Slide commentary
(These notes represent a commentary to IFRS 17&9 Induction presentation and should be read jointly with it)

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IFRS 17 & 9 INDUCTION

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Slide 4 – Agenda IFRS 17 & IFRS 9

The aim today is to update on the implementation and expected impact of the transition to IFRS 17/9 in terms of financial statements, disclosures and KPIs.

Starting from 2023, IFRS 17 and IFRS 9 will replace IFRS 4 and IAS 39. The formal reporting under IFRS 17 and IFRS 9 will not start until the beginning of next year. Any figures and estimates presented in the next slides are preliminary, indicative, unaudited and subject to change. Therefore these figures have to be considered as such and more details are available at slide 52 of the presentation.

Slide 6 – Key messages

The most important point to bear in mind is that the new accounting standards will have no impact on Cash and Capital Generation, Net Holding Cash Flow, Dividends and Solvency. The new accounting standards are also more closely aligned with the underlying fair value and best estimates principles of Solvency 2.

The second key message is that our Shareholders Equity will be broadly stable at transition. This is thanks to a better reflection of the economic value under IFRS 17 that has not been entirely visible under IFRS 4. With this new accounting standard, there is further confirmation of the conservative approach taken by Generali in the way accounting policies were applied over the years.

The third key message: the Contractual Service Margin – or CSM – at transition is expected to be around 33 billion Euro, reflecting the profitability of in-force business. One way to illustrate this is to compare the Life CSM at transition to our Group's market cap.

A fourth important message is that IFRS 17 will significantly improve the visibility and predictability of profit emergence in the Life business. This will lead to fewer one-offs and other non-recurring effects that often impacted the Life numbers under IFRS 4. This development is welcome because it will enable people to better appreciate and evaluate our Life business.

The fifth key message is about P&C. The new accounting standard is likely to make the P&C operating result more volatile. It is expected that the business mix will mitigate this effect, primarily thanks to three factors:

1) The exposure to shorter tail business lines reduces the sensitivity to interest rate changes

2) Lower presence in Commercial lines
3) The way NatCat exposure is managed through reinsurance

Furthermore - in a general context where P&C will be more volatile – the balanced Group business mix provides comfort about the impact of this higher P&C volatility on the overall Group's result.
And finally, the operating result is going to remain broadly stable. This is why 2 out of the 3 key strategic targets in our 2022-2024 Plan are purely cash-based, and therefore unaffected by the transition to the new accounting standards.

Slide 7 – IFRS 17/9 journey
The IFRS 17 & 9 journey as moving into 2023 is here presented. At the YE 2022 results on March 14th, the opening balance under IFRS 17&9 will be provided.
By the end of April 2023, a first set of comparative figures under IFRS 17 & 9 will be shared. The first quarter 2022 figures will be explained in more detail, providing with a clear starting point to work from for the first quarter 2023 estimates.
At the half year results in August full supplementary information under IFRS 17 & 9 will also be provided.

Slide 9 – Balance sheet comparison: IFRS 4, IFRS 17/9 AND S2
Having an accounting standard for the insurance sector that more closely resembles the Solvency 2 regulatory framework will be a material and lasting benefit from the transition to IFRS 17/9.
There will be an economic evaluation of assets and liabilities much more consistent with Solvency 2 as well as a representation of future profits in the balance sheet that can now be bridged effectively with the Value in Force component of the Solvency 2 Own Funds.

Slide 10 – Main accounting and valuation choices
Slide 10 provides an overview of the key accounting choices made and the rationales behind those choices.
First, on Investments, the vast majority of fixed income portfolio as well as equities not backing the VFA business are classified at Fair Value through Other Comprehensive Income. Clearly, the choice here was driven by a desire to reduce earnings sensitivities to market factors. The Real Estate investments backing the VFA business are also calculated at Fair Value to achieve economic matching between assets and liabilities.
Transition Approach: this is a topic that warrants close attention. It should be underlined that the requirements for the full retrospective approach are very demanding for long term business.
The best way to look at this is the transition approach between the Modified Retrospective

Approach versus the Fair Value. The Group will apply the MRA wherever possible. Almost 95% of technical provisions have a transition under the full or the modified retrospective approach. The FV approach was used mainly for selected run-off portfolios. Using MRA primarily and a very small share of Fair Value where appropriate ensures an alignment to the Present Value of Future Profits of the underlying business – and more continuity between the Transition valuation and the new business after Transition date.

On the discount rate the so-called bottom-up approach was applied, with an illiquidity premium added to the risk-free curve. This is the best way to maintain alignment with the Solvency 2 framework.

Finally, on the percentile approach, the 75th percentile will be used, continuing our usual Group's prudent stance on reserving.

At the nine months 2022 conference call, it was already mentioned that P&C best estimate reserves were reinforced by 630 million Euro during 2022. While there may be limits to comparing the percentiles used by different companies, the 75th percentile is a prudent approach to reserving for the Group.

Slide 11 – General Account investments under IFRS 9

This slide looks at the changes brought in by IFRS 9, which is the new accounting standard for investments.

IFRS 9 should be looked in alignment with IFRS 17 because IFRS 17 makes disciplined Asset & Liability matching even more important than previously. The implementation of IFRS 9 is also related to how liabilities move. The chart gives an overview on the changes from the IAS 39 to IFRS 9.

First of all, the vast majority of the assets will be booked at Fair Value through OCI or at amortized cost. There is going to be an increase in the share of assets booked at Fair Value through the P&L from 4% to 23%. However, 23% should not be looked as something that will as a whole bring more volatility to the P&L. The share of investments leading to P&L volatility will not grow significantly. The reason is that 85% of the investments booked at Fair Value through P&L are related to the VFA portfolios. For this reason the Mark to Market volatility will not directly impact the P&L, as it will be absorbed by the changes in the CSM. The significant exposure to investments linked to life portfolios will mitigate the P&L volatility linked to the introduction of IFRS9.

Over the past 3 years, the Investments Department had gradually reduced the exposure to fixed income instruments not passing the so-called SPPI test. This preparatory work has been clearly beneficial but the journey will continue in 2023 and beyond, with a focus on P&C portfolios, to further insulate the P&L from financial markets volatility.

An important point to be aware of is that General Account asset managers have received an Expected Credit Loss or ECL budget for the past 3 years. The idea was to define a glide path for the credit portfolio to get to 2022 with a desired ECL impact. This effort has also had the benefit of timing as we entered 2022 – a year during which credit spreads widened significantly

– with a high quality credit portfolio.

A final remark is that this new accounting standard significantly reduces the amount of impairments to be seen in any given year. The Group has historically seen a larger dilution in the journey from Operating to Pre-Tax Profit compared to peers, and to some extent this was linked to impairments.

To sum up on this point, the introduction of IFRS 9 will provide a clear benefit, also in light of the adjusted net result approach described in a few slides

Slide 12 – Simplified accounting of real estate and private equity

An additional perspective on IFRS 9 on something that often is seen as a distinguishing element of Group's asset allocation, the exposure to Real Estate and Private Equity. As mentioned on previous earnings calls there are two key elements:

- The move to the new accounting framework will lead to the emergence of a significant amount of unrealised gains in Real Estate, where almost 85% of the assets will be measured at Fair Value and the remainder at cost.
- Private Equity will be measured entirely at Fair Value in the segment in which the result is generated. Looking to the slide, there is not going to be any impact at transition on Shareholders' Equity.

The Real Estate & Private Equity holdings held by portfolios measured with VFA will effectively record the Fair Value changes in the CSM. The revised segment presentation will reflect the contribution from Real Estate and Private Equity directly in the insurance and in the Asset & Wealth Management segments with a resulting decrease in the segment "Holding and Other". This will translate in an expected reduction in consolidation adjustments by around 60%.

Slide 13 – IFRS 17 measurement models

On slide 13 it can be seen that for the Life Business, the VFA model was applied for the vast majority of portfolios. More specifically, almost all the Life portfolios in Italy, France and Germany will apply the VFA model. Given the importance of the VFA model in Group's implementation of IFRS 17, further detail are available on this in the Life section later in this presentation.

On the P&C side, 99% of the portfolios will apply the PAA approach, which will ensure continuity in terms of financial reporting.

Slide 14 – Transition approach

While the Retrospective Approach was applied to the vast majority of portfolios, it's important to appreciate that the Fair Value approach was used just for a tiny portion of Life business, primarily for portfolios in run-off.

On the P&C portfolios there will be a CSM of between 0.5bn and 1.0 bn Euro related to the funeral business in Spain.

Slide 15 – Discounting

IFRS 17 is an actuarial intensive accounting standard and actuarial discounting is a key part of it. In line with peers, a bottom-up approach was chosen to define the discount curve, adding an illiquidity premium to the risk-free rate. This is a key area where the consistency with the Solvency 2 framework is in place. At Generali, a strong effort was made to align the discount curve as far as possible to the Solvency 2 curve, introducing at the same time some specific enhancements aimed at achieving a better economic representation of portfolios. In particular, looking at the VFA business, it can be noticed that the illiquidity premium takes into consideration both the asset mix of each specific legal entity and the duration of the underlying portfolio. This contrast with what currently happens within Solvency 2, where it is based on a standard reference portfolio and a fixed application ratio. This will help to avoid artificial volatility that would otherwise affect Balance Sheet and P&L, especially in case of credit spreads widening.

Slide 16 – Risk adjustment

Risk adjustment is one of the defining features of IFRS 17. It reflects the uncertainty that arises from non-financial risks. Within the calibration of the risk adjustment, the Solvency 2 internal model approach was used and thus generally applied a 75th percentile for both Life and P&C. This is a conservative approach and one that will maintain Group's prudent reserving going forward. The charts on this slide show a comparison of the Risk Adjustment under IFRS 17 to the Risk Margin under Solvency 2 for both Life and P&C.

Slide 18 – Resilient Shareholders' equity

IFRS 17 will unlock some value in the Balance Sheet currently hidden under IFRS 4. The reference is specifically to the conservative approach traditionally implemented when accounting for acquisition costs, reserving and the valuation of directly owned Real Estate allocated to the Life portfolios. The expectation is to have Shareholders' Equity at transition broadly in line with IFRS 4, with a slight reduction in Life compensated by an increase in P&C. To be noted that both the Equity represented in the slide, under IAS 39/IFRS 4 and the one under IFRS 17/9 are before minorities.

Slide 19 – Bridge with S2 Own Funds

To provide a visual representation of the bridge from IFRS 17/9 Equity to the Solvency 2 Own Funds, slide 19 shows the various moving parts. For the sake of simplicity, taking the sum of

the Shareholders Equity and the CSM, the intangibles need to deducted, being not recognised as an Asset under Solvency 2. The net balance of the difference between the Marked to Market of assets and liabilities have to be added and the impact of deferred taxes neutralised. It is important to remember that Own Funds also include subordinated debt.

Slide 20 – Focus on financial leverage

The implementation of IFRS 17 will also be beneficial for the way in which Generali is perceived in the credit market. It should be reminded that the Group has not defined a leverage ratio target. For the past 3 years a regulatory gearing ratio was preferred – which at YE 21 was slightly below 20%. This was done anticipating that the transition to a new accounting standard would have possibly implied a significant revision of the way rating agencies and market participants look at leverage. While waiting for an official revision of the rating agencies methodologies, it should be highlighted, for example, that Fitch has said preliminarily that they plan to include the CSM net of tax in the denominator of their Financial Leverage Ratio. From this slide, on a simple IFRS leverage ratio, Group's IFRS 17 gearing – including both the shareholders equity and the Net CSM in the denominator - would be 10ppts lower compared to where it was at YE 21 under IFRS 4.

Slide 22 – Key messages on life

The transition to IFRS 17 represents a great opportunity for the Group as the new accounting standard will provide a more predictable view of the Life operating result. IFRS 17 will also be more closely aligned to the economic reality of the business.

The NBM and NBV were disclosed for several years but with IFRS 4 there was no simple way to link them to the Life Operating Result. IFRS 17 is an opportunity to demonstrate the contribution of Group' strong NBV to the Life Operating Result.

The broad application of the VFA model implies a smoother earnings profile. Compared to IFRS 4, the Life operating result will be less affected by one-off dynamics that clouded the picture and made historical comparisons more difficult.

Another important aspect is that IFRS 17 will provide analysts and investors with a clear view of the contribution of the new business to the CSM development and therefore to the P&L. Of course, Life will witness a more profound change compared to P&C in terms of accounting representation but over time it will make things much clearer. It will be a transition to a better world, where accounting and economic reality talk to each other and where accounting and regulatory figures will be more consistent and more comparable. In light of this, the expectation is that the introduction of IFRS 17 will be beneficial to the appraisal of our Life business.

Slide 23 – How VFA works

As seen on previous slides, at Generali under IFRS-17, Life basically means VFA so some

time is needed to explain how VFA works. VFA is the compulsory model for long-term participating business, including Unit Linked and Traditional savings products, where the payments to policyholders are linked to underlying items.

The VFA model allows to better reflect contracts that provide investment-related services. The model was designed to avoid the type of artificial volatility that flows through the P&L and/or OCI by applying the General Model. This means that there will be an alignment in the financial result of the financial income received from the underlying assets with the financial revaluation of the insurance contracts liabilities. There are 3 key important points that to be shared in this regard:

1. At each reporting date, the CSM includes the current accounting measurement of unearned financial and insurance profits
2. In contrast to the GM, where the CSM is re-adjusted only for changes in operating risk factors, in the VFA model the CSM is re-adjusted also for changes in financial variables. All these changes are amortized during the coverage period according to service provided, hence mitigating P&L volatility as a result.
3. Actual financial income (both in P&L and OCI) are fully mirrored by changes of insurance liabilities, and all the profit emerges as a release of CSM in the insurance service result.

Given the duration of Group's business, this amortisation element offers a powerful mitigation element of the year-to-year volatility, as changes in both technical and financial assumptions will flow through the CSM for all long-term participating business.

Slide 24 – CSM roll forward & release

One of the key areas of analysis in the IFRS 17 world will be the CSM development. The opening balance of the CSM will be increased by the new business contribution, which will be determined primarily by the quality of the new production as well as by the volume component. This is important because in the past high-quality underwriting and GWP were not directly linked to the Life Operating Result. Going forward they will be linked and the new business contribution from CSM is likely to be a key area where analysts and investors will look to assess the operating trends of the Life business.

The Operating Variances are related to experience and assumption changes. Fundamentally, the contribution from Operating Variances should be on average zero, with years of positive contribution offset by other years of negative contribution.

The CSM then grows thanks to the interest accretion on the discounted stock of profit (using current rates for the portfolios under VFA and locked-in rates for portfolios under the GM model) and also thanks to the expected systematic variance due to the realization of real-world returns.

Based on these drivers, therefore, the stock of CSM before release is expected to grow by more than 10% in a normal year.

The CSM total release includes both the release of the expected systematic variance

attributed to the reporting year, and the quota of the opening balance (plus new business and variances) released in line with the service provided during the year. So when considering that the total release ratio is expected to be in a range between 8% and 10%, these percentages should be applied to the sum of the initial CSM balance, the contribution of the new business, the interest accretion on the discounted stock of profit and variances.
Once the CSM release is done, the process would end up with the closing balance CSM.

Slide 25 – Life operating result

The Life Operating result has 2 key components: the Operating Insurance Service Result and the Operating Investment Result. From the chart, the vast majority of the Operating Insurance Service Result comes from the CSM release and Release of Risk Adjustment. These are both stable and predictable items, since profit emerging from Life will become smoother, more predictable and more stable compared to IFRS 4. In the past, the Life Operating Result was also often impacted by one-off items that are unlikely to be seen in the IFRS 17 world.
Loss component and experience variance will be difficult to forecast with an outside view but are likely to be overall negligible. The loss component is expected going forward to be contained by Group’s discipline on new business and prudent assumptions on transition.
The operating investment result will also be a fairly predictable portion of the Life operating result. It will primarily come from the non-participating business and from shareholders’ funds, but it will also include the unwinding of the discount from the non-participating business.

Slide 26 – Life New Business Value (NBV)

With the new accounting standards - given the focus on the CSM development – it was decided to review and adapt Group’s definition of Life New Business Value. This was done by linking it very closely to the new IFRS 17 world and in particular with the New Business CSM. To provide a complete and correct view of the Life New Business, some elements that are not directly emerging from the New Business CSM were included in the new KPI; more specifically, the value of business measured under PAA, investment contracts falling under IFRS-9 and the look-through profits coming from funds managed by the Group. And then, for consistency with the previous KPI, taxes and minorities were deducted.
In this way, continuity with the current KPI was also granted: basically the new KPI differs from the current KPI mainly in terms of economic assumptions and contract boundaries definition – which are now aligned to IFRS 17 - and due to the move from the cost of capital and non hedgeable risks concept to the new risk adjustment.

Slide 28 – Key messages on P&C

First, almost all of P&C business will be accounted for using the Premium Allocation Approach. Thanks to the application of the PAA, there will be only limited changes compared to IFRS 4.

A second important message relates to the Liability for Incurred Claims – or LIC – which is a new technical term for the P&C business under IFRS 17. The LIC will be aligned with the Solvency 2 Best Estimate Liabilities. Once again, having an accounting standard that is consistent with Group's regulatory framework is a positive development. The difference between the P&C LIC under IFRS 17 and the one under IFRS 4 is mostly attributable to the discounting and to the reserve adequacy.

The third key message is that the introduction of IFRS 17 will make the P&C operating result more sensitive to interest rates, because of the discounting element. This means that the longer the duration of the P&C business, the higher the sensitivity to changes in interest rates. On this topic, the relatively short duration of our P&C book should be highlighted.

The final key message is that the Combined Ratio calculation will change, in line with the IFRS 17 requirements and to allow for more comparability with main peers. This change, however, has no impact on the P&C operating result.

Slide 29 – IFRS 17 LIC: reconciliation with IFRS 4 / S2

Taking a more detailed look at the Liability for Incurred Claims, or LIC, under IFRS 17 on slide 19. The IFRS 4 reserves for P&C are not discounted and they include an element of reserve adequacy. So, to obtain the IFRS 17 Liability for Incurred Claims, the impact of the discounting needs to be deducted, eliminate the reserve adequacy over the best estimate and then add the risk adjustment, that reflects the uncertainty that arises from non-financial risks. The 2 billion perimeter adjustment in the chart is mainly related to annuities liabilities stemming from Non-Life contracts.

The importance of the alignment with Solvency 2 deriving from the new accounting standard should also be reiterated. This is something that will also shape the way the business is steered and measure its performance.

Slide 30 – P&C operating result

This slide focuses on the Operating Insurance Service Result. This is similar to the underwriting result under IFRS 4, or similar to the IFRS 4 technical result net of the other operating income and expenses. While GWP will no longer be a required reporting item, it will be still published as a top-line KPI. GWP will be replaced by the Insurance contract revenues, which is similar to Gross Earned Premiums.

The total incurred claims will be derived from the sum of the current year losses discounted at current rates, the prior year development and the net effect of change in the risk adjustment, which is expected to be marginal and subject to the underlying business mix and growth.

All insurance expenses will also be deducted from the Insurance Contract Revenues and this is also where the non-directly attributable costs will be factored in.

The loss component reflects the immediate loss from onerous contracts as well as possible recoveries from them. For very short tail businesses – think about Motor Own Damage for

example – the loss component is primarily a short-term representation of the economic dynamics of the business. The amount of Loss Component is relatively small in Group's balance sheet (lower than € 250m at transition). The Loss Component will impact the Operating Result through the net change compared to the previous year, so this impact is expected to be negligible.

IFRS 17 also requires companies to display the result of the reinsurance held.

The operating insurance service result divided by the Gross insurance contract revenues gives the underwriting margin. The combined ratio is equal to 1 – the underwriting margin.

Slide 31 – P&C COR IFRS 17

On this slide a bridge between the IFRS 4 and the IFRS 17 Combined Ratio is shown as well as the formulae under IFRS 4 and IFRS 17. First of all, there is the change in the denominator, using gross insurance revenues under IFRS 17 compared to net earned premium under IFRS 4. Second, the numerator includes all expenses, also the non-directly attributable expenses that are not currently reported in our COR. It is important to emphasize that the inclusion of these expenses in the COR is only a representation element and does not impact the P&C operating result, since these costs were already taken into consideration under IFRS 4. A key element to be highlighted: there has been a lot of discussion at the CFO Forum on the inclusion of these expenses in the numerator. At Generali, the so-called "fully loaded COR view" will be applied, including all these expenses in the numerator. This provides a comprehensive view of the Operating Insurance Service Result of P&C segment as well as of the combined ratio. This new approach will also ensure comparability between Group's combined ratio and that of main peers. The combination of the move from a net to a gross denominator and the inclusion of the non-directly attributable expenses in the numerator are expected together to lead to an optical increase in the reported COR of around 2 percentage points from IFRS 4 COR to IFRS 17 COR, with no impact on the operating result over the cycle as – once again – this is only a representational element.

The current year loss ratio will benefit from the discounting effect and from the best estimate reserving approach; it may potentially also record any losses and recoveries from possible onerous contracts. The Prior Year Development will benefit less than previously from the release of prudency, due to the derecognition of reserve adequacy at Transition. Over the cycle, the change in risk adjustment is expected to be overall neutral, resulting in a shift between Current Year and Prior Year, depending on business mix and growth. Finally, the changes on the current year and prior year are expected to broadly offset each other.

Slide 32 – P&C operating investment result

The P&C operating investment result will be broadly in line with the current definition. The main change is the introduction under IFRS 17 of the Insurance Finance Expense, which reflects the unwinding of insurance liabilities at the rates locked-in at inception. This dynamic,

especially over the cycle, will broadly offset the discounting effect that is part of the Insurance Service Result. This means that the mix between underwriting and investment result will change compared to the IFRS 4 framework but with no material impact on the overall level of operating result generated by the P&C segment across the cycle. Realized gains and losses and market movements reported in the P&L are not part of the Operating Investment Result, as they will be classified as non-operating items.

Slide 34 – Reported net result vs adjusted net result

The most important effect of the introduction of IFRS 17 and 9 on Group's KPIs is that, starting from 2023, the reported net result used for the EPS CAGR target will be adjusted for the following 3 new elements:

1. The amortization of intangibles related to M&A transactions. On this specific point, it should be highlighted that there will not be adjust any impairment on goodwill.
2. The volatility stemming from the Mark to Market of assets at Fair Value through Profit and Loss held in non participating business and shareholders funds.
3. The P&L impact of the application of hyper inflation accounting.

These adjustments will come on top of the adjustment for gains and losses on business acquisitions or disposals, including restructuring costs incurred in the related M&A year, that are already part of Group's shared framework.

Slide 35 – Impact of IFRS 17/9 on 2024 targets & financial KPIs

The 2 summary tables provide here with an overview of what will be the implications of the new accounting standards.

It should be reminded that Group's Lifetime Partner 24: Driving Growth Plan has 3 key strategic targets and 2 of them are cash-based targets, namely Net Holding Cash Flow in excess of 8.5bn and cumulative dividend payments of between 5.2bn and 5.6bn for the period 2022-2024.

These 2 targets are not affected by the introduction of IFRS 17 and 9. This is one of the reasons why they were chosen, to enable these two KPIs to be independent from the transition to the new accounting standards. Also, the third strategic target, the adjusted EPS CAGR of 6-8%, is confirmed under IFRS 17 and 9.

Slide 37 – Final remarks

A reminder of the key points about the transition to IFRS 17 and 9:

1. No expected impact on cash and capital generation, net holding cash flow, dividends and solvency as these are not impacted by the new accounting standards

2. Shareholders equity expected to be broadly stable at transition
3. CSM expected to be around 33bn, reflecting the profitability of the in-force business
4. The new accounting standard expected to lead to improved visibility and predictability of profits in the Life Business
5. P&C operating result expected to be more volatile
6. The operating result expected to remain broadly stable

Some closing thoughts.

IFRS 4 created a gap between the accounting and the economic reality of the insurance business. During 2022, we have seen this gap magnified in the Balance Sheet by the move in interest rates. The transition to IFRS 17 should be welcome, as these dynamics will be addressed under the new regime but also because it is an accounting standard more closely aligned with our Solvency 2 regulatory framework.
At Generali, IFRS 17 is seen as an opportunity to better represent the value embedded in Group's Life business. Life results will be more predictable, with a smoother earnings profile compared to what seen under IFRS 4. This accounting standard will enable analysts and investors to fully appreciate the economic value of the Life business, removing some of the opacity discount that has affected this segment in the past. As mentioned, under IFRS 4 there was no simple way to link New Business Margin and New Business Value to the Life Operating Result. With IFRS 17 there will be clearer and more informative view of the link between New Business Value and the Life Operating Result. It is interesting that Life CSM net of taxes and minorities is not distant from Group's market cap.

- On the P&C front, the operating result will be more volatile but there are 4 reasons to be relatively relaxed about this:
- Group's P&C exposure is mostly short tail, hence less sensitive to interest rates changes;
- second, the client base is mostly retail and SME, avoiding the volatility that is likely to be seen in Corporate and Commercial;
- there is also a lower exposure to Nat Cat, thanks to Group's reinsurance strategy;
- finally, the business composition between Life and P&C is balanced, and this will contain the volatility from the latter.