita S.P.A Compagnia Di Assicurazioni Vita, Milan
5.	Cattolica Assicurazioni S.P.A., Verona - Merged in Genertel S.p.A.
6.	Cattolica Services Società Consortile Per Azioni, Verona - Merged in Generali Business Solutions S.c.p.A.
7.	Dwp Partnership, Bangkok
8.	Easa Training Academy (Pty) Ltd, Constantia Kloof
9.	Elics Services 33170 Sarl, Gradignan
10.	Elics Services 69000 S.A.R.L., Lyon - Merged in Vivre & Domicile
11.	Elics Services 74600 Sarl, Annecy - Merged in Elics Services 83000 S.a.r.l.
12.	Europ Assistance Canada Services Inc, Thornhill - Ontario
13.	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd, Midrand
14.	Europ Assistance Yardım Ve Destek Hizmetleri Ticaret Anonim Şirketi, Istanbul
15.	Frescobaldi S.À.R.L., Luxembourg - Merged in Generali European Real Estate Investments S.A.
16.	Gdpk-Fi1 Gmbh & Co. Offene Investment Kg, Cologne - Merged in Generali Deutschland AG.
17.	Generali Business Solutions S.C.P.A., Trieste - Merged in Generali Italia S.p.A.
18.	Generali Deutschland Pensionskasse Ag, Aachen
19.	Gid Fonds Claot, Cologne
20.	Gid-Fonds Alaet Ii, Cologne
21.	La Médicale Sa, Paris - Merged in L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature.
22.	Pcs Praha Center Spol.S.R.O., Prague
23.	Saxon Land B.V., Amsterdam
24.	Sci Commerces Regions, Paris
25.	Sci Parcolog Combs La Ville 1, Paris - Merged in SC Generali Logistique.
26.	Solitaire Real Estate, A.S., Prague
27.	Trip Mate, Inc., Topeka - Merged in Customized Services Administrators Inc.
28.	Vera Assicurazioni S.P.A., Verona
29.	Vera Financial Designated Activity Company, Dublin
30.	Vera Protezione S.P.A., Verona
31.	Vera Vita S.P.A., Verona

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country [1]	Method [2]	Activity [3]	Relationship type [4]	% Direct and indirect shareholding	Group ratio [5]	% Voting rights at the shareholders' meeting [6]	% of consolidation
3 Banken Generali GLBond Spezialfonds	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali - GEN4A Spezialfonds	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali - GNLStock	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali-GHStock	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali-GLStock	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali-GSBond	008		G	11	1	100.00	99.95		100.00
Acredité s.r.o.	275		G	11	1	100.00	100.00		100.00
Advancecare – Gestão de Serviços de Saúde, S.A.	055		G	11	1	100.00	99.99		100.00
ADVOCARD Rechtsschutzversicherung AG	094		G	2	1	100.00	100.00		100.00
AFP Planvital S.A.	015		G	11	1	86.11	40.95		100.00
Agricola San Giorgio S.p.A.	086		G	11	1	100.00	100.00		100.00
Akcionarsko društvo za osiguranje Generali Osiguranje Montenegro	290		G	3	1	100.00	100.00		100.00
Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd	289		G	3	1	100.00	100.00		100.00
Akcionarsko društvo za reosiguranje Generali Reosiguranje Srbija, Beograd	289		G	6	1	100.00	100.00		100.00
Akcionarsko društvo za upravljanje dobrovoljnim penzijskim fondom Generali	289		G	11	1	100.00	100.00		100.00
Alfuturo Servizi Assicurativi S.r.l.	086		G	11	1	100.00	100.00		100.00
Alleanza Assicurazioni S.p.A.	086		G	1	1	100.00	100.00		100.00
Allgemeine Immobilien-Verwaltungs GmbH & Co. KG	008		G	10	1	100.00	99.95		100.00
Alto 1 S.à r.l.	092		G	11	1	100.00	95.99		100.00
AM Erste Immobilien AG & Co. KG	094		G	10	1	100.00	100.00		100.00
AM Vers Erste Immobilien AG & Co. KG	094		G	10	1	100.00	100.00		100.00
Andron RE	086		G	11	1	100.00	100.00		100.00
Aperture Investors France SAS	029		G	8	1	100.00	69.76		100.00
Aperture Investors UK, Ltd	031		G	8	1	100.00	69.76		100.00
Aperture Investors, LLC	069		G	8	1	70.00	69.76		100.00
Arab Assist for Logistic Services Company	122		G	11	1	100.00	74.62		100.00
Asesoria e Inversiones Los Olmos SA	015		G	11	1	47.62	47.55		100.00
Assicurazioni Generali S.p.A.	086		G	1	1	1.09	100.00		100.00
ATLAS Dienstleistungen für Vermögensberatung GmbH	094		G	11	1	74.00	74.00		100.00
Axis Retail Partners S.p.A.	086		G	10	1	100.00	99.66		100.00
Banca Generali S.p.A.	086		G	7	1	51.46	51.32		100.00
BAWAG P.S.K. Versicherung AG	008		G	2	1	75.00	74.96		100.00
BAWAG PSK Spezial 6	008		G	11	1	100.00	74.96		100.00
Berlin Franzosische 53-55 S.à r.l.	092		G	10	1	100.00	98.60		100.00
BG (Suisse) SA	071		G	7	1	100.00	51.32		100.00
BG Fund Management Luxembourg S.A.	092		G	11	1	100.00	51.32		100.00
BG Valeur S.A.	071		G	11	1	90.10	46.24		100.00
Caja de Ahorro y Seguro S.A.	006		G	4	1	90.00	89.96		100.00
Caja de Seguros S.A.	006		G	3	1	100.00	90.05		100.00
Cajamar Seguros Generales, S.A. de Seguros y Reaseguros	067		G	2	1	50.00	50.00		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country (1)	Method (2)	Activity (3)	Relationship type (4)	% Direct and indirect shareholding	Group ratio (5)	% Voting rights at the shareholders' meeting (6)	% of consolidation
Cajamar Vida S.A. de Seguros y Reaseguros	067		G	2	1	50.00	50.00		100.00
Car Care Consult Versicherungsvermittlung GmbH	008		G	11	1	100.00	99.95		100.00
Cattolica Agricola Società Agricola a Responsabilità Limitata	086		G	11	1	100.00	100.00		100.00
Cattolica Beni Immobili S.r.l.	086		G	11	1	100.00	100.00		100.00
CattRe S.A.	092		G	5	1	100.00	100.00		100.00
CENTRAL Zweite Immobilien AG & Co. KG	094		G	10	1	100.00	100.00		100.00
CityLife S.p.A.	086		G	10	1	100.00	100.00		100.00
CityLife Sviluppo 2 S.r.l.	086		G	10	1	100.00	100.00		100.00
Cleha Invest Sp. z o.o.	054		G	10	1	100.00	100.00		100.00
Cofifo S.A.S.	029		G	9	1	100.00	98.60		100.00
Cofilserv'	029		G	11	1	100.00	80.00		100.00
Cologne 1 S.à.r.l.	092		G	11	1	100.00	96.37		100.00
Cologne Zeppelinhaus S.à r.l.	092		G	11	1	100.00	99.56		100.00
Corbas SCI	029		G	11	1	100.00	96.18		100.00
Core+ Fund GP	092		G	11	1	100.00	99.66		100.00
Corelli S.à.r.l.	092		G	9	1	100.00	99.40		100.00
Cosmos Finanzservice GmbH	094		G	11	1	100.00	100.00		100.00
Cosmos Lebensversicherungs Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
Cosmos Versicherung Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
Customized Services Administrators Inc.	069		G	11	1	100.00	99.99		100.00
D.A.S. Difesa Automobilistica Sinistri - S.p.A. di Assicurazione	086		G	1	1	50.01	50.01		100.00
D.A.S. Legal Services S.r.l.	086		G	11	1	100.00	50.01		100.00
DBB Vermögensverwaltung GmbH & Co. KG	094		G	10	1	100.00	100.00		100.00
Dc De Burght B.V.	050		G	11	1	100.00	96.18		100.00
Deutsche Bausparkasse Badenia Aktiengesellschaft	094		G	7	1	100.00	100.00		100.00
Dialog Lebensversicherungs-Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
Dialog Versicherung Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
EA1 S.A.S.	029		G	11	1	100.00	99.99		100.00
Elics Services 06700 Sarl	029		G	11	1	100.00	80.00		100.00
Elics Services 13100 Sarl	029		G	11	1	100.00	80.00		100.00
Elics Services 44100 Sarl	029		G	11	1	100.00	80.00		100.00
Elics Services 75015 Sarl	029		G	11	1	100.00	80.00		100.00
Elics Services 78600 Sarl	029		G	11	1	100.00	80.00		100.00
Elics Services 83000 S.a.r.l.	029		G	11	1	100.00	80.00		100.00
Elics Services 92330 Sarl	029		G	11	1	100.00	80.00		100.00
Elics Services Holding SAS	029		G	11	1	80.00	80.00		100.00
ENVIVAS Krankenversicherung Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
Esumédica - Prestação de Cuidados Médicos, S.A.	055		G	11	1	100.00	99.99		100.00
Europ Assistance - Serviços de Assistencia Personalizados S.A.	055		G	11	1	99.98	99.97		100.00
Europ Assistance (Suisse) Assurances S.A.	071		G	3	1	100.00	70.00		100.00
Europ Assistance (Suisse) Holding S.A.	071		G	4	1	70.00	70.00		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country (1)	Method (2)	Activity (3)	Relationship type (4)	% Direct and indirect shareholding	Group ratio (5)	% Voting rights at the shareholders' meeting (6)	% of consolidation
Europ Assistance (Suisse) S.A.	071		G	11	1	100.00	70.00		100.00
Europ Assistance (Thailand) Company Limited	072		G	11	1	100.00	99.99		100.00
Europ Assistance Argentina S.A.	006		G	11	1	100.00	95.63		100.00
Europ Assistance Australia Pty Ltd	007		G	11	1	100.00	99.99		100.00
Europ Assistance Austria Holding GmbH	008		G	4	1	100.00	99.97		100.00
Europ Assistance Brokerage Solutions S.a.r.l.	029		G	11	1	100.00	99.99		100.00
Europ Assistance Canada Services Inc.	013		G	11	1	100.00	99.99		100.00
Europ Assistance Clearing Center GIE	029		G	11	1	100.00	99.99		100.00
Europ Assistance Gesellschaft mbH	008		G	11	1	100.00	99.97		100.00
Europ Assistance Holding S.A.S.	029		G	4	1	100.00	99.99		100.00
Europ Assistance India Private Ltd	114		G	11	1	100.00	99.99		100.00
Europ Assistance Italia S.p.A.	086		G	1	1	100.00	100.00		100.00
Europ Assistance Magyarorszag Kft	077		G	11	1	100.00	100.00		100.00
Europ Assistance Malaysia SDN. BHD.	106		G	11	1	100.00	99.99		100.00
Europ Assistance North America, Inc.	069		G	4	1	100.00	99.99		100.00
EA French Polynesia	029		G	11	1	100.00	99.99		100.00
Europ Assistance Pacifique	253		G	11	1	100.00	99.99		100.00
Europ Assistance Polska Sp.zo.o.	054		G	11	1	100.00	99.99		100.00
Europ Assistance S.A.	029		G	2	1	100.00	99.99		100.00
Europ Assistance s.r.o.	275		G	11	1	100.00	100.00		100.00
Europ Assistance SA	015		G	11	1	100.00	99.99		100.00
Europ Assistance Service Greece Single Member Private Company	032		G	11	1	100.00	99.99		100.00
Europ Assistance Services GmbH	094		G	11	1	100.00	99.99		100.00
Europ Assistance Services S.A.	009		G	11	1	100.00	99.99		100.00
Europ Assistance Servicios Integrales de Gestion, S.A.	067		G	11	1	100.00	99.99		100.00
Europ Assistance Servisno Podjetje d.o.o.	260		G	11	1	100.00	99.99		100.00
Europ Assistance Singapore Pte. Ltd	147		G	11	1	100.00	99.99		100.00
Europ Assistance Trade S.p.A.	086		G	11	1	100.00	100.00		100.00
Europ Assistance Travel Assistance Services (Beijing) Co Ltd	016		G	11	1	100.00	99.99		100.00
Europ Assistance VAI S.p.A.	086		G	11	1	100.00	100.00		100.00
Europ Servicios S.p.A.	015		G	11	1	100.00	99.99		100.00
Európai Utazási Biztosító Zrt.	077		G	2	1	74.00	70.75		100.00
Europäische Reiseversicherung Aktiengesellschaft	008		G	2	1	74.99	74.97		100.00
Fondo Andromaca	086		G	10	1	100.00	100.00		100.00
Fondo Canaletto	086		G	10	1	100.00	95.99		100.00
Fondo Canaletto II	086		G	10	1	100.00	99.99		100.00
Fondo Donizetti	086		G	10	1	100.00	100.00		100.00
Fondo Euripide	086		G	10	1	79.00	79.00		100.00
Fondo Girolamo	086		G	10	1	83.67	83.67		100.00
Fondo Immobiliare Mantegna	086		G	10	1	100.00	99.56		100.00
Fondo Immobiliare Mascagni	086		G	10	1	100.00	100.00		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country [1]	Method [2]	Activity [3]	Relationship type [4]	% Direct and indirect shareholding	Group ratio [5]	% Voting rights at the shareholders' meeting [6]	% of consolidation
Fondo Immobiliare Schubert - comparto 1	086		G	10	1	100.00	96.45		100.00
Fondo Immobiliare Tiepolo	086		G	10	1	100.00	99.45		100.00
Fondo Immobiliare Toscanini	086		G	10	1	100.00	99.98		100.00
Fondo Innovazione Salute	086		G	10	1	81.47	81.47		100.00
Fondo Living Fund Italia	086		G	11	1	100.00	100.00		100.00
Fondo Perseide	086		G	10	1	84.52	84.52		100.00
Fondo San Zeno	086		G	10	1	67.90	67.90		100.00
Fondo Scarlatti - Fondo Immobiliare chiuso	086		G	10	1	82.87	82.83		100.00
Fortuna Lebens-Versicherungs AG	090		G	3	1	100.00	99.97		100.00
Fortuna Rechtsschutz-Versicherung-Gesellschaft AG	071		G	3	1	100.00	99.97		100.00
FTW Company Limited	072		G	4	1	90.57	90.43		100.00
Future Generali India Insurance Company Ltd	114		G	3	1	99.49	73.88		100.00
Future Generali India Life Insurance Company Ltd	114		G	3	1	74.00	73.88		100.00
Gconcierges S.A.S.	029		G	11	1	100.00	99.99		100.00
Gdansk Logistics 1	054		G	11	1	100.00	96.18		100.00
GDE Construcciones, S.L	067		G	11	1	100.00	99.99		100.00
GEDL-FI1 GmbH & Co. offene Investment KG	094		G	11	1	100.00	100.00		100.00
GEIH France OPCI	029		G	11	1	100.00	95.99		100.00
GEII Rivoli Holding SAS	029		G	10	1	100.00	95.99		100.00
Genagricola 1851 S.p.A.	086		G	11	1	100.00	100.00		100.00
General Securities Corporation of North America	069		G	9	1	100.00	99.47		100.00
Generali (Schweiz) Holding AG	071		G	4	1	100.00	99.97		100.00
Generali Alapkezelő Zártkörűen Működő Részvénytársaság	077		G	8	1	100.00	100.00		100.00
Generali Alpha Corp.	069		G	9	1	100.00	99.66		100.00
Generali Asia N.V.	050		G	4	1	100.00	99.84		100.00
Generali Assurances Générales SA	071		G	3	1	99.98	99.95		100.00
Generali Bank AG	008		G	7	1	100.00	99.95		100.00
Generali Befektetési Zrt	077		G	10	1	100.00	100.00		100.00
Generali Beteiligungs- und Vermögensverwaltung GmbH	008		G	4	1	100.00	99.95		100.00
Generali Beteiligungs-GmbH	094		G	4	1	100.00	100.00		100.00
Generali Beteiligungsverwaltung GmbH	008		G	4	1	100.00	99.95		100.00
Generali Biztosító Zrt.	077		G	2	1	100.00	100.00		100.00
Generali Brasil Seguros S.A.	011		G	3	1	100.00	100.00		100.00
Generali CEE Fund	040		G	11	1	100.00	99.77		100.00
Generali CEE Holding B.V.	050	275	G	4	1	100.00	100.00		100.00
Generali Česká distribuce, a.s.	275		G	11	1	100.00	100.00		100.00
Generali Česká Pojišťovna a.s.	275		G	2	1	100.00	100.00		100.00
Generali China Assets Management Company Co. Ltd	016		G	8	1	80.00	40.00		100.00
Generali China Life Insurance Co. Ltd	016		G	3	1	50.00	50.00		100.00
Generali Core High Street Retail Fund	092		G	10	1	100.00	99.56		100.00
Generali Core+ Fund GP	092		G	11	1	96.87	96.45		100.00

Participations in controlled entities

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Generali Core+ Soparfi S.à r.l.	092		G	11	1	100.00	96.45		100.00
Generali Deutschland AG	094		G	5	1	100.00	100.00		100.00
Generali Deutschland Finanzierungs-GmbH	094		G	10	1	100.00	100.00		100.00
Generali Deutschland Gesellschaft für bAV mbH	094		G	11	1	100.00	100.00		100.00
Generali Deutschland Krankenversicherung AG	094		G	2	1	100.00	100.00		100.00
Generali Deutschland Lebensversicherung AG	094		G	2	1	100.00	100.00		100.00
Generali Deutschland Services GmbH	094		G	11	1	100.00	100.00		100.00
Generali Deutschland Versicherung AG	094		G	2	1	100.00	100.00		100.00
Generali Ecuador Compañía de Seguros S.A.	024		G	3	1	52.82	52.82		100.00
Generali EM Fund	040		G	11	1	100.00	99.81		100.00
Generali Engagement Solutions GmbH	094		G	11	1	100.00	100.00		100.00
Generali España Holding de Entidades de Seguros S.A.	067		G	4	1	100.00	100.00		100.00
Generali España, S.A. de Seguros y Reaseguros	067		G	2	1	99.91	99.90		100.00
Generali Europe Income Holding S.A.	092		G	8	1	96.81	95.99		100.00
Generali European Real Estate Income Investments GmbH & Co. KG	094		G	10	1	100.00	100.00		100.00
Generali European Real Estate Investments S.A.	092		G	8	1	100.00	99.40		100.00
Generali European Retail Investments Holdings S.A.	092		G	8	1	100.00	99.40		100.00
Generali Finance spólka z ogranic oną odpowiedzialnością	054		G	11	1	100.00	100.00		100.00
Generali Financial Asia Limited	103		G	9	1	100.00	100.00		100.00
Generali Financial Holding FCP-FIS - Sub-Fund 2	092		G	11	1	100.00	99.81		100.00
Generali Finanz Service GmbH	094		G	11	1	100.00	100.00		100.00
Generali France S.A.	029		G	4	1	98.65	98.60		100.00
Generali Global Assistance Inc.	069		G	11	1	100.00	99.99		100.00
Generali Health Solutions GmbH	094		G	11	1	100.00	100.00		100.00
Generali Hellas Insurance Company S.A.	032		G	2	1	99.99	99.99		100.00
Generali High Street Retail Sàrl	092		G	11	1	100.00	99.56		100.00
Generali Horizon B.V.	050		G	9	1	100.00	99.84		100.00
Generali IARD S.A.	029		G	2	1	100.00	98.60		100.00
Generali Immobilien GmbH	008		G	10	1	100.00	99.95		100.00
Generali Insurance (Thailand) Public Co. Ltd	072		G	3	1	90.86	88.84		100.00
Generali Insurance AD	012		G	2	1	99.96	99.96		100.00
Generali Insurance Agency Company Limited	016		G	11	1	100.00	100.00		100.00
Generali Insurance Asset Management S.p.A. Società di Gestione del Risparmio	086		G	8	1	100.00	99.66		100.00
Generali Insurance Malaysia Berhad	106		G	3	1	100.00	69.89		100.00
Generali Investments CEE, Investiční Společnost, a.s.	275		G	8	1	100.00	100.00		100.00
Generali Investments Distribution Switzerland GmbH	071		G	11	1	100.00	99.66		100.00
Generali Investments Holding S.p.A.	086		G	9	1	100.00	99.66		100.00
Generali Investments Luxembourg S.A.	092		G	8	1	100.00	99.66		100.00
Generali Investments Partners S.p.A. Società di Gestione del Risparmio	086		G	8	1	100.00	99.89		100.00
Generali Investments Schweiz AG	071		G	8	1	100.00	99.66		100.00
Generali Investments SI, holdinška družba, d.o.o.	260		G	9	1	100.00	100.00		100.00

Participations in controlled entities

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Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A.	054		G	8	1	100.00	100.00		100.00
Generali Investments, družba za upravljanje, d.o.o.	260		G	8	1	100.00	100.00		100.00
Generali Italia S.p.A.	086		G	1	1	100.00	100.00		100.00
Generali Jeniot S.p.A.	086		G	11	1	100.00	100.00		100.00
Generali Life (Hong Kong) Limited	103		G	3	1	100.00	99.84		100.00
Generali Life Assurance (Thailand) Public Co. Ltd	072		G	3	1	94.25	92.08		100.00
Generali Life Assurance Philippines, Inc.	027		G	3	1	100.00	99.84		100.00
Generali Life Insurance Malaysia Berhad	106		G	3	1	100.00	69.89		100.00
Generali Luxembourg S.A.	092		G	2	1	100.00	98.60		100.00
Generali Malaysia Holding Berhad	106		G	9	1	70.00	69.89		100.00
Generali North American Holding 1 S.A.	092		G	11	1	100.00	98.60		100.00
Generali North American Holding 2 S.A.	092		G	11	1	100.00	99.89		100.00
Generali North American Holding S.A.	092		G	8	1	100.00	100.00		100.00
Generali Northern America Real Estate Investments GmbH & Co. KG	094		G	10	1	99.89	99.89		100.00
Generali Operations Service Platform S.r.l.	086		G	11	1	95.00	95.00		100.00
Generali Osiguranje d.d.	261		G	3	1	100.00	100.00		100.00
Generali Participations Netherlands N.V.	050		G	4	1	100.00	99.84		100.00
Generali Pensions- und SicherungsManagement GmbH	094		G	11	1	100.00	100.00		100.00
Generali Pensionsfonds AG	094		G	2	1	100.00	100.00		100.00
Generali penzijní společnost, a.s.	275		G	11	1	100.00	100.00		100.00
Generali Personenversicherungen AG	071		G	3	1	100.00	99.97		100.00
Generali Powszechne Towarzystwo Emerytalne S.A.	054		G	11	1	100.00	100.00		100.00
Generali Real Asset Multi-Manager	092		G	10	1	100.00	99.66		100.00
Generali Real Estate Asset Repositioning S.A.	092		G	11	1	100.00	99.45		100.00
Generali Real Estate Debt Investment Fund II Scsp Raif	092		G	11	1	100.00	99.83		100.00
Generali Real Estate Debt Investment Fund Italy (GREDIF ITA)	086		G	10	1	100.00	85.18		100.00
Generali Real Estate Debt Investment Fund S.C.Sp RAIF	092		G	11	1	85.55	85.18		100.00
Generali Real Estate Fund CEE a.s., investiční fond	275		G	9	1	100.00	100.00		100.00
Generali Real Estate Living Investment Fund	092		G	11	1	100.00	100.00		100.00
Generali Real Estate Logistics Fund S.C.S. SICAV-RAIF	092		G	10	1	96.89	96.18		100.00
Generali Real Estate S.p.A.	086		G	10	1	100.00	99.66		100.00
Generali Real Estate S.p.A. SGR	086		G	8	1	100.00	99.66		100.00
Generali Reaumur S.C.	029		G	10	1	100.00	98.60		100.00
Generali Retraite S.A.	029		G	2	1	100.00	98.60		100.00
Generali Romania Asigurare Reasigurare S.A.	061		G	2	1	99.97	99.97		100.00
Generali Saxon Land Development Company Ltd	031		G	11	1	100.00	99.58		100.00
Generali SCF Sàrl	092		G	11	1	100.00	99.60		100.00
Generali Seguros, S.A.	055		G	2	1	100.00	100.00		100.00
Generali Services Pte. Ltd.	147		G	11	1	100.00	99.84		100.00
Generali Shopping Centre Fund GP S.à r.l.	092		G	11	1	100.00	99.66		100.00
Generali Shopping Centre Fund S.C.S. SICAV-SIF	092		G	11	1	100.00	99.60		100.00

Participations in controlled entities

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Generali Sigorta A.S.	076		G	3	1	100.00	99.84		100.00
Generali Slovenská distribúcia, a.s.	276		G	11	1	100.00	100.00		100.00
Generali Societate de Administrare a Fondurilor de Pensii Private S.A.	061		G	11	1	100.00	100.00		100.00
Generali Towarzystwo Ubezpieczeń Spółka Akcyjna	054		G	2	1	100.00	100.00		100.00
Generali Türkiye Holding B.V.	050		G	4	1	100.00	99.84		100.00
Generali US Fund	040		G	11	1	100.00	99.87		100.00
Generali Versicherung AG	008		G	2	1	100.00	99.95		100.00
Generali Vie S.A.	029		G	2	1	100.00	98.60		100.00
Generali Vietnam Life Insurance Limited Liability Company	062		G	3	1	100.00	100.00		100.00
Generali WE Fund	040		G	11	1	100.00	98.86		100.00
Generali Welion S.c.a.r.l.	086		G	11	1	100.00	100.00		100.00
Generali Zakrila Medical and Dental Centre EOOD	012		G	11	1	100.00	99.96		100.00
Generali zavarovalnica d.d. Ljubljana	260		G	2	1	100.00	100.00		100.00
Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna	054		G	2	1	100.00	100.00		100.00
Generali-Ingatlan Vagyonkezelő és Szolgáltató Kft.	077		G	10	1	100.00	100.00		100.00
GenerFid S.p.A.	086		G	11	1	100.00	51.32		100.00
Genertel Biztosító Zrt.	077		G	2	1	100.00	100.00		100.00
Genertel S.p.A.	086		G	1	1	100.00	100.00		100.00
Genertellife S.p.A.	086		G	1	1	100.00	100.00		100.00
Genirland Limited	040		G	4	1	100.00	99.84		100.00
Gentum Nr. 1	094		G	11	1	100.00	100.00		100.00
GFA Caraïbes	029		G	2	1	100.00	98.60		100.00
GID Fonds AAREC	094		G	11	1	100.00	100.00		100.00
GID Fonds ALAOT	094		G	11	1	100.00	100.00		100.00
GID Fonds ALRET	094		G	11	1	100.00	100.00		100.00
GID Fonds AMLRET	094		G	11	1	100.00	100.00		100.00
GID Fonds AVAOT	094		G	11	1	100.00	100.00		100.00
GID Fonds AVAOT II	094		G	11	1	100.00	100.00		100.00
GID Fonds AVRET	094		G	11	1	100.00	100.00		100.00
GID Fonds CEAOT	094		G	11	1	100.00	100.00		100.00
GID Fonds CERET	094		G	11	1	100.00	100.00		100.00
GID Fonds DLAET	094		G	11	1	100.00	100.00		100.00
GID Fonds DLRET	094		G	11	1	100.00	100.00		100.00
GID Fonds GDRET	094		G	11	1	100.00	100.00		100.00
GID Fonds GVMET	094		G	11	1	100.00	100.00		100.00
GID Fonds GVRET	094		G	11	1	100.00	100.00		100.00
GID-Fonds AAINF	094		G	11	1	100.00	100.00		100.00
GID-Fonds ALAET	094		G	11	1	100.00	100.00		100.00
GID-Fonds CLRET	094		G	11	1	100.00	100.00		100.00
GID-Fonds CLRET 2	094		G	11	1	100.00	100.00		100.00
GID-Fonds GPRET	094		G	11	1	94.57	94.57		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country [1]	Method [2]	Activity [3]	Relationship type [4]	% Direct and indirect shareholding	Group ratio [5]	% Voting rights at the shareholders' meeting [6]	% of consolidation
GIE-Fonds AADMSE	094		G	11	1	90.18	90.18		100.00
GIE-Fonds AASBWA	094		G	11	1	100.00	100.00		100.00
GLL AMB Generali Bankcenter S.à.r.l.	092		G	11	1	100.00	100.00		100.00
GLL AMB Generali Cross-Border Property Fund FCP	092		G	9	1	100.00	100.00		100.00
GMMI, Inc.	069		G	11	1	100.00	99.99		100.00
GNAREH 1 Farragut LLC	069		G	10	1	100.00	99.47		100.00
GNAREI 1 Farragut LLC	069		G	10	1	100.00	99.47		100.00
GP Reinsurance EAD	012		G	5	1	100.00	100.00		100.00
GRE Barcelona Retail 1 SL	067		G	10	1	100.00	99.56		100.00
GRE PAN EU London 1 S.à r.l.	092		G	10	1	100.00	95.99		100.00
GRE PAN-EU Barcelona, S.L.	067		G	11	1	100.00	95.99		100.00
GRE PAN-EU Berlin 2 S.à r.l.	092		G	10	1	100.00	95.99		100.00
GRE PAN-EU Brussels 1 s.p.r.l.	009		G	11	1	100.00	95.99		100.00
GRE PANEU Cœur Marais SCI	029		G	10	1	100.00	95.99		100.00
GRE PANEU Fhive SCI	029		G	10	1	100.00	95.99		100.00
GRE PAN-EU Frankfurt 1 S.à r.l.	092		G	10	1	100.00	95.99		100.00
GRE PAN-EU FRANKFURT 3 Sarl	092		G	10	1	100.00	95.99		100.00
GRE PAN-EU Hamburg 1 S.à r.l.	092		G	9	1	100.00	95.99		100.00
GRE PAN-EU Hamburg 2 S.à r.l.	092		G	9	1	100.00	95.99		100.00
GRE PAN-EU Jeruzalemská s.r.o.	275		G	11	1	100.00	99.45		100.00
GRE PAN-EU Lisbon 1, S.A.	055		G	11	1	100.00	95.99		100.00
GRE PAN-EU Lisbon Office Oriente, S.A.	055		G	11	1	100.00	95.99		100.00
GRE PAN-EU LUXEMBOURG 1 Sàrl	092		G	10	1	100.00	99.56		100.00
GRE PAN-EU Madrid 2 SL	067		G	11	1	100.00	95.99		100.00
GRE PAN-EU Munich 1 S.à r.l.	092		G	9	1	100.00	95.99		100.00
GRE PAN-EU Prague 1 s.r.o.	275		G	11	1	100.00	95.99		100.00
GRE SC Italy	086		G	11	1	100.00	100.00		100.00
GRE SICAF Comparto 1	086		G	10	1	100.00	96.18		100.00
GREDIF Finance Sarl	092		G	10	1	100.00	85.18		100.00
GREDIF II ITA - GENERALI REAL ESTATE DEBT INVESTMENT FUND ITALY II	086		G	10	1	100.00	99.83		100.00
Green Point Offices s.r.o.	276		G	10	1	100.00	100.00		100.00
GRELIF DUTCH S.à r.l.	092		G	11	1	100.00	96.18		100.00
GRELIF SPV1 S.à r.l.	092		G	11	1	100.00	96.18		100.00
Grundstücksgesellschaft Einkaufszentrum Louisen-Center Bad Homburg mbH & Co. KG	094		G	10	1	100.00	100.00		100.00
Grupo Generali España, A.I.E.	067		G	11	1	100.00	99.90		100.00
Gulf Assist W.L.L.	169		G	11	1	74.62	74.62		100.00
GW Beta B.V.	050		G	4	1	100.00	99.90		100.00
Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales	067		G	10	1	100.00	99.90		100.00
HSR Verpachtung GmbH	008		G	10	1	100.00	84.96		100.00
Humadom S.a.r.l.	029		G	11	1	100.00	80.00		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country [1]	Method [2]	Activity [3]	Relationship type [4]	% Direct and indirect shareholding	Group ratio [5]	% Voting rights at the shareholders' meeting [6]	% of consolidation
IDEE s.r.o.	275		G	10	1	100.00	100.00		100.00
Immobiliere Commerciale des Indes Orientales IMMOCIO	029		G	10	1	100.00	98.60		100.00
Infranity S.A.S.	029		G	8	1	51.00	50.83		100.00
IRC Investments LLC	262		G	4	1	100.00	99.90		100.00
IWF Holding Company Ltd	072		G	4	1	99.98	94.51		100.00
Jeam S.A.S.	029		G	11	1	100.00	80.00		100.00
KAG Holding Company Ltd	072		G	4	1	100.00	95.36		100.00
Købmagergade 39 ApS	021		G	11	1	100.00	95.99		100.00
Krakow Logistics 2	054		G	11	1	100.00	96.18		100.00
Le Tenute del Leone Alato S.p.A.	086		G	11	1	100.00	100.00		100.00
Leone Alato S.p.A.	086		G	11	1	100.00	100.00		100.00
L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature	029		G	2	1	99.99	98.59		100.00
Lion River I N.V.	050		G	9	1	100.00	99.52		100.00
Lion River II N.V.	050		G	9	1	100.00	99.82		100.00
Living Fund Master HoldCo S.à r.l.	092		G	11	1	100.00	100.00		100.00
Loranze sp. z o.o.	054		G	11	1	100.00	95.99		100.00
Lumyna Investments Limited	031		G	8	1	100.00	99.66		100.00
Main Square S.a.r.l.	092		G	11	1	100.00	100.00		100.00
MGD Company Limited	072		G	4	1	90.57	90.43		100.00
MPI Generali Berhad	106		G	3	1	100.00	99.84		100.00
Mustek Properties, s.r.o.	275		G	10	1	100.00	100.00		100.00
Náměstí Republiky 3a, s.r.o.	275		G	10	1	100.00	100.00		100.00
NEC Initiative SAS	029		G	11	1	100.00	74.07		100.00
NKFE Company Limited	103		G	11	1	100.00	100.00		100.00
Office Center Purkyňova, a.s.	275		G	10	1	100.00	100.00		100.00
OFI GB1	029		G	10	1	100.00	98.60		100.00
OFI GR1	029		G	10	1	100.00	98.60		100.00
OPCI Generali Bureaux	029		G	10	1	100.00	98.60		100.00
OPCI Generali Residentiel	029		G	10	1	100.00	98.60		100.00
OPCI Parcolog Invest	029		G	10	1	100.00	98.60		100.00
OPPCI K Archives	029		G	10	1	100.00	95.99		100.00
OPPCI K Charlot	029		G	10	1	100.00	95.99		100.00
OPPCI Residential Living Fund	029		G	11	1	100.00	100.00		100.00
Palac Krizik a.s.	275		G	10	1	100.00	100.00		100.00
Palác Špork, a.s.	275		G	10	1	100.00	100.00		100.00
PAN EU IBC Prague s.r.o.	275		G	11	1	100.00	96.45		100.00
PAN EU K26 S.à r.l.	092		G	11	1	100.00	95.99		100.00
PAN EU Kotva Prague a.s.	275		G	11	1	100.00	99.45		100.00
Pankrác East a.s.	275		G	10	1	100.00	100.00		100.00
Pankrác West a.s.	275		G	10	1	100.00	100.00		100.00
PARCOLOG France	029		G	10	1	100.00	96.18		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country [1]	Method [2]	Activity [3]	Relationship type [4]	% Direct and indirect shareholding	Group ratio [5]	% Voting rights at the shareholders' meeting [6]	% of consolidation
Pařížská 26, s.r.o.	275		G	10	1	100.00	100.00		100.00
Pflegix GmbH	094		G	11	1	81.53	81.52		100.00
PL Investment Jerozolimskie I Spòlka Ograniczona Odpowiedzialnośćia	054		G	11	1	100.00	100.00		100.00
Plac M LP Spółka Z Ograniczoną Odpowiedzialnością	054		G	11	1	100.00	95.99		100.00
Plenisfer Investments S.p.A. SGR	086		G	8	1	70.00	69.76		100.00
Ponte Alta, SGPS, Unipessoal, Lda.	055		G	11	1	100.00	99.99		100.00
Preciados 9 Desarrollos Urbanos SL	067		G	10	1	100.00	95.99		100.00
Project Montoyer S.A.	009		G	11	1	100.00	95.99		100.00
Prudence Creole	029		G	2	1	96.01	94.67		100.00
PT Asuransi Jiwa Generali Indonesia	129		G	3	1	98.00	97.84		100.00
PT Generali Services Indonesia	129		G	10	1	100.00	98.60		100.00
Redoze Holding N.V.	050		G	9	1	100.00	99.92		100.00
Residenze CYL S.p.A.	086		G	10	1	66.67	66.67		100.00
Retail One Fund OPPCI	029		G	11	1	100.00	97.32		100.00
Retail One Fund SCSp RAIF	092		G	11	1	100.00	95.99		100.00
Ritenere S.A.	006		G	11	1	100.00	89.96		100.00
S.C. Genagricola Romania S.r.l.	061		G	11	1	100.00	100.00		100.00
Salobrena	054		G	11	1	100.00	96.18		100.00
Sarl Breton	029		G	10	1	100.00	98.60		100.00
Sarl Parcolog Lyon Isle d'Abeau Gestion	029		G	10	1	100.00	96.18		100.00
SAS IMMOCIO CBI	029		G	10	1	100.00	98.60		100.00
SAS Lonthènes	029		G	10	1	100.00	98.60		100.00
SAS Parcolog Lille Henin Beaumont 1	029		G	10	1	100.00	98.60		100.00
SAS Retail One	029		G	11	1	100.00	95.99		100.00
Savatiano s.p. z.o.o.	054		G	10	1	100.00	96.18		100.00
SC Commerce Paris	029		G	10	1	100.00	98.60		100.00
SC Generali Logistique	029		G	10	1	100.00	96.18		100.00
SC GF Pierre	029		G	10	1	100.00	98.60		100.00
SC Novatis	029		G	10	1	100.00	98.60		100.00
SCE Château La Pointe	029		G	11	1	100.00	98.60		100.00
SCI 18-20 Paix	029		G	10	1	100.00	98.60		100.00
SCI 204 Pereire	029		G	10	1	100.00	98.60		100.00
SCI 28 Cours Albert 1er	029		G	10	1	100.00	98.60		100.00
SCI 40 Notre Dame Des Victoires	029		G	10	1	100.00	98.60		100.00
SCI 42 Notre Dame Des Victoires	029		G	10	1	100.00	98.60		100.00
SCI 5/7 Moncey	029		G	10	1	100.00	98.60		100.00
SCI 6 Messine	029		G	10	1	100.00	98.60		100.00
SCI Berges de Seine	029		G	10	1	100.00	98.60		100.00
SCI Cogipar	029		G	10	1	100.00	98.60		100.00
SCI du 33 avenue Montaigne	029		G	10	1	100.00	98.60		100.00
SCI du 54 Avenue Hoche	029		G	10	1	100.00	98.60		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country [1]	Method [2]	Activity [3]	Relationship type [4]	% Direct and indirect shareholding	Group ratio [5]	% Voting rights at the shareholders' meeting [6]	% of consolidation
SCI du 68 rue Pierre Charron	029		G	10	1	100.00	95.99		100.00
SCI du Coq	029		G	10	1	100.00	98.60		100.00
SCI Espace Seine-Generali	029		G	10	1	100.00	98.60		100.00
SCI Galilée	029		G	10	1	100.00	98.60		100.00
SCI Generali Carnot	029		G	10	1	100.00	98.60		100.00
SCI Generali Commerce 1	029		G	10	1	100.00	98.60		100.00
SCI Generali Commerce 2	029		G	10	1	100.00	98.60		100.00
SCI Generali le Moncey	029		G	10	1	100.00	98.60		100.00
SCI Generali Wagram	029		G	10	1	100.00	98.60		100.00
SCI GRE PAN-EU 146 Haussmann	029		G	10	1	100.00	95.99		100.00
SCI GRE PAN-EU 74 Rivoli	029		G	10	1	100.00	95.99		100.00
SCI Issy Bords de Seine 2	029		G	10	1	100.00	95.99		100.00
SCI Issy Les Moulineaux	029		G	11	1	100.00	100.00		100.00
SCI Landy-Novatis	029		G	10	1	100.00	98.60		100.00
SCI Landy-Wilo	029		G	10	1	100.00	98.60		100.00
SCI Living Clichy	029		G	10	1	100.00	100.00		100.00
SCI Luxuary Real Estate	029		G	10	1	100.00	98.60		100.00
SCI Parc Logistique Maisonneuve 1	029		G	10	1	100.00	96.18		100.00
SCI Parc Logistique Maisonneuve 2	029		G	10	1	100.00	96.18		100.00
SCI Parc Logistique Maisonneuve 3	029		G	10	1	100.00	96.18		100.00
SCI Parc Logistique Maisonneuve 4	029		G	10	1	100.00	96.18		100.00
SCI Parcolog Bordeaux Cestas	029		G	10	1	100.00	96.18		100.00
SCI Parcolog Isle D'Abeau 1	029		G	10	1	100.00	96.18		100.00
SCI Parcolog Isle D'Abeau 2	029		G	10	1	100.00	96.18		100.00
SCI Parcolog Isle D'Abeau 3	029		G	10	1	100.00	96.18		100.00
SCI PARCOLOG ISLE D'ABEAU 4	029		G	10	1	100.00	96.18		100.00
SCI Parcolog Lille Hénin Beaumont 2	029		G	10	1	100.00	96.18		100.00
SCI Parcolog Marly	029		G	10	1	100.00	96.18		100.00
SCI Parcolog Messageries	029		G	10	1	100.00	96.18		100.00
SCI Retail One	029		G	10	1	100.00	97.32		100.00
SCI Saint Germain	029		G	10	1	100.00	100.00		100.00
SCI Saint Michel	029		G	10	1	100.00	98.60		100.00
SCI SDM	029		G	11	1	100.00	80.00		100.00
SCI Taitbout	029		G	10	1	100.00	98.60		100.00
SCI Thiers Lyon	029		G	10	1	100.00	98.60		100.00
SCIC Aide@Venir	029		G	11	1	94.45	75.56		100.00
SEGMAN Servicios y Gestión del Mantenimiento, S.L.	067		G	11	1	100.00	99.99		100.00
SIBSEN Invest sp. z o.o.	054		G	11	1	100.00	100.00		100.00
SISAL SRO	275		G	11	1	100.00	100.00		100.00
Small GREF a.s.	275		G	10	1	100.00	100.00		100.00
SO SPV 57 Sp. Z o.o.	054		G	11	1	100.00	95.99		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country [1]	Method [2]	Activity [3]	Relationship type [4]	% Direct and indirect shareholding	Group ratio [5]	% Voting rights at the shareholders' meeting [6]	% of consolidation
Sosteneo Società di Gestione del Risparmio S.p.A.	086		G	8	1	70.00	69.76		100.00
Suresnes Immobilier S.A.S.	029		G	10	1	100.00	98.60		100.00
Sycomore Asset Management S.A.	029		G	8	1	100.00	74.07		100.00
Sycomore Factory SAS	029		G	9	1	74.32	74.07		100.00
Sycomore Market Solutions SA	029		G	8	1	100.00	74.07		100.00
Synergies @Venir S.A.S.	029		G	11	1	94.45	75.56		100.00
Torelli S.à.r.l.	092		G	9	1	100.00	99.40		100.00
TS PropCo Ltd	092		G	10	1	100.00	95.99		100.00
TTC - Training Center Unternehmensberatung GmbH	008		G	11	1	100.00	74.97		100.00
Tua Assicurazioni S.p.A.	086		G	1	1	100.00	100.00		100.00
UMS - Immobiliare Genova S.p.A.	086		G	10	1	99.90	99.90		100.00
Urbe Retail Real Estate S.r.l.	086		G	11	1	100.00	55.86		100.00
UrbeRetail	086		G	10	1	55.87	55.86		100.00
Vàci utca Center Üzletközpont Kft	077		G	10	1	100.00	99.95		100.00
Vitadom S.r.l.	029		G	11	1	100.00	80.00		100.00
Vitalicio Torre Cerdà S.l.	067		G	10	1	100.00	99.90		100.00
Vivre & Domicile	029		G	11	1	100.00	80.00		100.00
VVS Vertriebsservice für Vermögensberatung GmbH	094		G	11	1	100.00	74.00		100.00

(1) Such information is required only if the operational headquarter Country differs from the registered office Country.

(2) Consolidation method: Line-by-line consolidation method =G; Line-by-line consolidation method arising from joint management = U.

(3) 1=Italian Insurance companies; 2=EU Insurance companies; 3=Non EU Insurance companies; 4=Insurance holding companies; 4.1 - Mixed financial holding companies; 5=EU Reinsurance companies; 6=non EU Reinsurance companies; 7=Banks; 8=Asset Management companies; 9=other Holding companies; 10=Real Estate companies; 11=Other.

(4) Type of relationship: 1=Majority of voting rights at the shareholders' meeting; 2=Significant influence at the shareholders' meeting; 3=Arrangements with other shareholders; 4=Other types of control; 5=Joint management as per Legislative Decree 209/2005, art. 96, paragraph 1; 5=Joint management as per Legislative Decree 209/2005, art. 96, paragraph 2.

(5) Net Group participation percentage.

(6) Voting rights at the shareholders' meeting, if different from direct shareholding, split by effective and potential voting rights.

Participations in joint-ventures and associated entities

Comapny	Operational headquarter Country (1)	Registered office Country	Activity (2)	Relationship type (3)	% Direct and indirect shareholding	Group ratio (4)	% Voting rights at the shareholders' meeting (5)
Joint-ventures:							
92 France		029	10	c	50.00	48.00	
BG Saxo SIM S.p.A.		086	8	c	19.90	10.21	
Bois Colombes Europe Avenue SCI		029	10	c	50.00	49.30	
Bonus Pensionskassen AG		008	11	c	50.00	49.97	
BONUS Vorsorgekasse AG		008	11	c	50.00	49.97	
Core+ France OPPCI		029	10	c	50.00	48.22	
EABS Serviços de Assistencia e Partecipaçoes S.A.		011	9	c	50.00	50.00	
Europ Assistance Brasil Serviços de Assistência S.A.		011	11	c	100.00	50.00	
Europ Assistance France S.A.S.		029	11	c	50.00	50.00	
Europ Téléassistance S.A.S.		029	11	c	100.00	50.00	
FG&G Distribution Private Limited		114	11	c	48.83	48.75	
Fondo Formenti - fondo comune di investimento immobiliare di tipo chiuso		086	11	c	50.00	50.00	
Fondo Mercury Centro-Nord		086	10	c	52.55	52.55	
Fondo Mercury Nuovo Tirreno		086	10	c	76.17	76.17	
Fondo Mercury Tirreno		086	10	c	51.01	51.01	
Fondo Rubens		086	11	c	50.00	48.00	
Fondo Sericon		086	10	c	50.00	48.00	
GRE PAN-EU Berlin 1 S.à r.l.		092	10	c	50.00	48.00	
GRE PAN-EU Frankfurt 2 S.à r.l.		092	10	c	50.00	48.00	
Holding Klege S.à.r.l.		092	9	c	50.00	49.70	
N2G Worldwide Insurance Services, LLC		069	11	c	50.00	50.00	
Ocealis S.A.S.		029	11	c	100.00	50.00	
ONB Technologies India Pvt Ltd		114	11	c	100.00	47.28	
ONB Technologies Pte. Ltd.		147	11	c	47.29	47.28	
ONB Technologies Singapore Pte Ltd		147	11	c	100.00	47.28	
PT ONB Technologies Indo		129	11	c	100.00	47.28	
Puerto Venecia Investments, S.A.U.		067	10	c	100.00	49.80	
SAS 100 CE		029	10	c	50.00	48.00	
Saxon Land B.V.		050	10	c	50.00	49.79	
SCI 11/15 Pasquier		029	10	c	50.00	49.30	
SCI 15 Scribe		029	10	c	50.00	49.30	
SCI 9 Messine		029	10	c	50.00	49.30	
SCI Daumesnil		029	10	c	50.00	49.30	
SCI Iris La Défense		029	10	c	50.00	49.30	
SCI Malesherbes		029	10	c	50.00	49.30	
SCI New Station		029	10	c	100.00	48.22	
Shendra Advisory Services Private Limited		114	11	c	47.96	47.88	
Sigma Real Estate B.V.		050	9	c	22.34	22.21	
Sprint Advisory Services Private Limited		114	11	c	47.96	47.88	
T-C PEP Property S.à r.l.		092	11	c	50.00	49.80	

Participations in joint-ventures and associated entities

Comapny	Operational headquarter Country (1)	Registered office Country	Activity (2)	Relationship type (3)	% Direct and indirect shareholding	Group ratio (4)	% Voting rights at the shareholders' meeting (5)
Top Torony Zrt.		077	11	c	50.00	50.00	
Viavita		029	11	c	100.00	50.00	
VUB Generali dôchodková správcovská spoločnosť, a.s.		276	11	c	44.74	44.74	
Zaragoza Properties, S.A.U.		067	10	c	50.00	49.80	
Associated entities:							
3 Banken-Generali Investment-Gesellschaft m.b.H.		008	8	b	48.57	48.55	
Aliance Klesia Generali		029	4	b	44.00	43.39	
Deutsche Vermögensberatung Aktiengesellschaft DVAG		094	11	b	40.00	40.00	
Fondo Ca' Tron Hcampus		086	10	b	59.76	59.76	
Fondo Fleurs RE		086	10	b	35.90	35.89	
Fondo Mercury Adriatico		086	10	b	33.97	33.97	
Fondo Yielding		086	10	b	45.00	43.20	
G3B Holding AG		008	9	b	49.90	49.87	
Generali China Insurance Co. Ltd		016	3	b	49.00	49.00	
Guotai Asset Management Company		016	8	b	30.00	30.00	
Initium S.r.l. in liquidazione		086	10	b	49.00	49.00	
Klesia SA		029	2	b	100.00	43.38	
Nama Trgovsko Podjetje d.d. Ljubljana		260	11	b	48.51	48.51	
Nextam Partners SIM S.p.A.		086	8	b	19.90	10.21	
ONB Technologies Malaysia SDN. BHD.		106	11	b	100.00	47.28	
Point Partners GP Holdco S.à r.l.		092	11	b	25.00	24.85	
Point Partners Special Limited Partnership		092	11	b	25.00	24.85	
Saneo Spółka Akcyjna		054	11	b	25.00	25.00	

(1) Such information is required only if the operational headquarter Country differs from the registered office Country.

(2) 1=Italian Insurance companies; 2=EU Insurance companies; 3=Non EU Insurance companies; 4=Insurance holding companies; 4.1 - Mixed financial holding companies; 5=EU Reinsurance companies; 6=non EU Reinsurance companies; 7=Banks; 8=Asset Management companies; 9=other Holding companies; 10=Real Estate companies; 11=Other.

(3) a=controlled entities (to be reported only in the Parent Company financial statements); b=associated entities; c=joint-ventures; entities under IFRS 5 to be marked with (*) and legenda to be reported below the table.

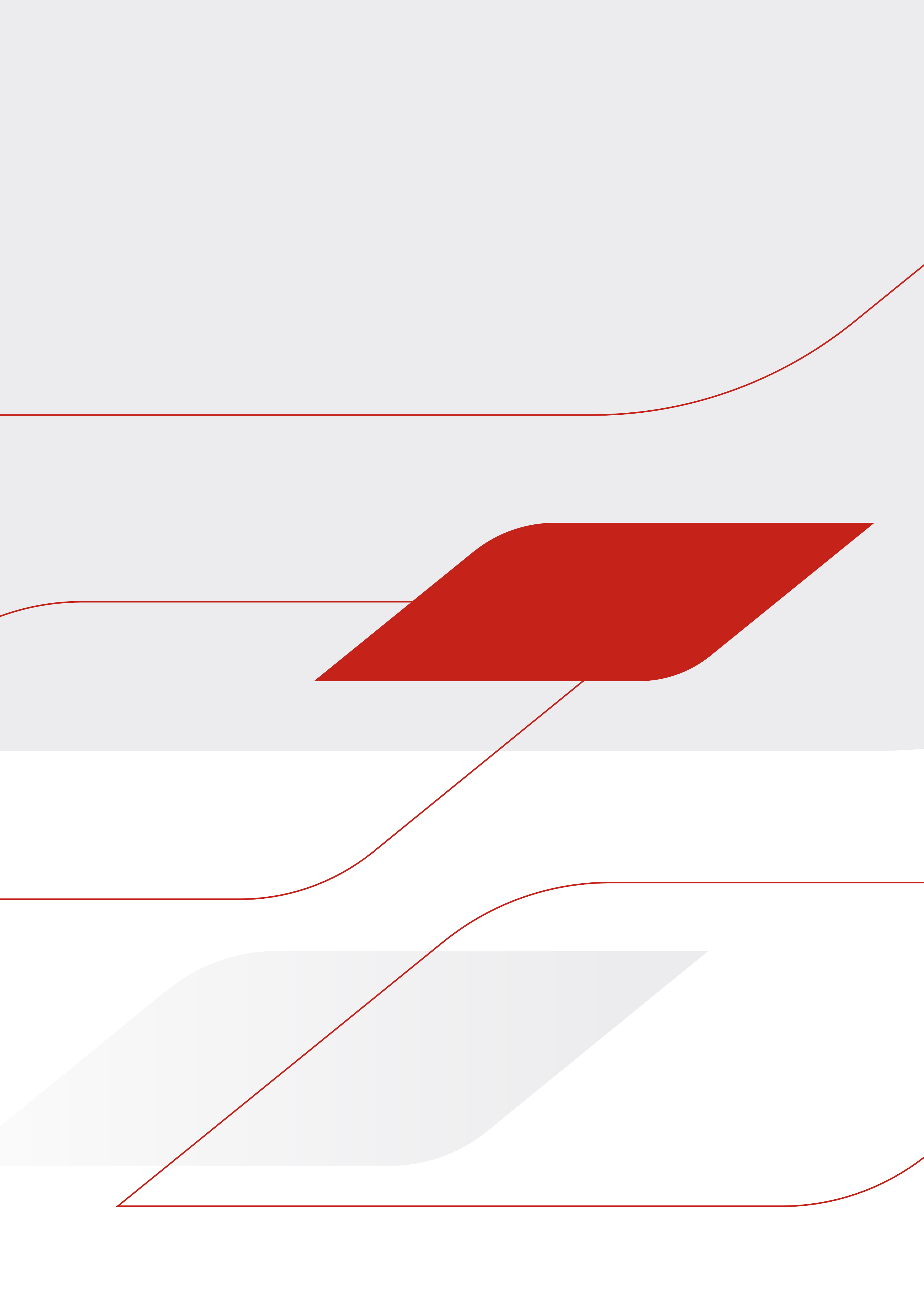
(4) Net Group participation percentage.

(5) Voting rights at the shareholders' meeting, if different from direct shareholding, split by effective and potential voting rights.

List of Countries

Country	Country code
ARGENTINA	006
AUSTRALIA	007
AUSTRIA	008
BAHRAIN	169
BELGIUM	009
BRAZIL	011
BULGARIA	012
CANADA	013
CHILE	015
CHINA	016
CROATIA	261
CZECH REPUBLIC	275
DENMARK	021
ECUADOR	024
FRANCE	029
GERMANY	094
GREECE	032
HONG KONG	103
HUNGARY	077
INDIA	114
INDONESIA	129
IRELAND	040
ITALY	086
JORDAN	122

Country	Country code
LIECHTENSTEIN	090
LUXEMBOURG	092
MALAYSIA	106
MONTENEGRO, REPUBLIC	290
NETHERLANDS	050
NEW CALEDONIA	253
PHILIPPINES	027
POLAND	054
PORTUGAL	055
ROMANIA	061
RUSSIAN FEDERATION	262
SERBIA	289
SINGAPORE	147
SLOVAKIA	276
SLOVENIA	260
SPAIN	067
SWITZERLAND	071
THAILAND	072
TURKEY	076
UNITED KINGDOM	031
UNITED STATES	069
VIETNAM	062



ATTESTATION AND REPORTS

Attestation to the Consolidated Financial Statements

pursuant to art. 154-bis, paragraph 5, of legislative decree of 24 February 1998, no. 58 and art. 81-ter of Consob regulation of 14 May 1999, no. 11971 as amended

Attestation of the Consolidated Financial Statements pursuant to art. 154-*bis*, paragraph 5, of legislative decree of 24 February 1998, no. 58 and art. 81-*ter* of Consob regulation of 14 May 1999, no. 11971 as amended

1. The undersigned, Philippe Donnet, in his capacity as Managing Director and Group CEO, and Cristiano Borean, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A. and Group CFO, having also taken into account the provisions of art 154-*bis*, paragraphs 3 and 4, of the Italian Legislative Decree no. 58 dated 24 February 1998, hereby certify:
   - the adequacy in relation to the characteristics of the Company and
   - the effective implementation

   of the administrative and accounting procedures for the preparation of the consolidated financial statements over the course of the period from 1 January to 31 December 2023.

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements as at 31 December 2023 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.

3. The undersigned further confirm that:

   3.1 the consolidated financial statements as at 31 December 2023:
   - a) are prepared in compliance with the applicable international accounting standards recognized by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and with the applicable provisions and regulations;
   - b) correspond to the related books and accounting records;
   - c) provide a true and fair representation of the financial position of the issuer and the group of companies included in the scope of consolidation;

   3.2 the management report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group companies included in the scope of consolidation and a description of the main risks and uncertain situations to which they are exposed.

Milan, 11 March 2024

Philippe Donnet *Managing Director and Group CEO*	Cristiano Borean *Manager in charge of preparing the Company's financial reports and Group CFO*
ASSICURAZIONI GENERALI S.p.A.	ASSICURAZIONI GENERALI S.p.A.

GLOSSARY

% of multi-holding customers: it measures the percentage of customers with two or more needs covered by Generali. The needs might be covered by more than one policy / riders or by one policy covering two or more insurance needs.

Absolute emissions of the investments in corporate issuers: greenhouse gas emissions associated to an investment portfolio, expressed as tons of CO_2 (tCO_2e) equivalent.
Formula:

$$\textit{Absolute emissions } (t) = \sum_{i=1}^{N} \textit{Emissions company}_i * \frac{\textit{Exposure AG}_{\textit{vs company } i}}{\textit{EVIC company}_i}$$

Definitions:
(t): Reference date (e.g. year-end 2021).
Emissions of company $_i$: tons of CO_2 (tCO_2e) equivalent emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{\text{in company } i}$: total investment in € million in the company *i* via the investment portfolio in scope (direct investments of the Group general account in corporate listed equity and bond).
EVIC of company $_i$: *Enterprise value including cash* of the company, in € million, measured as: market capitalization + preferred shares + minority shares + total debt.

Absolute emissions (production-based approach) of the investments in sovereign bonds: this metric measures the greenhouse gases associated to the investment portfolio, expressed as tons of CO_2 equivalent (tCO_2e).
Formula:

$$\textit{Absolute emissions } (t) = \sum_{i=1}^{N} \frac{\textit{Exposure of AG in sovereign bond}_i}{\textit{PPP-adjusted GDP of sovereign}_i} * \textit{Sovereign}_i \textit{ production emissions}$$

Definitions:
t): Reference date (e.g. year-end 2021).
Exposure of AG in sovereign bond $_i$: total investment in € million in the sovereign bond i via the investment portfolio in scope (direct investments of the Group general account in sovereign bonds).
PPP-adjusted GDP of sovereign $_i$: Purchase Power Parity (PPP)-adjusted Gross Domestic Product (GDP) of sovereign *i*, i.e. GDP adjusted by the PPP factor to improve the comparison between the actual size of the economies.
Sovereign $_i$ production emissions: tons of CO_2 equivalent (tCO_2e) produced in the country *i* according to the production-based approach.

Accessibility gap to variable remuneration between males and females: difference in percentage between males' and females' accessibility rate to variable remuneration across the entire organization.

Adjusted net result: please refer to the chapter *Methodological notes on alternative performance measures* for details.

Ageing and new welfare: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to trend of increasing life expectation and reducing birth rates that will make sizeable impacts on the financial sustainability of the social protection systems and might lead to reduced public welfare services. The aging of the population will also influence the job market and consumption, with effects on productivity and the intergenerational relations, with increased welfare costs borne by the working population.

Agent: es force within traditional distribution networks (exclusive agents, non-exclusive agents and employed sales force permanently involved in the activities of promoting and distributing Generali products).

Annual Premium Equivalent (APE): it is defined as new business annualized regular premiums plus 10% of single premiums.

Asset owner: who owns investments and bears the related risks.

Average duration of bond portfolio: it is the approximate percentage change in the price for a rate shift of 100 basis points, taking into account also changes in cash flows.

Average duration of financial debt: average residual economic maturity (remaining life of a debt instrument) considering the first call option date, if applicable, of liabilities included in the outstanding financial debt as of the reporting date, weighted by their nominal amount.

Average training hours per capita: it is the ratio between the total learning hours and the Group workforce.

Biodiversity degradation: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the rapid extinction of many animal and plant species, with an impoverishment of biological diversity and the gene pool, due to the land conversion, to the increase in pollution levels and to the climate change. The progressive collapse of the natural ecosystems represents a growing risk also for human health as it impairs the food chain, reduces resistance to pathogens and threatens the development of communities and economic sectors that strongly depend on biodiversity, such as farming, fishing, silviculture and tourism. In the face of this threat, the activism of civil society, regulatory pressure and the supervision of the authorities are growing, which broaden the responsibility of companies not only as regards their own operations, but also regarding their supply chain.

Business for Societal Impact (B4SI): it is an international standard for companies to report their activities in the community. The framework is internationally recognized and follows an Inputs-Outputs-Impact (IOI) logic, assessing community initiatives in terms of the resources committed (inputs) and the results achieved (outputs) and impacts.

Capitals: stocks of value as inputs to the business model. They are increased, decreased or transformed through the organization's business activities and outputs. The capitals are categorized in the International <IR> Framework as:

- financial capital: the pool of funds that is available to an organization for use in the production of goods or the provision of services, obtained through financing, such as debt, equity or grants, or generated through operations or investments;
- manufactured capital: manufactured physical objects (as distinct from natural physical objects) that are available to an organization for use in the production of goods or the provision of services;
- intellectual capital: organizational, knowledge-based intangibles;
- human capital: people's competencies, capabilities and experience, and their motivations to innovate;
- social and relationship capital: the institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being;
- natural capital: all renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organization.

Carbon intensity (EVIC) of the investments in corporate issuers: this metric measures the greenhouse gases associated to the investment portfolio, expressed as tons of CO_2 equivalent (tCO_2e) per € million invested, by using Enterprise Value Including Cash (EVIC) as normalization factor for the emissions.
Formula:

$$\text{Carbon Intensity (EVIC) } (t) = \sum_{i=1}^{N} \frac{\text{Emissions of company}_i}{\text{EVIC company}_i} * \frac{\text{Exposure of AG}_{\text{vs company } i}}{\text{Total AG portfolio in corporate issuers}}$$

Definitions:
(t): Reference date (e.g. year-end 2021).
Emissions of company $_i$: tons of CO_2 equivalent (tCO_2e) emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{\text{in company } i}$: total investment in € million in the company *i* via the investment portfolio in scope (direct investments of the Group general account in corporate listed equity and bond).
EVIC of company i: Enterprise Value Including Cash of the company, in € million, measured as: market capitalization + preferred shares + minority shares + total debt.
Total AG portfolio: total direct investment of the Group general account in corporate listed equities and bond, expressed in € million.

Carbon intensity (production-based approach) of the investments in sovereign bonds: this metric measures the greenhouse gases associated to the investment portfolio, expressed as tons of CO_2 equivalent (tCO_2e), divided by the total Assets Under Management of the investments in sovereign bonds, expressed in € million.
Formula:

$$\text{Carbon intensity } (t) = \frac{\sum_{i=1}^{N} \left(\frac{\text{Exposure of AG in sovereign bond}_i}{\text{PPP-adjusted GDP of Sovereign}_i} * \text{Sovereign}_i \text{ production emissions} \right)}{\text{Total AG portfolio in sovereign debt}}$$

Definitions:
(t): Reference date (e.g. year-end 2021).
Exposure of AG in sovereign bond $_i$: total investment in € million in the sovereign bond *i* via the investment portfolio in scope (direct investments of the Group general account in sovereign bonds).
PPP-adjusted GDP of sovereign $_i$: Purchase Power Parity (PPP)-adjusted Gross Domestic Product (GDP) of sovereign *i*, i.e. GDP adjusted by the PPP factor to improve the comparison between the actual size of the economies.
Sovereign $_i$ production emissions: tons of CO_2 equivalent (tCO_2e) produced in the country *i* according to the production-based approach.
Total AG portfolio in sovereign debt: total direct investment of the Group general account in sovereign bonds, expressed in € million.

Carbon intensity (sales) of the investments in corporate issuers: this metric measures the greenhouse gases associated to the investment portfolio, expressed as tons of CO_2 equivalent (tCO_2e) per € million invested, by using sales as normalization factor for the emissions.
Formula:

$$\text{Carbon intensity (sales) } (t) = \sum_{i=1}^{N} \frac{\text{Emissions company}_i}{\text{Sales company}_i} * \frac{\text{Exposure AG}_{\text{vs company } i}}{\text{Total AG portfolio in corporate issuers}}$$

Definitions:
(t): Reference date (e.g. year-end 2021).
Emissions of company $_i$: tons of CO_2 equivalent (tCO_2e) emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{\text{vs company } i}$: total investment in € million in the company *i* via the investment portfolio in scope (direct investments of the Group general account in corporate listed equity and bond).
Sales of company $_i$: sales of the company *i* for the year *t*.
Total AG portfolio: total direct investment of the Group general accounts in corporate listed equities and bond, expressed in € million.

Cash and cash equivalents: they are cash and highly-liquid short-term financial investments (readily convertible in specific amounts of cash which are subject to an irrelevant risk of change in value). Furthermore, this asset class includes also short-term deposits and money-market investment funds, which are included in the Group liquidity management.

Change in healthcare: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the transformation of the healthcare systems due to demographic, technological and public policy evolution, leading to a higher demand for increasingly advanced patient-centric healthcare services, with growing healing and quality treatment expectations. That means that the level of sophistication and of healthcare service cost is growing, with an increasing integration of the public offer with private sector initiative.

Changing nature of work: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the transformation in the labour market due to new technologies, the globalisation and the growth of the service industry which are a leading to the spread of a flatter and more fluid organisation of work, as the diffusion of agile and flexible working arrangements, the job rotation and smart working solutions show. Self-employed workers and freelance collaborations are also on the rise versus a stagnation of employment, which make the labour market less rigid but also more precarious, irregular and discontinuous. In terms of changes in the real economy, the number of SMEs is increasing in Europe and we are witnessing a restructuring of the traditional industrial sectors and the globalization of the production processes with an increased complexity of the supply chains.

Climate change: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to global warming due to the emissions rise of greenhouse gases coming from human activities, which is intensifying extreme natural events such as floods, storms, rise in sea level, drought, wildfire and heat waves, with repercussions on the natural ecosystems, human health and the availability of water resources. The policies and efforts required to limit global warming to below 1.5°C through the decarbonisation of the economy will lead to radical changes in the production and energy systems, transforming especially carbon-intensive activities, sectors and countries and encouraging the development of clean technologies. As effective as these efforts may be, some changes will be inevitable, therefore making strategies to adapt and to reduce the vulnerability to the changing climate conditions necessary.

Climate change adaptation: the process of adjustment to actual or expected climate and its effects (IPCC AR5). Economic activities contributing to climate change adaptation are described in Annex II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation).

Climate change mitigation: a human intervention to reduce the sources or enhance the sinks of greenhouse gases (GHGs) (IPCC AR5). Economic activities contributing to climate change mitigation are described in Annex I of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation).

Climate-related perils: chronic and acute events related to temperature, wind, water and solid mass that are projected to increase in frequency and severity due to climate change (EEA, 2017&2020).

Companies operating in the thermal coal sector (identified as customers):
- companies for which over 20% of revenues derive from coal;
- companies for which over 20% of electricity's production derive from coal;
- companies for which the installed coal electricity generation capacity is greater than 5 GW;
- companies that extract more than 10 million tons of coal per year;
- companies actively involved in building new coal capacity (new mines and/or new coal power generation plants) and/or new coal-dedicated transport infrastructure.

Companies operating in the unconventional oil and gas sector (identified as issuers):
- tar sands fossil fuels: companies generating more than 5% of their revenues from tar sands extraction or companies operating in controversial oil sands pipelines;
- Arctic oil and gas: companies generating more than 10% of their revenues from upstream activities related to oil/gas exploration and production in the Arctic region;
- oil and gas extracted through fracking: companies generating more than 10% of their revenues from upstream activities related to the production of shale oil and gas.

Companies operating in the unconventional weapons sector: companies that are directly involved in armaments and weapons that violate basic humanitarian principles through their normal use. Direct involvement includes the use, development, production, acquisition, stockpiling, or trade of controversial weapons or their key components/services.

Combined ratio (CoR): it represents a profitability indicator of the P&C segment. The numerator includes:
- the insurance service expenses (total incurred claims and insurance expenses);
- the other operating income and expenses and;
- the result of reinsurance held.

The denominator consists of the insurance contract revenues (gross of reinsurance held).

Contractual Service Margin (CSM): reflects the estimate of the unearned profit in the group of insurance contracts that has not yet been recognized in profit or loss at each reporting date, because it relates to future service to be provided.

CSM expected return: it is defined as the sum of the unwinding of the CSM at the beginning of the period and the additional return related to the expected realization of real-world assumptions in excess of the risk-free returns.

CSM release: it refers to the amount of CSM liabilities recognised to profit or loss in line with the service provided during the reporting period.

Current Year Best Estimate Loss Ratio: it is a further detail of the combined ratio calculated as the ratio of:
- gross current year incurred claims (including related claims management costs) + discounting effect + onerous contract effects + risk adjustment on current year claims + current year costs of reinsurance held; and
- gross insurance contract revenue.

Customer: either a physical person or a legal entity that holds at least one active insurance policy and pays a premium to Generali accordingly, a banking product or a pension fund product (the policy/the product is either with Generali, or other non-Generali local brand, or white labelled).

Digital revolution and cybersecurity: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the technological innovations introduced by the fourth industrial revolution, including big data, artificial intelligence, the Internet of Things, automation and block chain which are transforming the real economy and the social habits with the spread of services featuring a high level of customization and accessibility. The digital transformation requires new know-how and skills, resulting in a radical change of traditional jobs and in the appearance of new players on the market. The growth in complexity, interdependence and speed of innovation of the new digital technologies are posing challenges associated with the security of IT systems and infrastructures.

Earnings per share: it is equal to the ratio of Group net result and to weighted average number of ordinary shares outstanding.

Employees: all the Group direct people at the end of the period, including managers, employees, sales attendants on payroll and auxiliary staff.

Engagement rate: it is a measure that summarizes people's belief in company goals and objectives (rational connection), their sense of pride (emotional connection) and their willingness to go the extra mile to support success (behavioural connection). It is an index composed by the average result of six specific questions included in the Group Engagement Surveys.

Entities working hybrid: they are the organizational entities that are implementing hybrid work models in line with the Group Next Normal Principles.

Equal pay gap: it is the difference between males' and females' base salary for the same work or work of equal value, calculated applying an advanced data analytics model based on multiple regression. If the result is positive, the gap shows that the gender male is the most compensated; vice-versa, if the result is negative, the gap shows that the gender female is the most compensated.

Equity investments: they are direct investments in quoted and unquoted equity instruments, as well as investment funds that are mainly exposed to equity investments, including private equity and hedge funds.

ESG: acronym which qualifies aspects related to the environment, social and corporate governance.

Financial asset: any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments.

Financial assets linked to technical reserves whose investment risk is borne by the policyholders, to financial liabilities arising from investment contracts, and to reserves arising from pension fund management: they are investments included in the balance sheet statement, consisting of financial assets linked to unit/index-linked policies and arising from the management of investment contracts, and related cash or liabilities of a nature similar to investments, such as derivative liabilities.

Financial debt: it includes consolidated financial liabilities other than those under operating debt, i.e. subordinated liabilities, bond issues, and other loans obtained such as liabilities incurred in connection with a purchase of controlling interests.

Financial liability: any liability that is:

- a contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments.

Fixed income instruments: they are direct investments in government and corporate bonds, loans, term deposits other than those presented as cash and cash equivalents, and reinsurance deposits. This asset class also includes investment funds that are mainly exposed to investments similar to direct investments presented within this asset class and/or with a similar risk profile.

Fulfillment Cash Flows (FCF): they are the sum of the Present Value of Future Cash Flows (PVFCF) and the Risk Adjustment (RA).

Gender pay gap: it is the difference between males' and females' median base salary across the entire organization regardless of the roles. It is calculated as a percentage of the difference between males' salary minus females' salary, divided by the males' salary. If the result is positive, the gap shows that the gender male is the most compensated; vice-versa, if the result is negative, the gap shows that the gender female is the most compensated.

General account investments: they are investments reported in the financial statements (excluding financial assets categorized as unit/index-linked contracts and deriving from investment contract management) and cash and cash equivalents. They also include some liabilities, with features similar to investments, among which derivative liabilities referred to the investment portfolio and repurchase agreements (REPOs).

General Measurement Model (GMM): it is the default measurement model for all contracts without direct participation features.

Geopolitical and financial instability: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the weakening of multilateralism and of the traditional global governance mechanism that are leading to increased tension between countries and to the resurgence of trade protectionism and populism. Associated with the changing geopolitical balance - with complex cause and effect relationships - is the worsening of macroeconomic conditions. The weakening of the initiative of the traditional political institutions is compensated by the emergence of coalitions and global coordination mechanisms promoted by the private sector and civilian society.

GHG emissions of GRE portfolio: they are greenhouse gas (GHG) emissions calculated based on the consumption data collected and reviewed at building level. GHG emissions are consolidated in tons of CO_2 equivalent (tCO_2e) and divided into three categories:
- Scope 1: direct GHG emissions originating from sources owned or controlled by the Group. This category includes emissions deriving from fossil fuel consumption attributed to the landlord.
- Scope 2: indirect GHG emissions from energy consumption. This category includes emissions related to electricity consumption and district heating and cooling purchased by the landlord;
- Scope 3: other indirect GHG emissions deriving from sources not owned or controlled by the Group. This category includes emissions produced by the tenants' electricity consumption.

GHG intensity of GRE portfolio: it is the ratio between total greenhouse gas (GHG) emissions and the surface of the correspondent portfolio, i.e. the area covered by the fluid producing CO_2. It is expressed as kilograms of CO_2 equivalent per square meter ($KgCO_2e/m^2$).

GRE portfolio aligned to the CRREM pathway: it represents the percentage of GRE portfolio in terms of market value, which is aligned at the end of the year to the decarbonisation pathway defined by CRREM (Carbon Risk Real Estate Monitor).The indicator is calculated using the following information at asset (building) level:
- GHG intensity;
- annual CRREM target.

Gross direct written premiums: they are the gross written premiums of direct business.

Gross written premiums (GWP): please refer to the chapter *Methodological notes on alternative performance measures* for details.

Increasing inequalities: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the growing gap in the distribution of wealth between social groups and - more in general - the polarisation in accessing self-determination opportunities. These trends are accompanied with a decline in social mobility, leading to a protracted permanence in the state of poverty and exclusion, mainly related to the socio-economic conditions of the household of origin.

Insurance exposure to fossil fuel sector: it refers to direct premiums from:
- property, engineering and marine coverage of coal assets related to companies of the coal sector and/or
- underwriting risks related to oil and gas (conventional and unconventional) exploration/extraction (upstream segment) and midstream infrastructure of oil and gas extracted through fracking and/or from tar sands, if not marginal to the client's core business (less than 10% of the value of covered assets).

Insurance solutions with ESG components - environmental sphere:
- products offering coverages and services dedicated to sustainable mobility and/or with reduced environmental impact, including coverages offered to customers that, thanks to their driving style, can contribute to reducing CO_2 emissions. This category includes insurance products dedicated to electric and hybrid vehicles, and those rewarding low annual mileage and responsible driving behaviour, also thanks to the use of telematics, or those designed for other means of transport, such as bikes, scooters, etc.;
- products specifically designed to answer to coverage needs against natural and climate risks. Risk prevention and reduction represent a key factor in these cases;
- products covering risks connected with the production of renewable energies. These kinds of products are designed to cover equipment for the production of renewable energy, to guarantee reimbursement of damage caused by atmospheric events to solar and photovoltaic panels, or similar systems, which can be integrated with guarantees to protect against loss of profit deriving from the interruption or decrease of the production of electricity;
- products targeting sudden and accidental pollution, such as third party liability policies. These solutions, for instance, provide reimbursement of expenses for urgent and temporary interventions aimed at preventing or limiting the recoverable damage. In some countries, the restoration of the polluted site is guaranteed in order to protect environment and biodiversity;
- products supporting the certified measures taken to improve the energy efficiency of buildings. In some cases, consultancy is provided to customers to identify possible solutions for optimizing energy consumption, thus reducing the environmental impact;
- products supporting companies dealing with materials recovery/recycling and/or start-ups that manage shared services platforms, etc..

Insurance solutions with ESG components - social sphere:
- products aimed at enabling and enhancing social inclusion, focusing on the disadvantaged and vulnerable sector of the population, like the young, the elderly, the disabled, the migrants. To this category also belong those products that respond to specific negative life events, such as disability, loss of independency, unemployment, dread diseases, etc., or to different lifestyle needs subsequently, for instance, to the termination of the employment relationship;
- products that integrate or supplement the public health service, designed to help manage the costs of treatment and assistance, as well as the reduction in earnings of customers in the event of serious illnesses or the loss of self-sufficiency;
- products that promote responsible and healthy lifestyles, leveraging on the opportunities provided by new technologies, the importance of preventive healthcare or other virtuous behaviours of policyholders. To this category also belong those Life investment products that allow customers to invest insurance premiums into financial assets also with ESG components.

Integrated report: concise communication that illustrates how the strategy, governance, performance and future prospects of an organization, in the external environment in which it operates, are used to create value in the short, medium and long term.

Investment contracts: they are contracts that have the legal form of an insurance contract but, as they do not substantially expose the insurer to a significant insurance risk (e.g. the mortality risk or similar insurance risks), cannot be classified as such. These contracts are recognized as financial liabilities.

Investment properties: they are direct investments in real estate held in order to receive rent or to achieve targets for capital appreciation, or for both reasons. This asset class also includes investment funds that are mainly exposed to real estate investments.

Investments in Digital & Technology: they are investments for the initiatives in the Technology, Data & Digital (TDD) program, among which initiatives for Smart Automation, security, digital tools and Data, Analytics & AI.

Liability for Incurred Claims (LIC): it is the insurance liability representing the fulfilment cash flows related to incurred claims (past service).

Liability for Remaining Coverage (LRC): it is the insurance liability representing the sum of fulfilment cash flows related to future services and of CSM. In case of PAA application, the LRC is valued as the difference between premium received and insurance acquisition cash flows.

Whistleblowing reports on the Group Code of Conduct: they are allegations of potential breaches of the Group's Code of Conduct that are managed in accordance with the Group's Process on managing reported concerns. They do not include customer complaints.

Migrations and new households: ESG factor monitored by the Group; it refers to the migration phenomena and increased international mobility that are broadening the cultural diversity of the modern globalised societies and are transforming the preferences and market of the consumers, the workplace and the political debate. Also the profile of modern family is profoundly changing with a significant increase in households made up of only one person and in single-parent families due to greater women emancipation, growth in separations, longer life expectation and urbanisation. As a result, consumption habits, the distribution of resources and the social risk mitigation mechanisms are changing, and the vulnerability of the single-person households to situations of hardship - such as loss of employment or disease - is growing.

New Business Margin (NBM): it is a performance indicator of the new business of the Life segment, equal to the ratio of NBV to PVNBP. The margin on PVNBP is intended as a prospective ratio between profits and premiums.

New Business Value (NBV): it represents the expected value created within the Group by the new insurance and investment contracts issued over the reporting period. It is the sum of the following items (net of taxes, minority interests and cost of external reinsurance):

- New Business CSM, including potential loss component, according to the definition of IFRS 17;
- the value of short-term business not included in CSM and the value of investment contracts falling under IFRS 9;
- look-through profits emerging outside the Life segment (mostly related to fees paid to internal asset managers).

Full-year NBV is calculated as the algebraic sum of the NBV for each quarter, each of which is calculated based on beginning-of-period operating and economic assumptions.

Net inflows: it is an indicator of cash flows generation of the Life segment. It is equal to the amount of premiums collected net of benefits paid.

Operating debt: it includes all the consolidated financial liabilities related to specific balance sheet items from the consolidated financial statements. This category also includes liabilities stated by the insurance companies against investment contracts and liabilities to banks and customers of banks belonging to the Group.

Operating result: please refer to the chapter *Methodological notes on alternative performance measures* for details.

Other investments: participations in non-consolidated companies, associated companies and joint ventures (JVs), derivative investments and receivables from banks and customers, the latter mainly related to banking activities by some Group companies.

Outcomes: the internal and external consequences (positive and negative) for the capitals as a result of an organization's business activities and outputs.

Return on investments: iplease refer to the chapter *Methodological notes on alternative performance measures* for details.

Pandemics and extreme events: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to the fact that the population concentration and the deficiencies in population protection and emergency management mechanisms are increasing the risks associated with extreme events, such as earthquakes and tsunamis, pandemics and health emergencies as well as other man-made catastrophes such as technological, radiological incidents, and terrorism. A strengthening of the system to prevent, prepare for and respond to these events is required in order to increase the resilience of the affected territories and communities.

Polarization of lifestyle: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the enhanced awareness of the connection between health, living habits and the environmental, which is favouring the spread of healthier lifestyles, based on the prevention and proactive promotion of well-being, especially in the higher income and higher education social groups. Examples of this are the growing attention to healthy eating and to physical activity. However, amongst the more vulnerable social brackets, unhealthy lifestyles and behaviours at risk are continuing, if not actually increasing, with the spread of different forms of addiction (drugs, alcohol, tobacco, compulsive gambling, Internet and smartphone addiction), mental discomfort, sleep disorders, incorrect eating habits and sedentariness, with high human and social costs related to healthcare expenditure, loss of production and early mortality.

Premium Allocation Approach (PAA): it is the simplified method for the measurement of insurance contracts. It can be applied for contracts having a coverage period shorter than one year or when the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the GMM.

Present Value of Future Cash Flows (PVFCF): it is the discounted and probability weighted estimate of future cash flows.

Present Value of New Business Premiums (PVNBP): it is the present value of the expected future new business premiums, allowing for lapses and other exits, discounted to point of sale using reference rates.

Prior Year Loss Ratio: it is a further detail of the combined ratio calculated as the ratio of:
- gross previous year incurred claims (including related claims management costs) + experience variance and change in assumptions on LIC + changes in previous year risk adjustment + previous year cots of reinsurance held; and
- gross insurance contract revenue.

Projects dedicated to the thermal coal sector (non-listed investments in the infrastructure asset class through project financing): projects dedicated to coal mining, coal transport, and coal power generation.

Projects dedicated to the unconventional oil and gas sector (non-listed investments in the infrastructure asset class through project financing): projects dedicated to upstream, midstream and downstream activities for unconventional oil and gas: tar sands; oil and gas extracted through fracking and from the Arctic region.

Regulatory complexity: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the increase in the production of laws and regulatory mechanisms especially for the financial sector, in order to regulate its complexity and to share the fight against illegal economic activities with the sector's participants. Therefore, the costs for guaranteeing regulatory compliance and the need for greater integration and simplification of the governance systems are increasing.

Relationship Net Promoter Score, Relationship NPS: it is an indicator calculated from customer research data. A pre-defined market representative sample is surveyed on a quarterly base. Specifically, customers are asked to assess their likelihood to recommend Generali to their friends, colleagues and family members, using a scale from 0 to 10. Thanks to this feedback, the company is able to identify detractors (rating from 0 to 6), passives (rating of 7 or 8) and promoters (rating of 9 or 10). In order to calculate the RNPS, the percentage of detractors is deducted from the percentage of promoters. The RNPS is not expressed as a percentage but as an absolute number.
At each wave, at least 200 Generali customers and as many customers of our European international peers (AXA, Allianz and Zurich) are surveyed per market to guarantee the robustness of the data surveyed.

Relevant personnel: it refers to general managers with strategic tasks, the Heads and the highest-level personnel of the Key Functions and the other categories of personnel whose activity can have a significant impact on the company risk profile in accordance to IVASS Regulation no. 38/2018, art. 2, paragraph 1, letter m).

Resource scarcity and sharing economy: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the increase in world population and the excessive exploitation of natural resources such as soil, land water, raw materials and food resources that make the transition to circular and responsible consumption models necessary as they reduce the resources use and the waste production. Technological innovation and the spread of more sustainable lifestyles encourage the spread of new consumption and production patterns based on reuse and sharing, such as car sharing, co-housing, co-working and crowdfunding.

Risk Adjustment (RA): corresponds to the component of the insurance liability that captures the uncertainty the entity bears on the amount and timing of cash flows arising from non-financial risk.

Solvency Ratio: it is the ratio of the Eligible Own Funds to the Group Solvency Capital requirement, both calculated according to the definitions of the SII regime. Own funds are determined net of proposed dividend. The ratio has to be intended as preliminary since the definitive Regulatory Solvency Ratio will be submitted to the supervisory authority in accordance with the timing provided by the Solvency II regulations for the official reporting.

Stranded asset: invested assets that may lose their economic value in advance of the expected duration, due to regulatory changes, market forces, technological innovation, environmental and social problems associated with the transition to a low-carbon economy. They are typically associated with the coal and fossil fuel sector, with an indirect impact on the utilities and transport sectors.

Sustainable Development Goals (SDGs): 17 objectives contained in the 2030 Agenda for sustainable development, launched by the United Nations.

Taxonomy-aligned economic activity: an economic activity that is described in Annexes I and II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation) adopted pursuant to Regulation EU 2020/852 and that meets all of the technical screening criteria laid down in those Annexes.

Taxonomy-eligible economic activity: an economic activity that is described in Annexes I and II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as

Taxonomy Climate Delegated Regulation) adopted pursuant to Regulation EU 2020/852 irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those Annexes.

Third-Party Assets Under Management (TP AUM): assets managed by the Group on behalf of its institutional and retail clients, and of insurance companies and pension funds. These assets are held off the balance sheet.

Training investment: it includes all direct costs for formal learning (e.g. salaries and travel costs of teaching and non-teaching training staff, non-salary development and delivery costs of training initiative, etc.), with the exception of participants' attendance, travel and accommodation costs, participants' and internal subject matter experts cost of lost work time while engaged in learning, etc..

Transparency and purpose-driven businesses: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the fact that key stakeholders of companies - such as investors, consumers and employees, especially in Europe and with particular reference to the Millennials - are ever more attentive and demanding on the purpose and the sustainability practices of companies. Also, the regulatory requirements for companies in terms of reporting and transparency are increasing, making it increasingly essential that a company demonstrate its ability to create value for all of its stakeholders, going beyond the shareholders. The growing number of benefit companies, cooperatives and social enterprises stands as proof of this trend.

Undertakings not obliged to publish non-financial information: undertakings that are not obliged to publish non-financial information in line with the directive EU 2014/95, which are not subject to disclosure obligations relating to EU Taxonomy-aligned activities.

Undiscounted Combined ratio (CoR): it excludes the discounting effect on LIC.

Unmediated access to information: ESG factor monitored by the Group; it refers to the increasing speed, ease and amount of information shared between people, governments and companies thanks to the diffusion of new communication technologies, social media and web platforms. In this way, knowledge is increasingly accessible, multi-directional, intergenerational and on a global scale, and is transforming how people form opinions and mutually influence each other. The traditional sources of information, such as newspapers, schools, parties and religious institutions, are undergoing a resizing of their role in mediating knowledge, with consequences for control of the reliability of the information circulated and for manipulating public opinion, as evidenced by the fake news phenomenon.

Upskilled employees: employees of the Group who have been successfully reskilled on sustainability, Next Normal, new business/digital and behavioral skills.

Urbanization: ESG factor monitored by the Group; it refers to the trend of human population concentrating in urban areas. Today over 70% of Europeans live in cities, and the amount should rise to above 80% by the year 2050. At the same time, over the years land consumption to convert natural land into urbanised areas has accelerated. Together with their expansion, the cities find themselves having to take up increasingly urgent challenges, such as social inclusion in the outskirts and the lack of adequate housing, congestion and air pollution. Considerable investments will therefore be necessary for urban regeneration and to modernise infrastructure and mobility systems based on a more sustainable planning.

Variable Fee Approach (VFA): it is the measurement model for insurance and investment contracts with direct participation features.

Weighted average cost of debt: it is the annualized cost of financial debt considering the nominal amount of the liabilities at the reporting date and the related transactions of currency and interest rate hedging.

Women and minorities inclusion: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the growing demands for greater inclusion and empowerment of the diversities related to gender, ethnic group, age, religious belief, sexual orientation and disability conditions in the various areas of social life, from the workplace to that of political representation and public communication. The topic of women empowerment and reducing the gender pay and employment gaps has taken on particular emphasis. However, in the face of these trends an increase in forms of intolerance, social exclusion and violence is noted, particularly against women, ethnic and religious minorities, immigrants and LGBTQI+ people and those with mental-physical disabilities, especially in the lower income and lower education social brackets.

Women in strategic positions: women in Group Management Committee positions, Generali Leadership Group positions and their first reporting line.

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